



QUARTERLY UPDATE

April - June 2021



US Masters
Residential
Property Fund

31 August 2021

Executive Summary

We welcome investors to the US Masters Residential Property Fund's (URF or Fund) Quarterly Report for the period 1 April 2021 to 30 June 2021.

This Quarterly Report is provided alongside the Fund's half year financial accounts for the six months ending 30 June 2021. These results culminated in a total comprehensive profit of A\$31.7 million for the half year, highlighted by a US\$16.8 million increase in value for the 1-4 Family Portfolio (up 2.7%), led by strong performances in the New Jersey Workforce and Bedford-Stuyvesant (New York) regions.

During the quarter, the Fund also made substantial progress on its strategic plan, driven by the settlement of over US\$41.1m in property sales across 22 transactions. This is the third consecutive quarter of record sales volume for the Fund, and is beginning to transition the Fund to the final stages of the sales program started in 2019. During Q2 the asset sales facilitated debt repayments of US\$27.9 million, and we are expecting to fully repay the Global Atlantic Bridge loan by the end of Q3 2021, well in advance of its maturity date. Doing so will realise the primary goal of the sales program started two years ago, which was to sell low-yielding assets and utilise the sales proceeds to reduce the Fund's gearing levels, beginning with URF Notes II and Notes III, and later the Global Atlantic Bridge loan. While selective sales of low-yielding properties will continue, these will occur at a reduced rate compared to the velocity achieved throughout the dedicated sales program.

Rent collection rates remained robust at 97.9% for the quarter, and occupancy levels continued to increase, reaching 96% for the Fund's rent ready units. General and Administrative ("G&A") expenses continued to reduce, and as the Fund winds down its asset sales program over the remainder of 2021 we see G&A expenses as a key area for further improvement in coming periods.

Funds from Operations (FFO) continued to improve when normalised for the negative impact of disposal costs from the ongoing sales program. Following the aforementioned full repayment of the Global Atlantic Bridge Loan, the wind-down of the sales program, and continued reductions in G&A expenses as the Fund transitions into a fully stabilised state, we are expecting to approach a positive FFO run rate within the 2022 calendar year, subject to broader market conditions. This transition represents another massive milestone for the Fund, and once complete will represent the culmination of the strategic plan implemented following 2019's management change.

We continue to work with the Board of the Responsible Entity to review corporate opportunities that may be beneficial for URF investors, and note that both the rebalancing of the portfolio through the sale of low-yielding assets and the transition to a stabilised portfolio with a proven track record (particularly throughout the COVID-19 pandemic) will increase the Fund's options in this regard.

Finally, within the 30 June financial accounts the deferred tax liability used to calculate the Fund's post-tax Net Asset Value (NAV) has also been updated. The assumptions underlying this calculation are reviewed on a six-monthly basis, and have been updated to reflect the current trading conditions for URF securities. This update has reduced the necessary allowance for potential future tax liabilities by approximately A\$18 million, thus increasing the Fund's post-tax NAV. More information is provided on page 16 of this report.

We welcome investor feedback on these reporting metrics, and encourage direct communication with the Fund via our Investor Relations team at URFInvestorRelations@usmrpf.com.



Kevin McAvey
Co-Head of the US REIT



Brian Disler
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Portfolio Valuation

At 30 June 2021 the Fund conducted its regular six-monthly asset valuation process. Consistent with prior periods, this was conducted by obtaining asset-specific appraisals using the comparable sales methodology from a panel of nine independent brokers and real estate valuers. Specific appraisals were obtained on 58% of the portfolio by number, and 54% of the portfolio by value. These results were then used to calculate neighbourhood-specific adjustment figures, which were subsequently applied to the remainder of the portfolio on a neighbourhood-by-neighbourhood basis. The results of this process for the 1-4 family portfolio are summarised below (all figures are in US-dollars):

Area	Starting Value	30 June 2021 Closing Value	Change (\$)	Change (%)
NJ Workforce	\$173,051,299	\$187,961,746	\$14,910,447	8.6%
NJ Premium	\$130,879,185	\$126,828,166	(\$4,051,018)	-3.1%
NY Premium	\$329,520,115	\$335,470,186	\$5,950,070	1.8%
Total	\$633,450,599	\$650,260,098	\$16,809,499	2.7%

Source: US REIT.

The Fund's Workforce properties continued to perform strongly, increasing in value by 8.6% for the six months to 30 June 2021. This followed a positive movement of over 3% for the last six months of 2020. These geographical areas continue to be a beneficiary of increased interest in affordable properties in close proximity to Manhattan.

The New Jersey Premium segment experienced a reduction of 3.1% in values for the six-month period, after a flat performance across the second half of 2020. The Fund's primary geographic exposure in this segment is Downtown Jersey City.

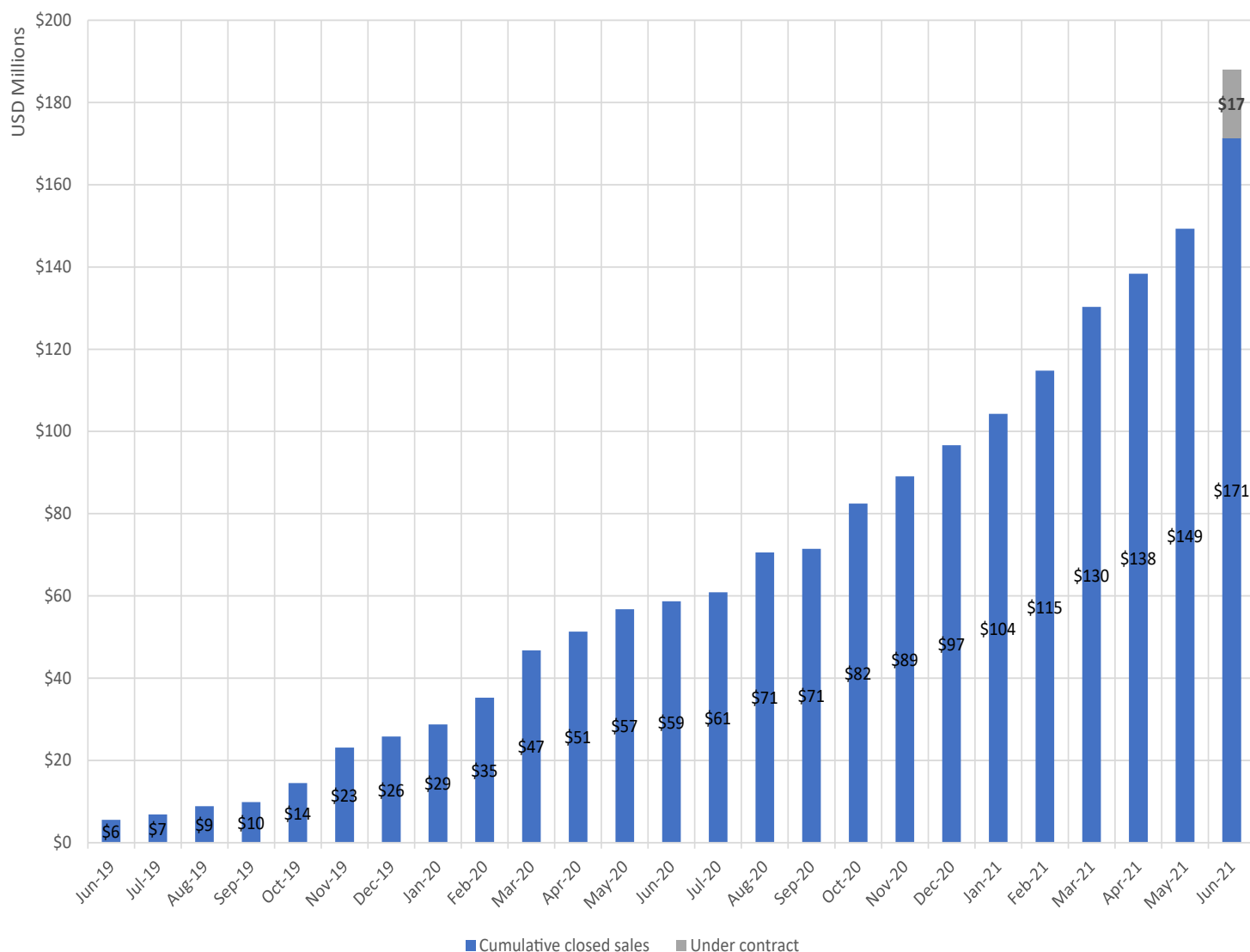
For the Fund's New York assets, an aggregate increase of 1.8% was recorded for the six-month period. This headline figure masks a patchwork result for the different geographies within the New York City region. The Fund's largest NY exposure is Bedford-Stuyvesant in Brooklyn, which increased 6.15% to US\$98.5 million over the period. The Fund's second largest NY exposure in Harlem and neighbouring Hamilton Heights partially offset this growth, with values contracting 2.6% to US\$67.9 million. Similar mixed results were recorded across the New York portfolio as the markets balance economic optimism with underlying COVID-19 uncertainty.

In addition, the Fund's large-scale multifamily assets, held jointly with Urban American, were also revalued for the six-month period ending 30 June 2021. Large-scale apartment complexes such as these have been significantly impacted by the COVID-19 pandemic, and asset values have been affected more significantly than the Fund's primary investments in 1-4 Family housing. These investments were externally valued using a capitalised income methodology, with the value of the assets reducing by 3.2% as a result of this process. Investors should note that these assets form only a small part of the Fund's investment portfolio (the Fund's economic interest in these investments is approximately US\$12 million, compared to the US\$650 million value of the 1-4 Family portfolio).

Due to the effect of leverage within the Fund, this aggregate valuation increase equates to an 8.6% increase to the pre-tax Net Asset Value (NAV).

Asset Sales

During Q2 2021, the Fund successfully closed over US\$41.1m in property sales across 22 transactions. For the third consecutive quarter this represents the Fund's largest quarter of closed sales of the 1-4 Family portfolio since the beginning of the sales program in 2019. As at 30 June 2021, the Fund also had eight properties worth US\$16.6 million under contract. Of these, four sales totaling US\$6.25 million closed in July 2021.



Source: US REIT.

Asset Sales

The past three quarters have been particularly productive in terms of asset sales, as local real estate transactional volume has recovered from the COVID-19 induced pause in 2020. This has allowed the Fund to achieve its goal of fully repaying the URF Notes liabilities, as well as execute the substantial repayment of the Global Atlantic Bridge Loan (which is expected to be fully repaid by the end of Q3 2021).



Throughout the sales program, the portfolio has also been rebalanced with the majority of sales coming from the lower-yielding premium segments in New Jersey and New York. Including the remaining sales assets, the following breakdown shows the geographic distribution of the assets that have been sold (or are allocated for sale) since June 2019:

Area	USD Sales (in progress and completed)	%
NJ Workforce	\$37,846,000	18%
NJ Premium	\$79,647,174	38%
NY Premium	\$91,604,982	44%
Total	\$209,098,156	100%

Source: US REIT.



Asset Sales

As at the end of July 2021, US\$177.7million of sales have closed from the 1-4 Family portfolio, in addition to the US\$65million sale of the Fund's NJ multifamily portfolio in 2019. The remaining sales portfolio consists of ten 1-4 Family assets worth approximately US\$31.4 million. At the end of July four of these properties were under contract and four were actively on the market for sale (two being prepared for sale). Of the remaining sales assets, six are located in NY with values ranging from US\$1.5m to US\$8.0m. Properties at this price point often take an extended period of time to transact, and the Fund will take a patient approach to maximise the sales prices:

Area	Average Days on Market
NJ Workforce	219 days
NJ Premium	282 days
NY Premium	106 days

Source: ACRIS data for townhomes sold in 2021 above US\$2 million.

As the Fund takes a patient approach to these final earmarked sales, the rate of sales will slow significantly. This is to be expected as the primary goals of the sales program have been achieved, and the Fund is preparing to transition to a steady-state portfolio composition. On an ongoing basis the Fund will continue to selectively sell low-yielding assets as opportunities to do so arise. These ongoing sales will be at a significantly lower volume than recent months, and are not expected to exceed the pre-payment amounts allowed for by the remaining Global Atlantic Term Loan (US\$18 million per annum of cumulative loan repayments, equating to approximately US\$30 million in annual sales).

The Fund also continues to monitor the broader NY multifamily (apartment) market to evaluate the Fund's remaining NY apartment complex exposure which is held jointly with Urban American. Given the heavy density of living in these apartment complexes, this market has been significantly affected by COVID-19, and the Fund is conscious of finding a balance between wanting to reduce this non-core exposure from the portfolio, while also ensuring that it achieves an economically beneficial exit valuation. As detailed further in the Portfolio Valuation section of this report, these multifamily holdings remain a minimal portion of the Fund's overall investment portfolio.

Debt Reduction

Throughout the second quarter of 2021 the aforementioned strong sales volume facilitated US\$27.9 million of repayments towards the Global Atlantic loan facility.

Assets within URF's portfolio are designated as collateral for either the Global Atlantic Bridge or Term loans. The Bridge loan contains the majority of the Fund's intended sales assets, while the Term loan is largely comprised of the properties the Fund intends to hold longer-term. The vast majority of sales will therefore come from the Bridge loan collateral pool. Select sales will come from the Term loan collateral pool (as determined on a case-by-case basis), with the resulting proceeds of these specific sales used to make principal repayments against the Term Loan facility.

<i>All figures in USD</i>	31-Mar-21	30-Jun-21	Change
Global Atlantic Term Loan	\$353,764,177	\$350,913,925	(\$2,850,252)
Global Atlantic Bridge Loan	\$49,671,212	\$24,601,050	(\$25,070,162)
Total	\$403,435,389	\$375,514,975	(\$27,920,414)

At 30 June 2021, the Fund held cash reserves of approximately US\$58 million. As noted in the Executive Summary, subject to the settlement of the Fund's currently contracted properties over the course of August and September, the Fund expects to use cash on balance sheet to fully repay the remaining balance on the Global Atlantic Bridge Loan by the end of Q3 2021. Following the full repayment of the Bridge Loan, the Fund will actively review options for any excess cash holdings.

In Australian dollar terms, this ongoing debt management program has reduced the Fund's indicative blended cost of interest to 4.07% (from 5.79% at 30 June 2019). This will be further reduced to 4.00% following the expected full repayment of the Bridge loan in coming months.

Blended Cost of Interest Calculation

	A\$ Balance at 31-Dec-20	A\$ Balance at 31-Mar-21	A\$ Balance at 30-Jun-21	Interest Rate (fixed)
Global Atlantic - Term Loan *	466,787,721	465,601,708	468,010,036	4.00%
Global Atlantic - Bridge Loan *	86,236,425	65,374,062	32,810,149	5.00%
Notes III	17,500,000	0	0	7.75%
Total ^	570,524,146	530,975,770	500,820,185	4.07%
Indicative Interest Cost	24,339,580	21,892,771	20,360,909	

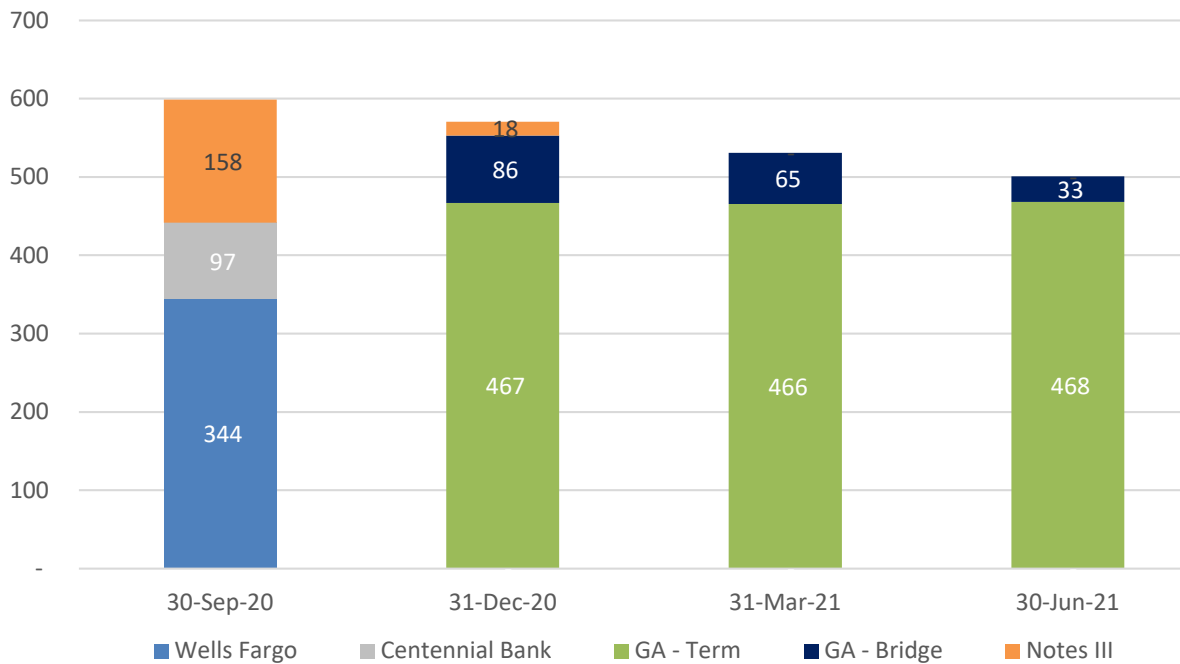
Source: US REIT

*AUD/USD spot rate of 0.7694, 0.7598 and 0.7498 at 31 December 2020, 31 March 2021 and 30 June 2021 respectively.

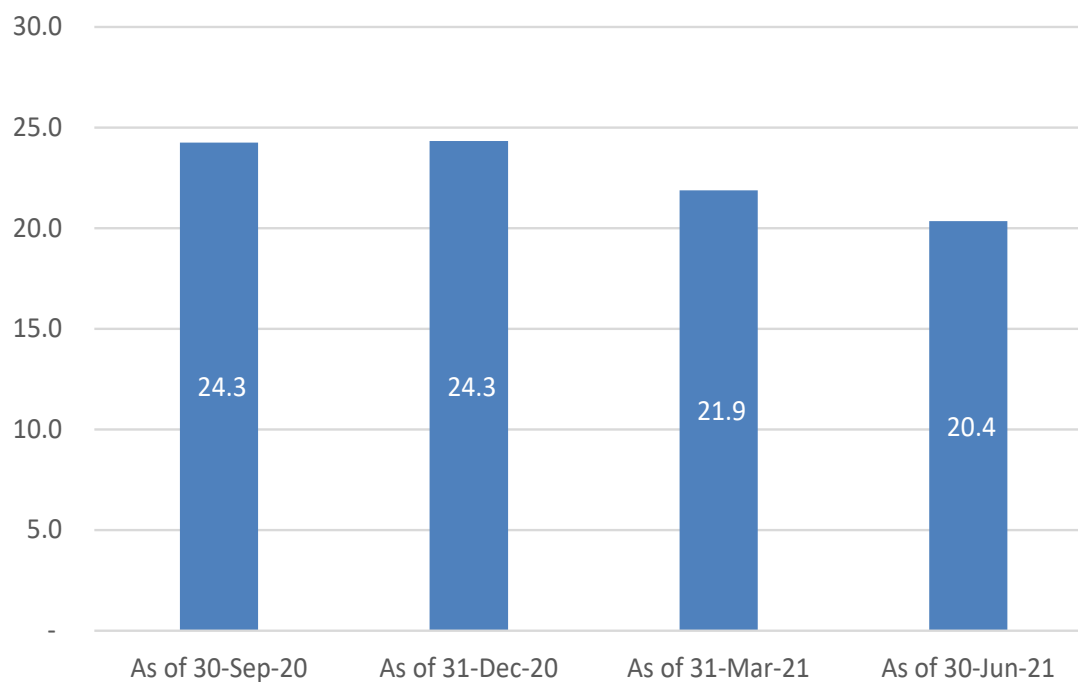
^Excludes multi-family joint venture level debt.

Debt Reduction

Debt Composition (A\$Millions)



Indicative Total Interest Cost (A\$Millions)



Source: US REIT.

Note: AUD/USD spot rate of 0.7162, 0.7694, 0.7598 and 0.7498 at 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021 respectively.

Portfolio Composition

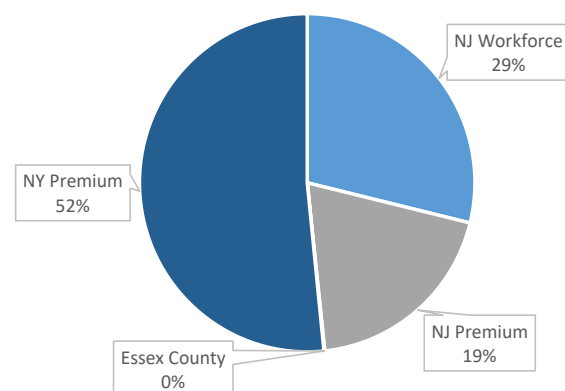
In addition to the repayment of debt, the sales program has been executed to reduce the portfolio's weighting of lower-yielding Premium assets, and also to divest non-core exposures. Non-core exposures include the larger multifamily investments (jointly owned with Urban American) and the Fund's small number of rent-regulated properties in New Jersey.

Through this process, the New Jersey Workforce segment has increased its relative weighting in the portfolio, now representing 29% of the 1-4 family portfolio by value (compared to 22% at 30 June 2019)

The Fund's portfolio composition will continue to evolve, with remaining sales assets² (as at 30 June) being skewed towards the Premium segments in New York (US\$32.3 million) and New Jersey (US\$4.0 million). A small number of assets from the New Jersey Workforce segment (US\$1.4 million) are likely to be sold, including the Fund's lone remaining Essex County property.

This breakdown represents the Fund's 1-4 family portfolio as at 30 June 2021.

Portfolio Composition (by value)



Location	Value (USD)	Property Count	Location	Value (USD)	Property Count
NJ Workforce	\$187,424,246	301	NY Premium	\$335,470,186	118
Bayonne	\$30,278,405	55	Bedford-Stuyvesant	\$98,585,970	39
Bergen-Lafayette	\$8,482,694	11	Boerum Hill & Brooklyn Heights	\$17,386,868	3
Greenville	\$34,597,742	68	Bushwick	\$19,518,931	14
Jersey City Heights	\$51,169,791	62	Clinton Hill	\$14,364,908	4
Journal Square	\$17,359,465	26	Cobble Hill	\$10,725,000	3
West Bergen	\$35,090,424	61	Crown Heights & Lefferts Garden	\$32,619,462	14
North Bergen	\$5,176,827	9	Fort Greene	\$10,851,008	3
Union City	\$3,141,790	5	Park Slope & Prospect Heights	\$34,432,172	8
Secaucus	\$421,195	1	East Williamsburg	\$11,153,032	6
West New York	\$1,705,912	3	Williamsburg	\$8,371,376	3
NJ Premium	\$126,828,166	72	Hamilton Heights	\$11,362,892	3
Downtown	\$118,207,866	66	Forest Hills	\$1,600,000	1
Weehawken	\$8,620,300	6	Harlem	\$56,548,568	16
Essex County	\$537,500	1	Manhattan	\$7,950,000	1

Source: US REIT, as at 30 June 2021.

²Remaining sales assets include properties under contract (US\$16.6m), on the market (US\$19.1m), and earmarked for sale (US\$2.0m).

Rental Income Collections

As has been the case since the onset of the COVID-19 pandemic, the Fund continued to work collaboratively with tenants to maximise rent collections during the quarter. In line with temporary state mandates, the Fund has not initiated any eviction actions through the pandemic. Tenants who have been financially impacted by COVID-19 have been encouraged to dialogue directly with the Fund, and resolutions have been handled on a case-by-case basis. Pleasingly, collection rates have proven resilient throughout the Quarter, equating to 97.9% of the Quarter's occupied rent roll. The rent collected includes receipts for Q2, as well as outstanding payments for prior months.

Month	Collection Rate
April 2021	97.8%
May 2021	96.4%
June 2021	99.5%
Q2 2021 Total	97.9%

Source: US REIT

For the month of July 2021, the Fund's 1-4 family portfolio collected funds equivalent to 102% of the month's rent roll, as certain tenants within the Fund's portfolio began to receive government subsidies tied to April's COVID-19 relief bill. These subsidies covered the arrears balances of select tenants from prior months, leading to a collection rate in excess of 100%.

Peer Comparison

The Fund's collection rates are ahead of The National Multifamily Housing Council (NMHC)'s Rent Payment Tracker, which tracks over 11 million professionally managed apartments across the US. The NMHC recorded collection rates of 95.0%, 94.6% and 95.6% for April, May and June respectively¹. However, it is worth noting that the NMHC collections data tracks the number of tenants making any rent payment (full or partial payments are counted equally) rather than the actual amount of rent collected for the period.

Similar strong collection rates were recorded by comparable US single family residential property funds, further highlighting the resilience of this asset class. Invitation Homes noted collecting 99% of their pre-COVID average throughout Q2², and American Homes for Rent recognised bad debts on 2.5% of its second quarter 2021 rental billings for its same-home portfolio³.

¹ <https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/>

² <https://www.invh.com/news-events/news/news-details/2021/Invitation-Homes-Reports-Second-Quarter-2021-Results/default.aspx>

³ <https://investors.ah4r.com/press-releases/news-details/2021/American-Homes-4-Rent-Reports-Second-Quarter-2021-Financial-and-Operating-Results/default.aspx>



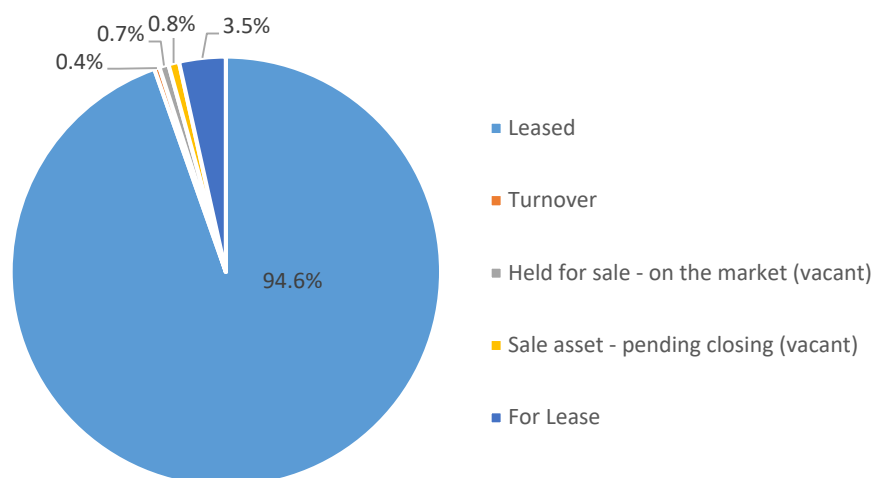
Portfolio Occupancy

The Fund's goal is to have as many properties fully leased as possible, while noting that as the Fund moves through its sales program certain assets in the sales pipeline will be intentionally left vacant in order to maximise the potential sales price.

At 30 June 2021, the Fund's 1-4 family portfolio had 94.6% of its units leased and generating income. A further 4% of units were vacant and available for rent (or undergoing a turnover between leases), while the remaining units were deliberately vacant as they progress through the sales pipeline.

The Fund's rent ready occupancy (i.e. excluding units deliberately held vacant for sale) increased to 96% at the end of the quarter.

Total Portfolio (as at June 2021)	Unit Count	%
Leased	849	94.6%
Turnover	4	0.4%
Held for sale - on the market (vacant)	6	0.7%
Sale asset - pending closing (vacant)	7	0.8%
For Lease	31	3.5%
Total Units	897	100%



Source: US REIT

Net Operating Income

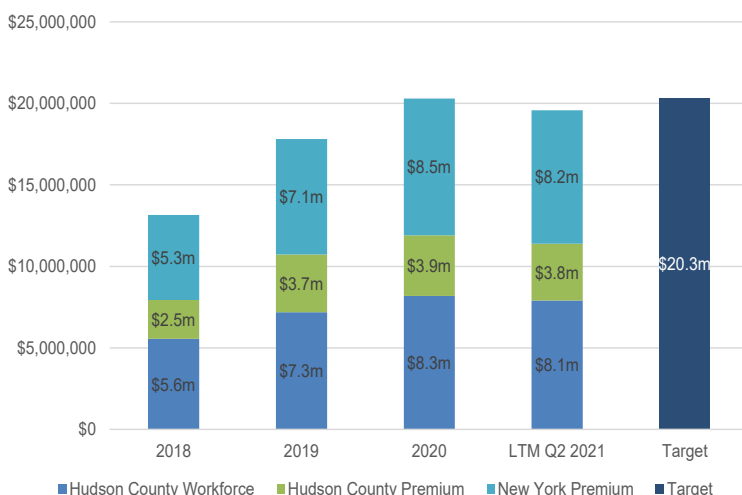
The Fund is focused on managing the portfolio as efficiently as possible in order to maximise its Net Operating Income (NOI), being the net rental revenue that the Fund receives after paying property level expenses. As a result of the sales program that has taken place over the course of the past two years, total portfolio revenue has decreased relative to historic levels as the portfolio has reduced in size.

To remove the impact of the sales program and review income performance in a consistent manner, the following analysis reviews the portfolio on a 'same home' basis – meaning that it only considers assets currently owned and income generating (or for lease), and looks at the income generated by that “stabilised” pool of properties over time. As the Fund is nearing the end of its sales program and beginning to transition to a fully stabilised state, this pool of properties will largely be reflective of the entirety of the portfolio, with the only exclusions being any properties currently on the market for sale or any opportunistic sales that the Fund considers in the future.

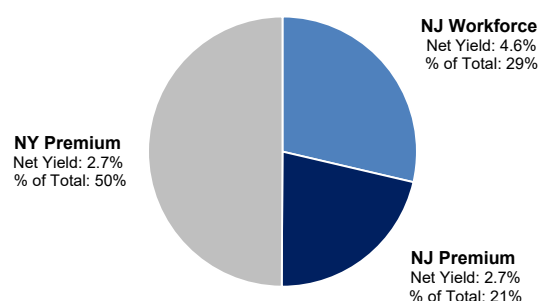
With the pool now largely reflective of the entirety of the portfolio, moving forward the Fund will express NOI results in dollar terms to align to the financial accounts. Doing so (rather than reflecting as a yield) will isolate the operational results such that changes to asset valuations do not positively or negatively impact the portrayal of the Fund's operational cash flows. The Fund's key drivers to maximise NOI on the fully stabilised portfolio will be continuing to reduce property-level expenses (such as the cost of repairs and maintenance) and maximising rental revenue (subject to broader market conditions).

At the end of Q2 the Fund's same-home trailing 12-month NOI was 3.6% below the target originally set at the end of 2019 prior to the impact of the COVID-19 pandemic. Contributing factors to this include a heavy 2020/21 snow season resulting in increased snow removal charges, increased property taxes, and the rental revenue impact and accompanying bad debts as a result of the pandemic.

NOI (USD): Same-Home Stabilised 1-4 Family Properties



Q2 2021 LTM NOI Yield - Same-Home Stabilised 1-4 Family



Source: US REIT.

Note: "Same-home" assets by segment will not match the total portfolio distribution as it excludes assets held for sale.

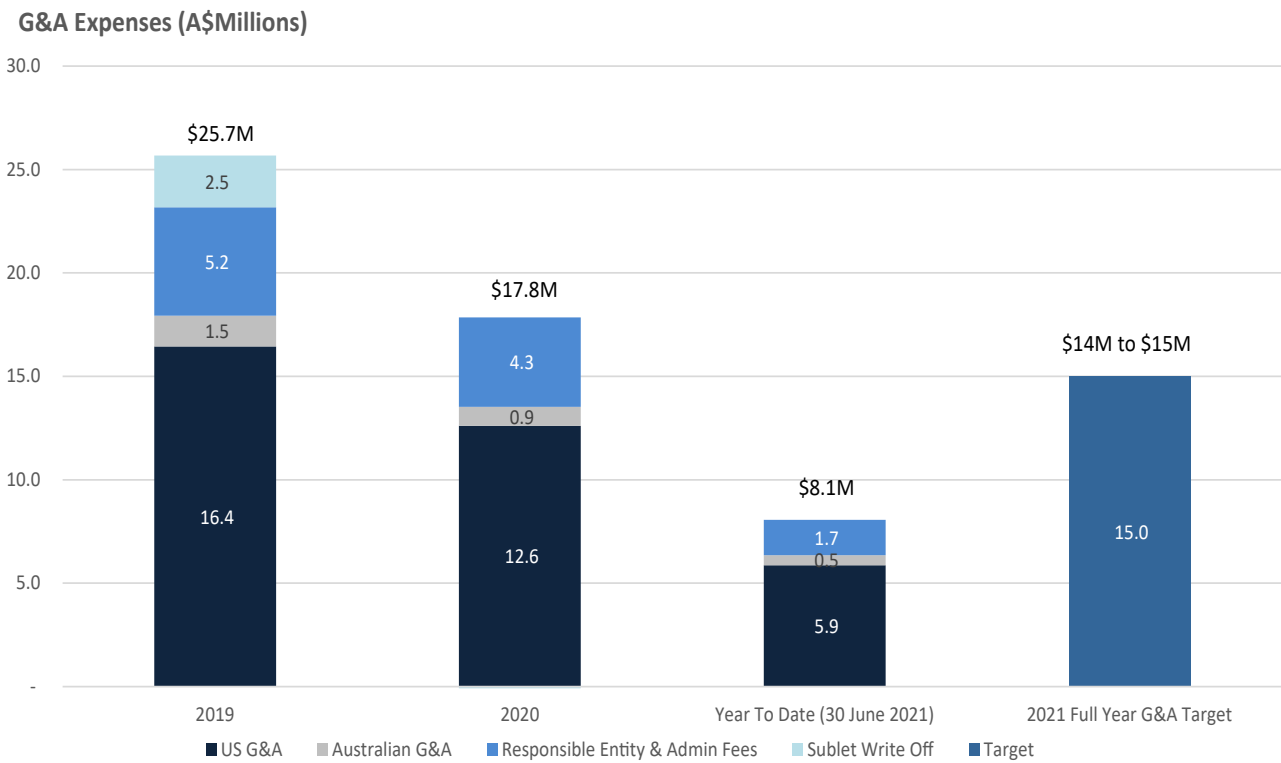
Note: "LTM" refers to 'last 12 months' illustrating trailing 12 month data as at 30 June 2021.



General and Administrative Expenses

Reducing General and Administrative (G&A) expenses is a key goal for the Fund's management team. For the 2021 calendar year, an annual expense of A\$14-15 million is anticipated. The first six months of 2021 have been slightly over this target on an annualised basis as expenses were front loaded toward the first half of the year, with A\$8.1 million in expenses being incurred. The result nevertheless represents a 7% improvement on the corresponding period in 2020. As the Fund winds down its asset sale program and transitions to a fully stabilised state, G&A expenses are expected to be reduced substantially in future reporting periods, and the full year G&A target of A\$14-\$15 million is unchanged.

Note that the original G&A target was based on AUD/USD spot rate of 0.7694 at 31 December 2020. The average rate for H1 2021 was consistent with this exchange rate, however throughout July and August this rate has fallen to approximately 0.71. If this level persists it will increase the US-denominated expenses when measured in Australian dollar terms, and this may impact full year G&A results. While this may increase G&A in AUD terms when reviewed in isolation, such a currency movement would overwhelmingly benefit the Fund by increasing the Fund's US-dollar revenue and asset valuations (when measured in Australian dollars).



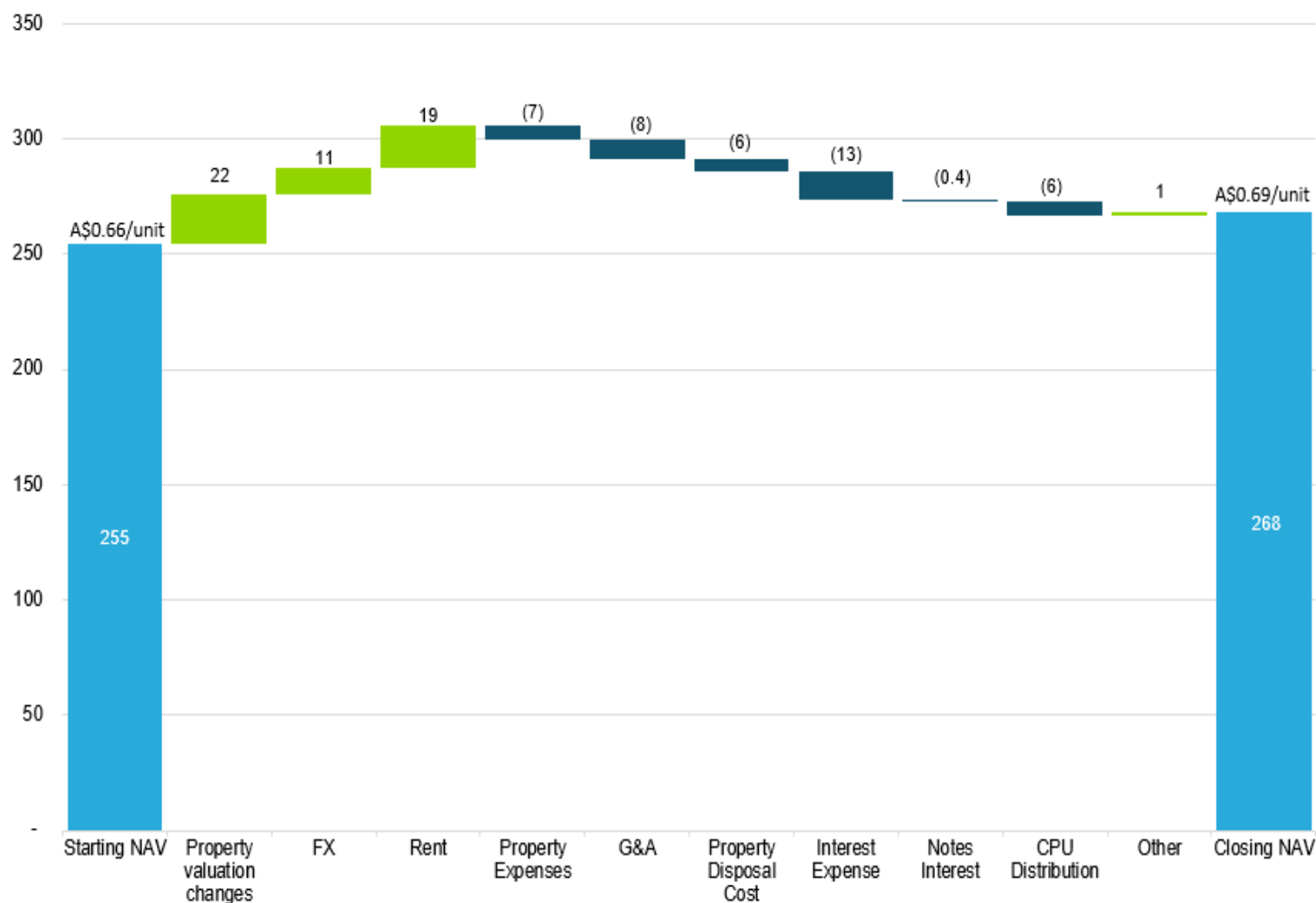
AUD/USD average rate of 0.6953, 0.6910 and 0.7713 for 2019, 2020 and H1 2021 respectively.
Original target for 2021 was based on AUD/USD spot rate at 31-Dec-2020 of 0.7694

Source: US REIT. Figures may not sum due to rounding.



Net Asset Value

Changes to the Fund's pre-tax Net Asset Value (NAV) over the period 1 January 2021 to 30 June 2021 are outlined below. At 30 **June** 2021, the pre-tax NAV was A\$0.69 per unit (A\$0.61 post-tax). As at 31 **July** 2021, the estimated pre-tax NAV was A\$0.71 per unit (A\$0.63 post-tax).



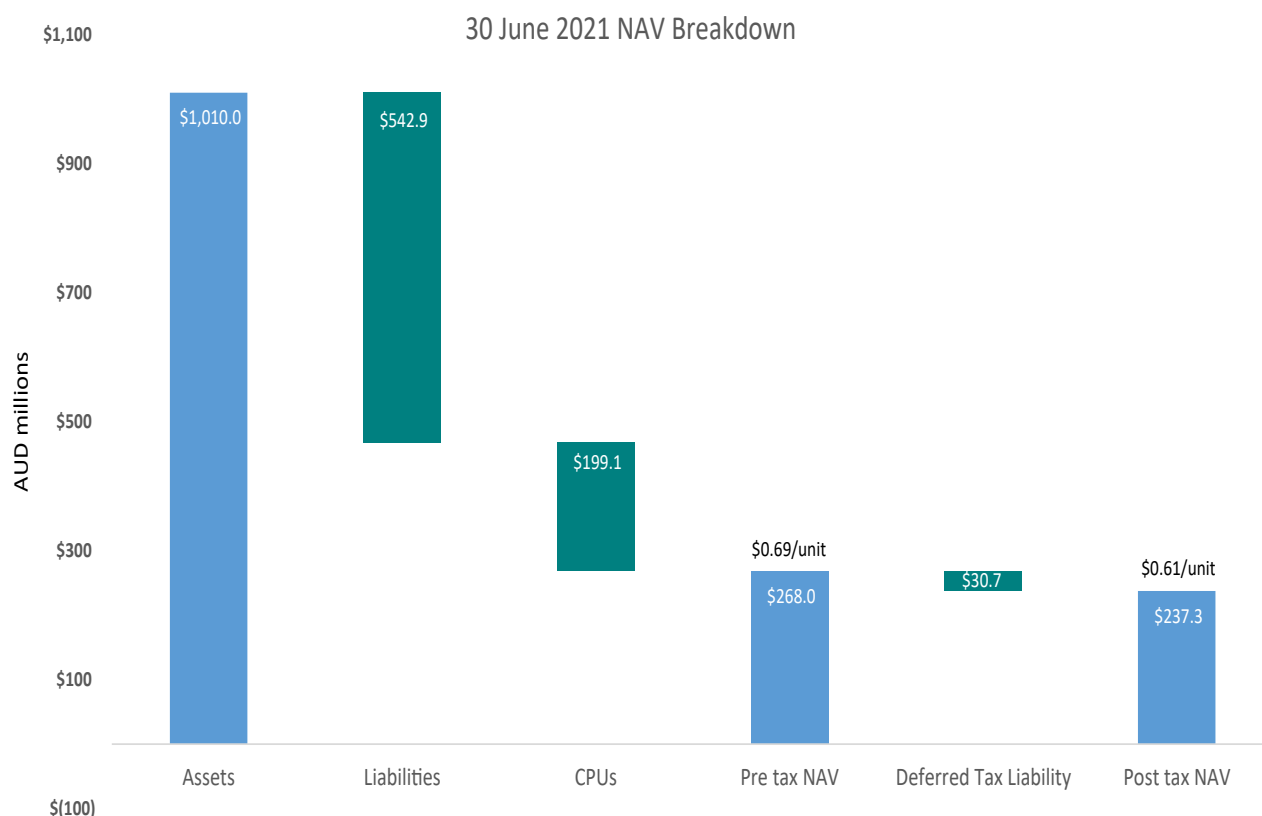
Source: US REIT.

Net Asset Value

Deferred Tax Liability

The Group recognises a deferred tax liability in respect of tax obligations which may arise in connection with the realisation and distribution to the Fund of taxable gains associated with its property assets. Depending on the structure of the realisation and other criteria and circumstances which can only be determined at a future disposal date, the tax rate may range from 0% to 24.95%. The Group has adopted a policy of recording its estimate of the likely amount of tax that may be applicable based on its expected manner of disposal, as well as other conditions reasonably expected to prevail in the year of disposal.

In the current period, the Group has reduced the rate used to measure the deferred tax liability from 24.95% to 15%. One of the variables that will impact the rate of tax that will apply is the trading volume of the Group's units on the Australian Securities Exchange in the year of disposal. In the Directors' view, the Group has now established a sustained level of trading that exceeds the threshold to qualify for a reduced rate of tax. If the level of trading were to decline in future periods, and depending on other factors and variables that may prevail in the year of disposal, the rate of tax applicable may range from 0% to 24.95%.



Source: US REIT.

Note: There were 390,422, 997 units outstanding as at 30 June 2021.

Fund Cash Flow Profile

The following Funds From Operations (FFO) analysis outlines the Fund's major cash-flow drivers. This excludes non-cash items, such as depreciation, foreign exchange movements and changes in underlying asset values, as well as capitalised expenses and investor distributions. While these additional factors are vital to reviewing the Fund's overall financial performance, the FFO analysis provides an important overview of the Fund's cash flow position.

Historically, the Fund has made regular cash losses while it focused on growing and renovating its portfolio. While asset value growth and favourable currency movements have the ability to outweigh the Fund's operational cash losses and generate a profit, it has been management's goal to reposition the Fund to become cash flow positive from its operating activities so that it is not reliant on such factors to reach profitability. This will be achieved by maximising net property-level income, paying down debt, minimising administrative expenses, and rebalancing the portfolio away from lower-yielding assets.

Funds From Operations (FFO) - Pre-Tax

A\$	2018	2019	2020	H1 2021
Revenue from Ordinary Operations	38.1	49.7	45.4	18.9
One-Off Grant Income			1.9	-
Investment Property Expenses	(16.3)	(19.2)	(14.9)	(6.7)
Investment Property Disposal Costs	(3.6)	(4.3)	(5.7)	(5.6)
G&A	(25.1)	(22.2)	(16.0)	(8.1)
One-Off Refinancing Costs - G&A	-	-	(1.3)	-
EBITDA	(6.9)	4.0	9.4	(1.5)
Net Interest Expenses (Excluding Notes Interest)	(20.5)	(21.2)	(16.6)	(10.9)
One-Off Refinancing Costs - Interest	-	-	(0.4)	-
Notes Interest	(21.7)	(19.8)	(13.0)	(0.3)
Funds From Operations (FFO) - Pre-Tax	(49.0)	(37.1)	(20.7)	(12.7)

Source: US REIT Note: Excludes Convertible Preference Unit (URFPA) distributions as they are equity distributions. AUD/USD average rate of 0.7476, 0.6953, 0.6910 and 0.7713 for 2018, 2019, 2020 and 2021 respectively. FFO is reported on a cash accounting basis. Figures in table may not sum due to rounding.

As detailed in the Asset Sales section of this report, Q1 and Q2 2021 were both record quarters for the Fund's sales program. As a result, the Fund incurred substantial disposal costs during H1 2021, nearly equaling the disposal costs incurred during all of 2020. After adjusting EBITDA for these disposal costs, H1 2021 EBITDA was A\$4.2 million. This is a reduced figure (in gross dollar terms) compared to the average quarterly result across 2020, which is to be expected as the ongoing sales program reduces the size of the Fund's portfolio.

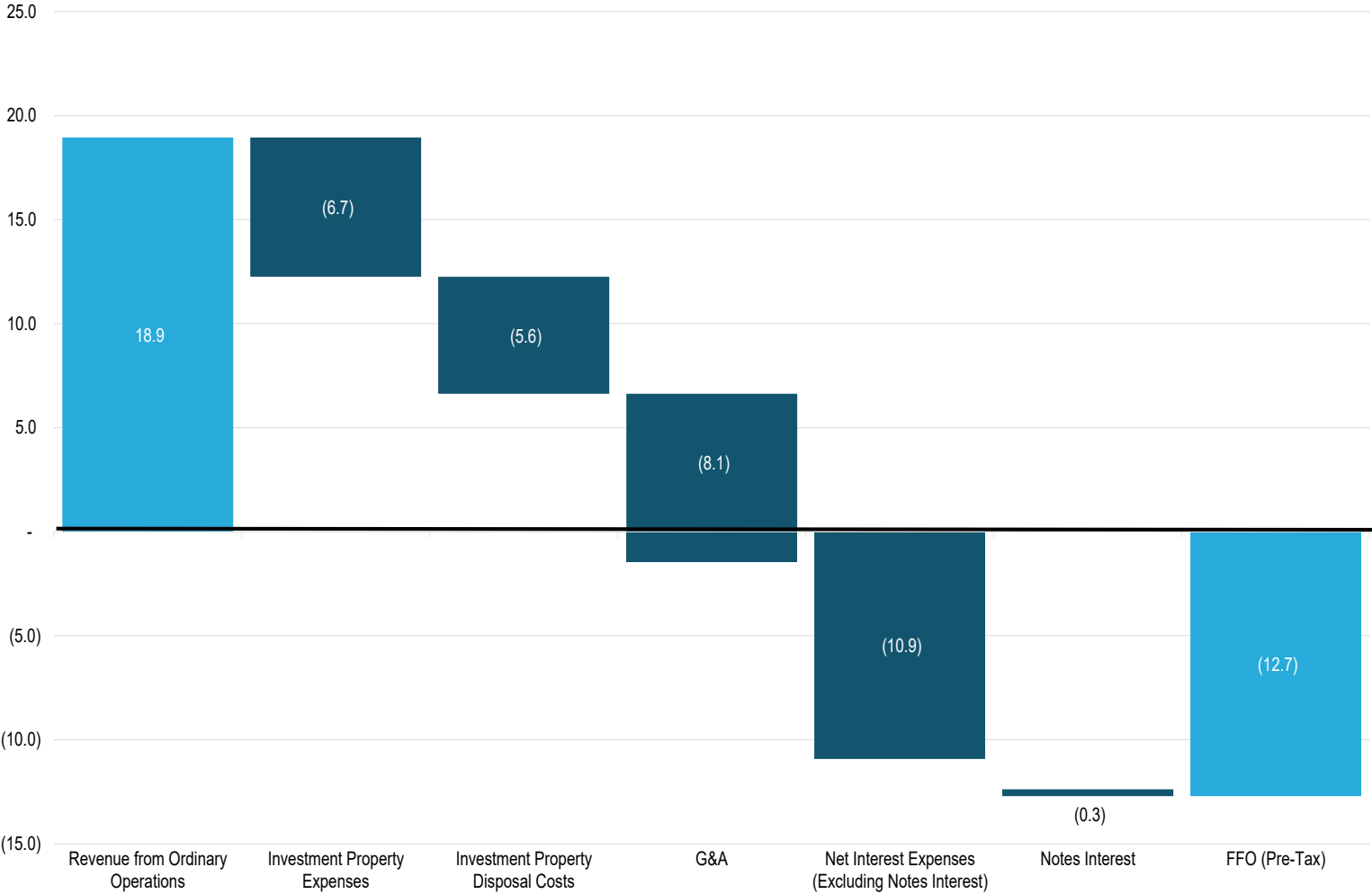
As a result of the success of the Fund's sales program during H1 2021, the Fund's interest expense reduced materially, falling from A\$30 million in 2020 to A\$11.2 million during H1 2021. This reduction helped to continue to drive the Fund's FFO improvement which – after adjusting for disposal costs - totaled A\$(7.1) million during H1 2021, a 7% improvement on the average result throughout 2020 (when also adjusted for disposal costs and non-recurring items).

As a result of the success of the Fund's strategic plan and asset sales program, the Fund is expecting to approach a positive FFO run rate within the 2022 calendar year, subject to broader market conditions. In order to achieve this, the Fund will seek to maximise both rental income and collection rates as the impact of COVID-19 diminishes in the local area, continue debt repayment as previously outlined (full repayment of Bridge Loan and incremental repayments of the Term Loan), and – as the asset sales program winds down and the Fund reaches a fully stabilised state – further reduce G&A expenses.



Fund Cash Flow Profile

Q2 2021 Funds From Operations (FFO) - Pre-Tax (A\$Millions)



Source: US REIT.



Board of the Responsible Entity

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Important Information

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