



US Masters Residential Property Fund (Fund) ASX Code: URF Video Update – Q2 2021

The Fund has recorded a video update to accompany the Q2 2021 Quarterly Report for the period ending 30 June 2021. A copy of the presentation and a link to the video update is below.

This update is available on the Fund's website and investors who have elected to receive email updates from the Fund will also be emailed a link to the video.

Please click [here](#) for the video update.

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US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.

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US Masters
Residential
Property Fund

Q2 2021 Fund Update

31 August 2021

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COVID-19 Vaccination Data

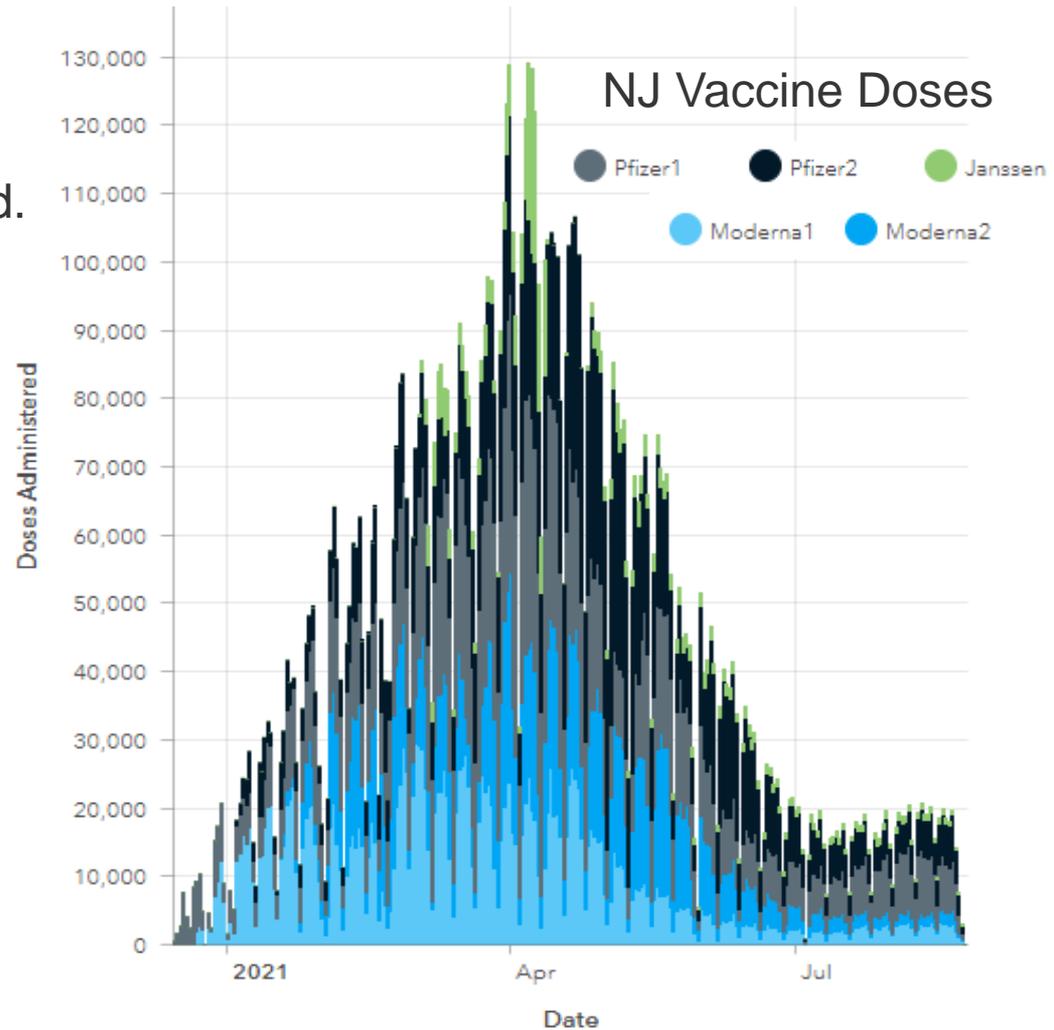
New Jersey

- **10,946,837** total doses administered.
- **5,326,551** fully vaccinated people.

New York

- In NY **state: 11,497,228** people fully vaccinated (57.6% of population).
- In NY **City: 4,779,612** people fully vaccinated (57% of population).

Sources: <https://covid19.nj.gov/> & <https://covid19vaccine.health.ny.gov/covid-19-vaccine-tracker>, accessed 24 August 2021.



Asset valuation – 30 June 2021

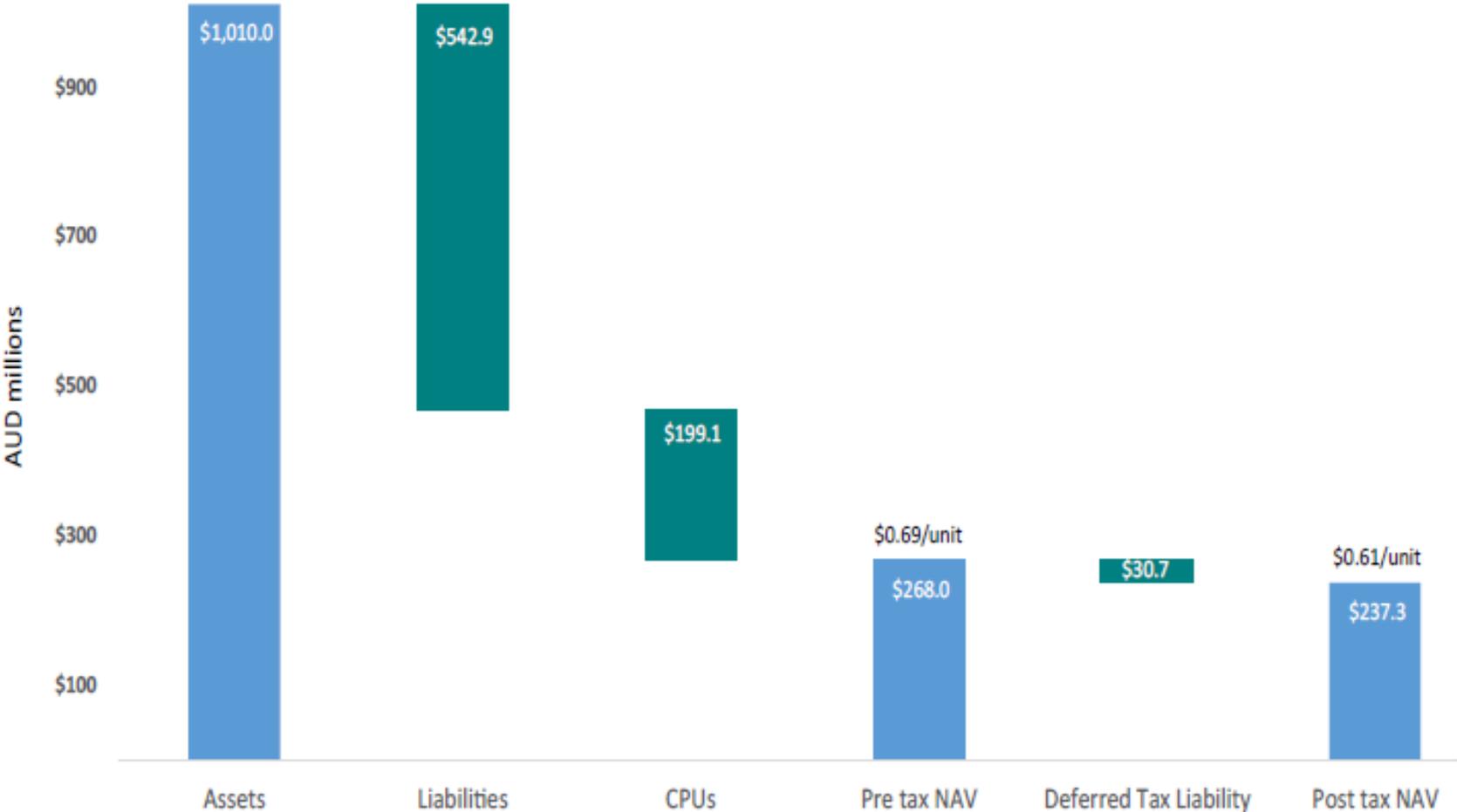
1-4 Family portfolio (USD):

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%

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

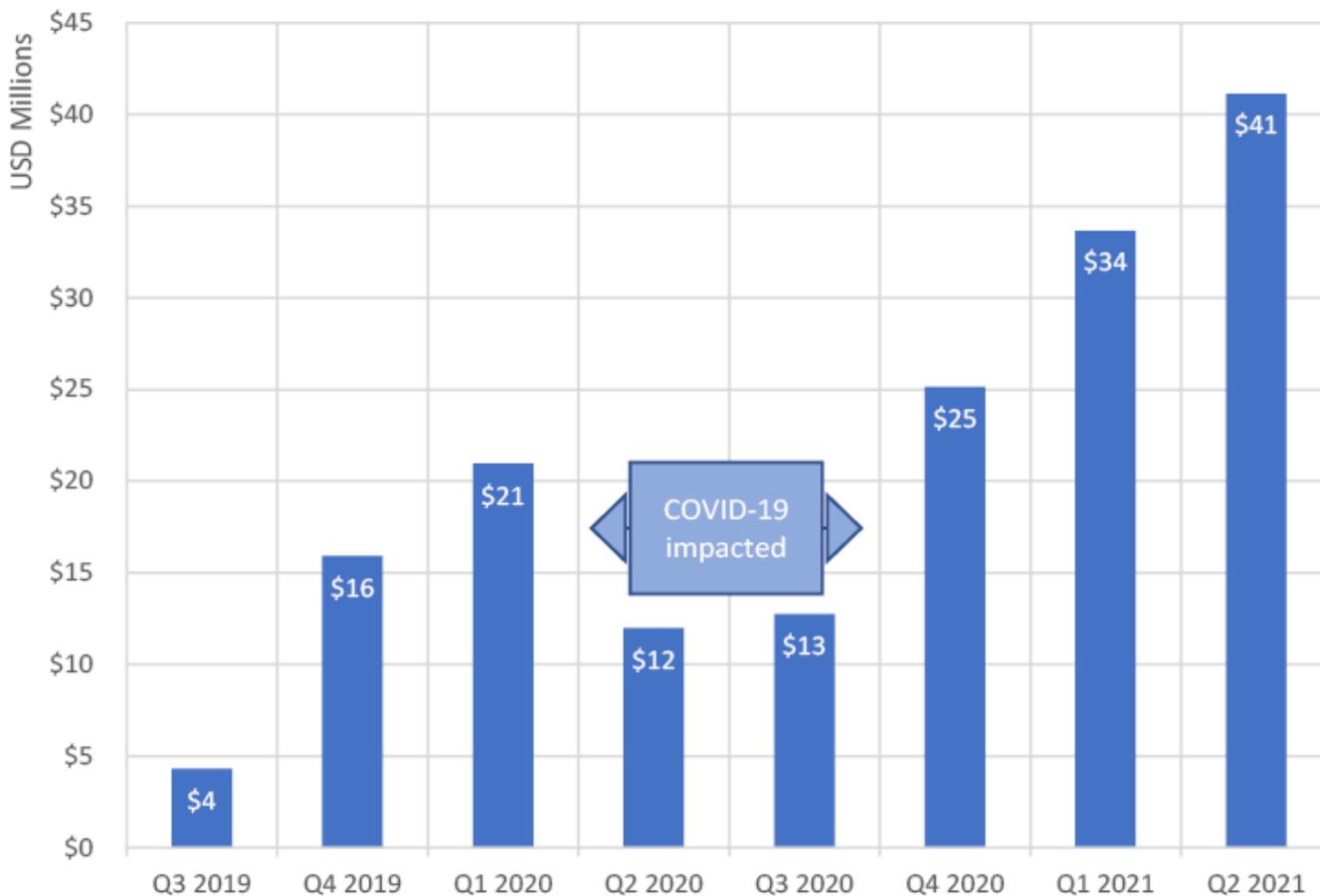
Source: US REIT.

Net Asset Value at 30 June 2021



Source: US REIT. There were 390,422,997 units outstanding as at 30 June 2021.

Quarterly Closed 1 – 4 Family Sales



- During Q2 2021, the Fund settled US\$41 million across 22 transactions.
- The Fund has US\$16.6 million of property under contract, and US\$19.1 million of properties on the market for sale.
- Following the settlement of the remaining sales, the 2-year sales pipeline will be substantially complete.

Source: US REIT. Data as at 30 June 2021. Historical performance is not a reliable indicator of future performance.

Debt Repayment

<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)

Full repayment of the Global Atlantic Bridge Loan expected by the end of Q3 2021.

Source: US REIT. Data as at 30 June 2021.

Debt Repayment

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	

Between 30 June 2019 and 30 June 2021:

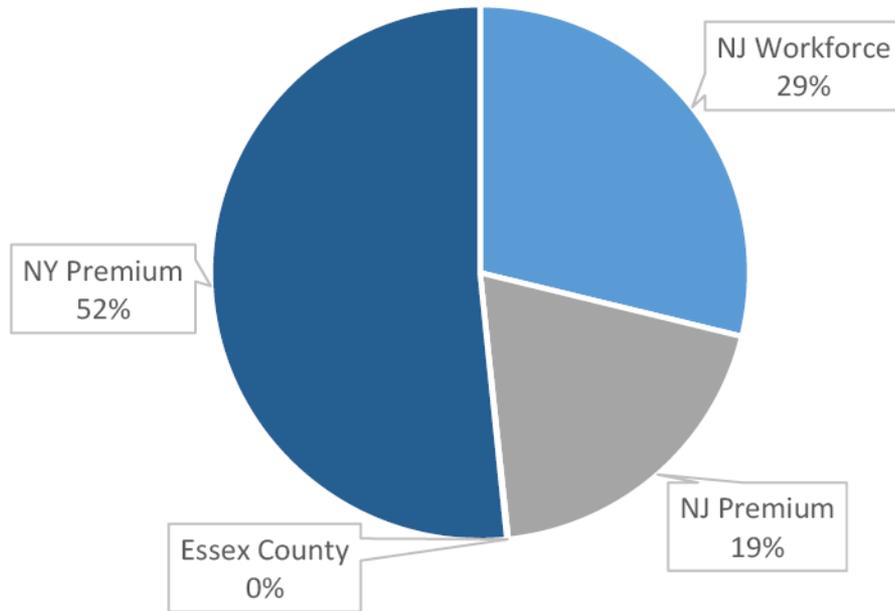
- Blended indicative interest rate has reduced from 5.79% to 4.07%;
- Debt balance has reduced by A\$226 million;
- Indicative interest costs have reduced over 50%, from over A\$42 million per annum to A\$20.4 million per annum.

Source: US REIT. Data as at 30 June 2021.

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

Portfolio Composition

Portfolio Composition (by value)



- The sales program has been executed to reduce the portfolio's weighting of lower yielding Premium assets.
- The Fund's NJ Workforce weighting has increased by value, from 22% at 30 June 2019 to 29% at 30 June 2021.
- The Fund's remaining sales pipeline is predominantly comprised of New York Premium (US\$32.2 million) and New Jersey Premium (US\$4 million).

Source: US REIT. Data as at 30 June 2021.

Rent Collection Rates

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

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 some tenants cleared arrears balances following receipt of government subsidies tied to April's COVID-19 relief bill.

Source: US REIT. Data as at 30 June 2021. Historical performance is not a reliable indicator of future performance.

Portfolio Occupancy

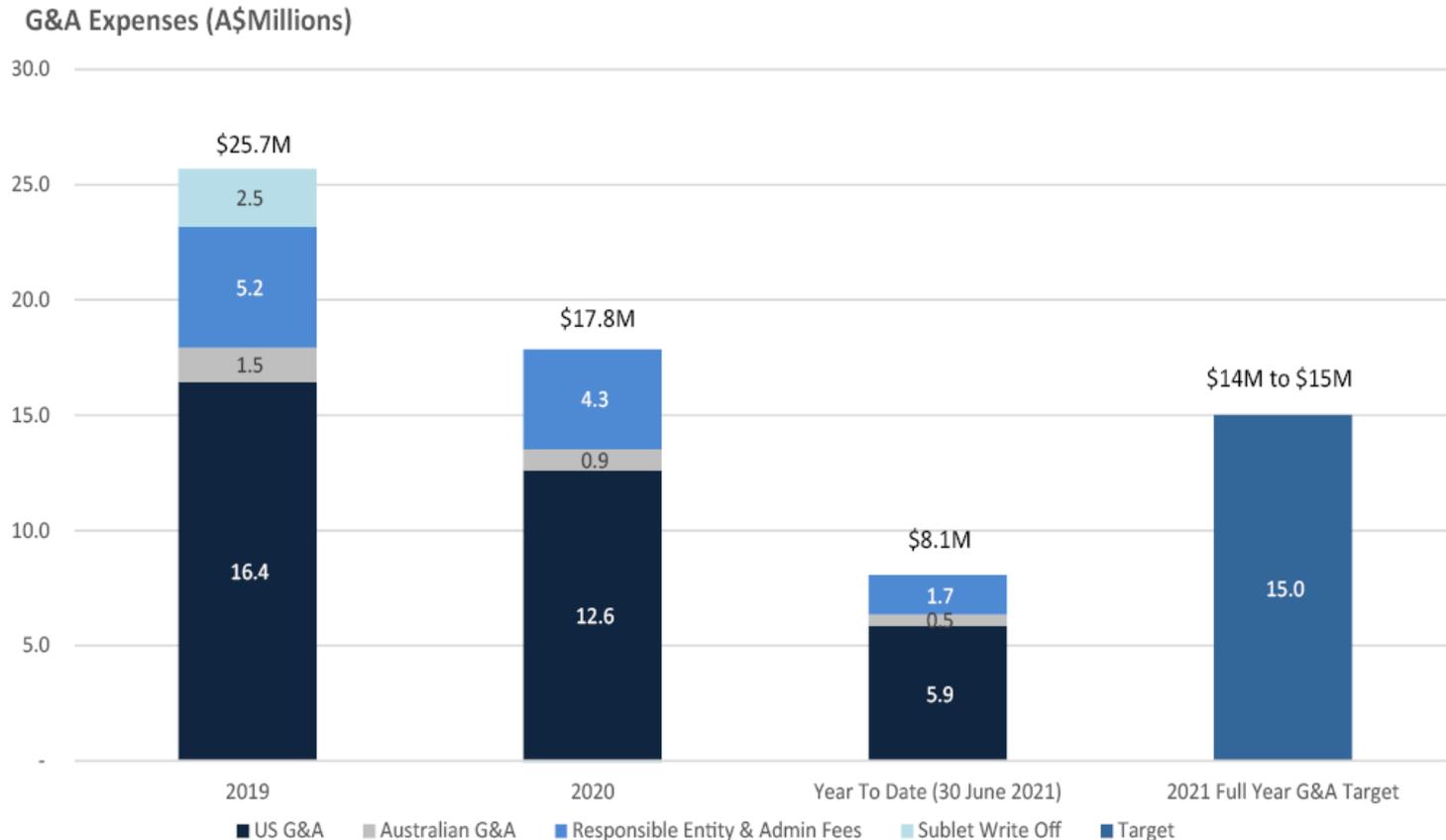
Total Portfolio (as at June 2021)	Unit Count	%
Leased	849	94.6%
Turnover	4	0.4%
Held for sale - on the market (vacant)	6	0.7%
Sale asset - pending closing (vacant)	7	0.8%
For Lease	31	3.5%
Total Units	897	100%

The Fund's rent ready occupancy, which excludes units deliberately held vacant for sale, increased to 96% as at 30 June 2021.

Source: US REIT. Data as at 30 June 2021.

General and Administrative expenses

H1 2021 G&A expenses represents a 7% improvement on H1 2020's results.



Source: US REIT. Data as at 30 June 2021.

Original target for 2021 was based on AUD/USD spot rate at 31 December 2020 of 0.7694.

Funds from Operations (FFO)

Funds From Operations (FFO) - Pre-Tax

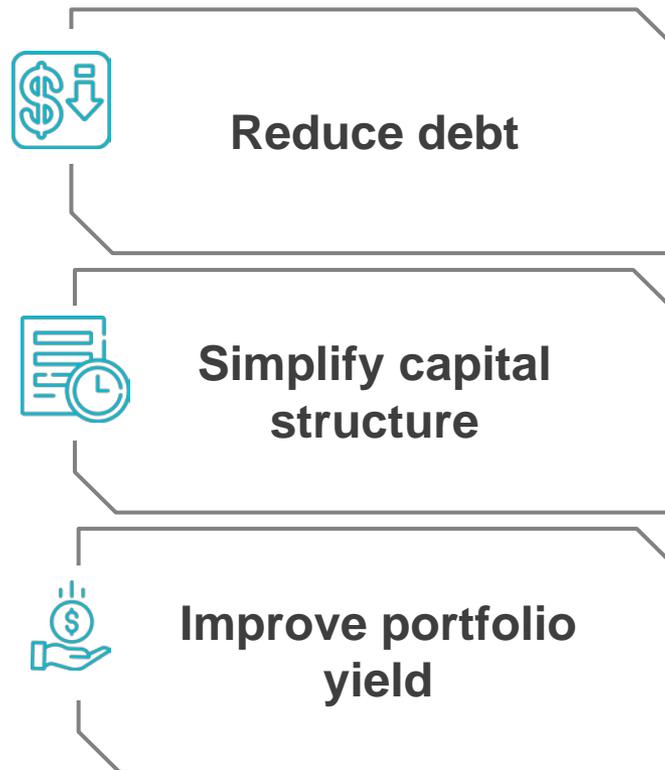
A\$	2018	2019	2020	H1 2021
Revenue from Ordinary Operations	38.1	49.7	45.4	18.9
One-Off Grant Income			1.9	-
Investment Property Expenses	(16.3)	(19.2)	(14.9)	(6.7)
Investment Property Disposal Costs	(3.6)	(4.3)	(5.7)	(5.6)
G&A	(25.1)	(22.2)	(16.0)	(8.1)
One-Off Refinancing Costs - G&A	-	-	(1.3)	-
EBITDA	(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)

The Fund is expecting to approach a positive FFO run rate within the 2022 calendar year, subject to broader market conditions.

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.

Two Year Strategic Plan: 2019 stated objectives

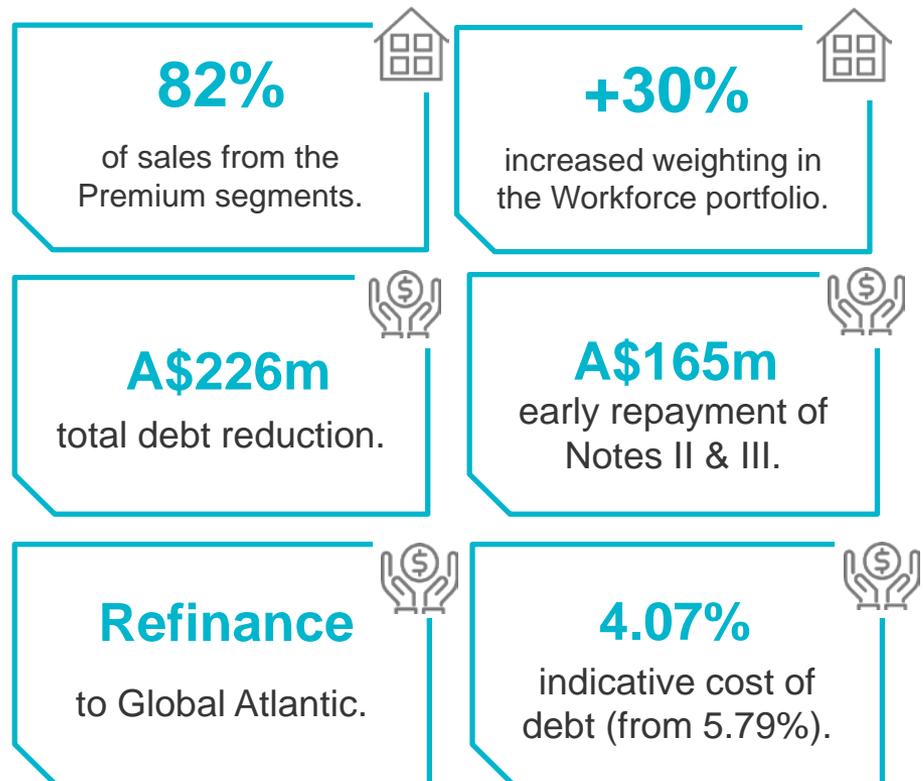
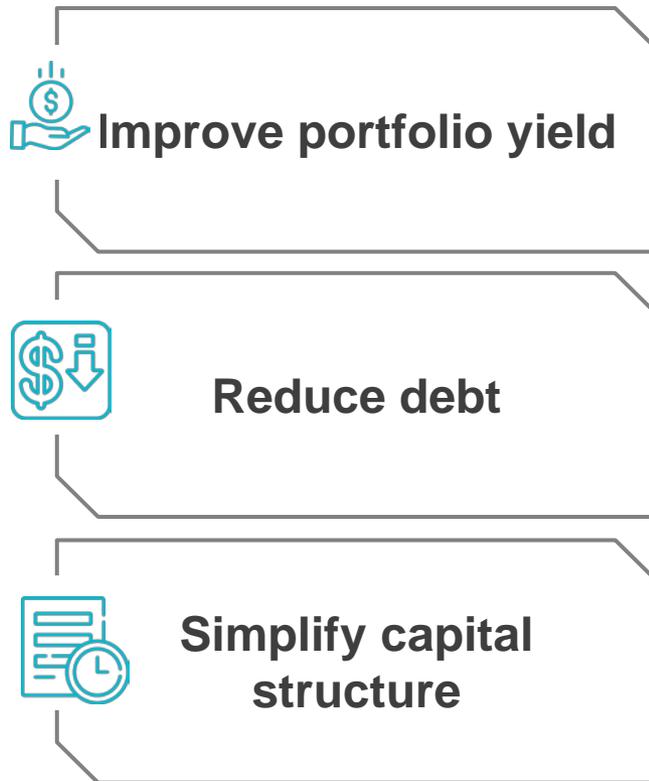
Target: sell US\$200-250m from the 1-4 Family portfolio in order to:



Source: US REIT.

Two Year Strategic Plan: 30 June 2021 update

US\$171m sold + US\$38m in sales pipeline (US\$209m total)



Source: US REIT.

Two Year Strategic Plan: 30 June 2021 update

Portfolio Operations:



Source: US REIT.

For further information

Investor Relations

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