

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NAV Update - 31 March 2022

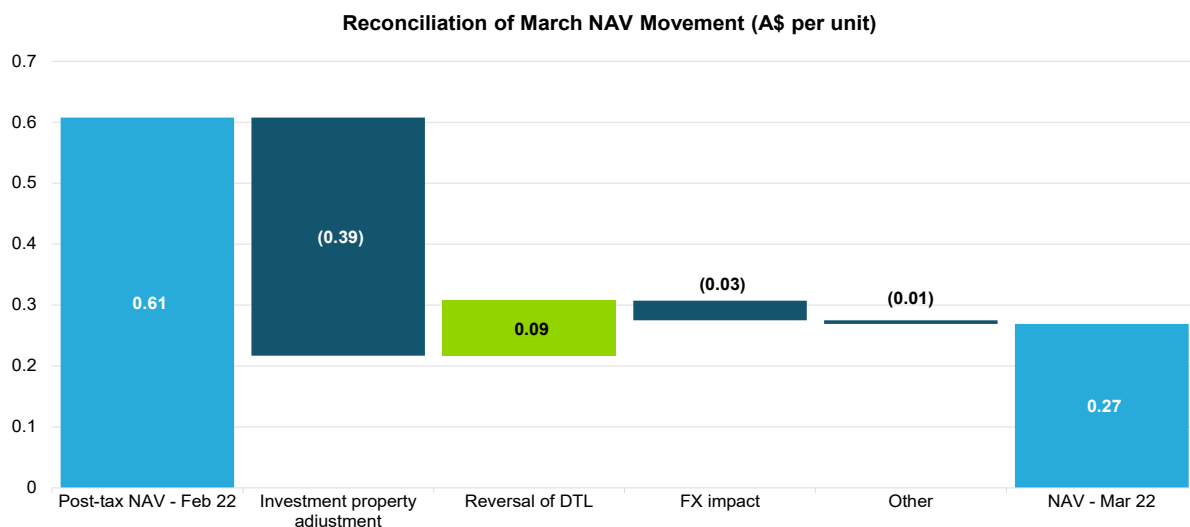
The unaudited net asset value (NAV) as at 31 March 2022 is estimated to be \$0.27 per unit.

As announced to the market on the 28th of March, E&P Investments Limited as responsible entity of the Fund has entered into a conditional Purchase and Sale agreement with a joint venture between Brooksville Company, LLC and Rockpoint Group LLC for the sale of the Group's 1-4 Family property portfolio in a single bulk sale transaction.

The 1-4 Family portfolio is now classified as 'held for sale' under the accounting standards. Accordingly, the NAV as at 31 March 2022 incorporates the sale of the Group's 1-4 Family property portfolio for total consideration of US\$506.6 million (the 'Transaction'), as well as the removal of the Deferred Tax Liability of US\$27.0 million which is not expected to materialise under the Transaction. It does not include the anticipated disposal costs associated with the Transaction, which are estimated at approximately US\$13.0 million, nor does it include the full Convertible Preference Unit distribution payable in respect of the six month period ended 30 June 2022.

Prior to the portfolio being classified as 'held for sale', the accounting standards required that fair value be determined with reference to the 'unit of account' of the underlying properties, which was determined using individual property appraisals completed by an independent panel of appraisers. In the event the Transaction does not progress to final execution, the valuation of the portfolio will revert to the treatment in the 2021 annual report, adjusted for operating costs, asset sales and foreign exchange.

The diagram below shows the movement in post-tax NAV from 28th February 2022 to 31st March 2022.



Each monthly NAV update accounts for the operational results of the months since 31 December 2021, as well as asset sales, investor distributions and foreign exchange movements over this time period.



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Sales Program Update

During the month of March, the Fund closed on the sale of one asset for US\$6,750,000. The book value of this asset was US\$7,005,370 and the closing costs associated with this sale was US\$458,463.

Rent Collection Update

The Fund's rental collection rate continues to be closely monitored in light of COVID-19. Throughout March, the Fund's 1-4 family portfolio collected funds equivalent to 100% of the month's rent roll. The rent collected includes receipts for March, as well as outstanding payments for prior months.

Source: E&P Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.
