

US Masters Residential Property Fund (Fund, URF) Convertible Step-up Preference Units (CPU) | ASX Code: URFPA

CPU Conversion Announcement

In accordance with the terms of the CPUs as set out in the Product Disclosure Statement (**PDS**) dated 1 December 2017 for the CPUs, E&P Investments Limited (ACN 152 367 649 | AFSL 410 433) (**E&PIL**) as responsible entity (**RE**) of URF has determined that it will convert all of the CPUs into fully paid ordinary units (**Ordinary Units**) at the first available opportunity in January 2023. The RE foreshadowed the likelihood of this conversion in an announcement on 14 June 2022. The conversion of a CPU will take effect by way of the reclassification of an interest in URF in the nature of a CPU to an Ordinary Unit in URF (**Conversion**). The date for Conversion is 3 January 2022 (**Issuer Conversion Date**), being the business day after the last date of the then current CPU distribution period (31 December 2022). The PDS for the CPUs outlines that the CPUs convert to the aggregate of:

(a) the number of Ordinary Units determined by dividing the Issue Price by the VWAP of Ordinary Units over the 10 business days prior to Conversion less a discount of 2.5% (whether or not trading of Ordinary Units occurs on those business days) up to but excluding the conversion date (**Conversion VWAP**) subject to a minimum conversion number of 44 Ordinary Units per CPU (**Minimum Conversion Number**) and a maximum conversion number of 205 Ordinary Units per CPU (**Maximum Conversion Number**) subject to adjustment (**Conversion Number**); and

(b) the number of Ordinary Units determined by dividing the aggregate of all distributions that remain outstanding at the date of Conversion by the Conversion VWAP (**Additional Conversion Number**). This Additional Conversion Number is not subject to the Maximum Conversion Number or Minimum Conversion Number. The Additional Conversion Number is not applicable, given that no distributions are outstanding and, as noted below, a distribution will be paid in respect of the period to 31 December.

Conversion Number

The trading price of Ordinary Units as at market close 25 November 2022 was \$0.25. During the last three months Ordinary Units have traded at a low of \$0.25 and a high of \$0.34. Based on the current trading price, it is expected that the Conversion VWAP will be below \$0.50, and as a result CPU Holders will receive the Maximum Conversion Number of ordinary units, 205 Ordinary Units per CPU as the Conversion Number in accordance with the terms of the CPU.

Investors should seek their own professional tax advice which takes into account their own personal circumstances with regard to the Conversion.

Final URFPA Distribution

E&PIL is pleased to confirm the final distribution amount of the CPU distribution for the period ending 31 December 2022 is \$3.22 per CPU. URFPA units represent an equitable interest in the Fund, but on which URFPA holders may receive a priority distribution at a set rate. Up to 31 December, the securities have a distribution rate of 6.25% per annum, but from 1 January 2023 to 3 January 2023 the step-up rate of 8.75% per annum will apply, and this amount will be included with the distribution for the half-year. Payment of the URFPA distribution is expected to be made on or around 24 February 2023, and the DRP will apply (see below). Information regarding the tax components of the URFPA distribution will be provided in the

Tax Distribution Statement for the 2023 tax year. The Fund advises no part of the URFPA distribution contains foreign conduit income.

DRP

The Fund's distribution reinvestment plan (**DRP**) will apply to the final URFPA distribution. Under the plan, URFPA Unitholders will have all their CPU distribution reinvested in new fully paid ordinary units in the Fund (**Ordinary Units**) unless Unitholders have elected to be paid in cash in their original application form or via URF's unit registry, Boardroom Pty Limited. For further information regarding the DRP or to obtain a form to change your election, please contact Boardroom Pty Limited on 1300 737 760.

With respect to the final CPU distribution only, the RE has resolved to change the distribution election cut-off time under the DRP from 7pm (Sydney time) to 8am (Sydney time) on 3 January 2023 for enabling same day allotment of Ordinary Units for the Conversion.

The DRP price of Ordinary Units to be issued to URFPA holders under the URFPA DRP will be an amount equal to 95% of the VWAP of Ordinary Units over the 10 business days (whether or not trading of Ordinary Units occurs on those business days) up to but excluding the Record Date.

Timetable for Conversion:

ASX Announcement	28 November 2022
Notice sent to Investors	30 November 2022
Quotation of CPUs ends	Close of trading 22 December 2022
CPU Ex-distribution Date	29 December 2022
CPU Distribution Record Date	30 December 2022
CPU final distribution election cut-off time	8am 3 January 2023
Issuer Conversion Date	3 January 2023
Allotment of Ordinary Units and lodgement of Appendix 2A with ASX	3 January 2023
Normal trading of underlying securities commences	4 January 2023
Payment of CPU Distribution	24 February 2023
Last date for issue of units under DRP	3 March 2023

Fund update

The US Management team and Board of the Responsible Entity have been focused on progressing the externalisation of the Fund's US operating divisions through the previously announced strategic joint venture with Brooksville and Pinnacle City Living. The joint venture documentation was significantly progressed during the September quarter, and it is expected that the final agreement will be formalised before the end of the year.

Authorised for release by E&P Investments Limited (ACN 152 367 649 | AFSL 410 433), the Responsible Entity of the Fund.