

Explanatory Memorandum

**Including Notice of Meeting of members of the US Masters
Residential Property Fund (ARSN 150 256 161) (URF.ASX)
dated 7 February 2023**

IMPORTANT NOTICE

This document is issued by E&P Investments Limited (ACN 152 367 649) | AFSL 410 433 (**E&PIL** or **Responsible Entity**) in its capacity as responsible entity of the US Masters Residential Property Fund ARSN 150 256 161 (**URF** or **Fund**).

PURPOSE OF THIS DOCUMENT

This Explanatory Memorandum provides you with information about the proposed resolution contained in the Notice of Meeting sent to members of the Fund (see Appendix 1) to implement an on-market buyback (**Buyback Proposal**) and puts forward a buyback resolution (**Resolution**) for unit holders (**Unitholders**) to consider. E&PIL recommends that you read the Explanatory Memorandum and the Notice of Meeting in full and seek advice from a licensed financial adviser or other professional adviser before you determine how to exercise your vote on the Resolution set out in the Notice of Meeting.

FORWARD LOOKING STATEMENTS

To the extent that this Explanatory Memorandum contains any statements which may be considered to be forward-looking, those statements reflect the reasonably held and current expectations of E&PIL and its directors concerning future results and events as at the date of this Explanatory Memorandum. Forward looking statements involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, E&PIL (and its officers, employees, agents or associates). In particular, the uncertainty and risks created by the continually evolving COVID-19 pandemic and the war in Ukraine increase the difficulty of making such judgements and analysis. Unforeseen or unpredictable events and various risks could affect future results of the Fund following the implementation of the Buyback Proposal, causing results to differ from those which are expressed, implied or projected in any forward-looking statements. Any forward-looking statements are provided for information purposes only in order to assist Unitholders to make decisions about whether to vote in favour of the Resolution set out in the relevant Notice of Meeting. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information in this Explanatory Memorandum does not take into account your investment objectives, financial situation, tax position or needs. It is important that you read the Explanatory Memorandum before making any voting decision. In particular, it is important that you consider the advantages and disadvantages of the Buyback Proposal (see Section 3 of this Explanatory Memorandum). If you would like to refer to further information about the Fund, the audited financial results for the year ended 31 December 2021 and half year ended 30 June 2022 are available from the Fund's website, <https://www.usmastersresidential.com.au/> or by calling Investor Relations on 1300 454 801 (local call free within Australia).

To the maximum extent permitted by law, neither E&PIL nor any of its directors, officers, employees, agents or advisers accepts any liability for any loss arising from the use of this Explanatory Memorandum or its contents or otherwise arising in connection with it. The information in this Explanatory Memorandum remains subject to change. E&PIL may vary the timetable. We will notify you of any material changes in relation to this Explanatory Memorandum via the Australian Securities Exchange (**ASX**) announcements platform and on the Fund's website <https://www.usmastersresidential.com.au/>. The information in this Explanatory Memorandum is current as at 7 February 2023 unless otherwise stated. The ASX does not take any responsibility for the contents of this Explanatory Memorandum.

PRIVACY

URF members have a right to access their personal information and should contact the responsible entity if they wish to do so. Members who appoint a named person to act as their proxy, corporate representative or attorney should ensure they inform that person of these matters. For further information on E&PIL's privacy policy, please visit <https://www.eap.com.au/ep-funds-privacy-policy/>.

ADDITIONAL INFORMATION

If after reading this Explanatory Memorandum you have any further questions, please contact your financial adviser, E&PIL on 1300 454 801 (local call free within Australia), or the Fund directly at URFInvestorRelations@usmrpf.com.



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KEY DATES

| Event | Date |
|---|-------------------------|
| Date of Notice of Meeting and this Explanatory Memorandum | 7 February 2023 |
| Deadline for Voting Forms for the Meeting | 9:00am 27 February 2023 |
| Record date for voting | 7:00pm 27 February 2023 |
| Meeting of members of the Fund | 9:00am 1 March 2023 |

If the Resolution is approved by Unitholders at the Meeting, the following key dates apply.

| | |
|---------------------------------|------------------|
| Commencement of Buyback | 2 March 2023 |
| Expected completion of Buyback* | 29 February 2024 |

All dates following the issue date of this Explanatory Memorandum (and the references to those dates throughout this document) are indicative only and may be subject to change.

* The Responsible Entity may give further notice extending the Buyback at the end of the current proposed buyback window (if required). The Buyback may also not run for the entire window and will be subject to market conditions.

The Responsible Entity will notify Unitholders of any change to this timetable via the ASX announcements platform and the Fund's website at <https://www.usmastersresidential.com.au/>. All times refer to Sydney, Australia Time unless indicated otherwise.



1. CHAIR'S LETTER

Dear Investors,

As Independent Chair of E&P Investments Limited, the Responsible Entity of the US Masters Residential Property Fund (**Fund**), I am providing you with a proposal to implement an on-market buyback (**Buyback**) for the Fund.

If Unitholders approve the Buyback, the Fund will be permitted to buy back a maximum of 25% of the number of Ordinary Units it has on issue as at the close of trade on 28 February 2023 over the 12-month period from 2 March 2023 to 29 February 2024 unless terminated earlier by the Responsible Entity, should market conditions support this. The Responsible Entity believes that such flexibility will support the Fund's goals of achieving the most efficient capital structure possible, and optimising returns to Unitholders.

As previously disclosed to investors in May 2022, Rockpoint Group LLC (**Rockpoint**) informed URF that they had determined not to proceed with a transaction for a bulk purchase of the majority of the Fund's properties (**Transaction**) on the agreed terms due to a perceived deterioration in market conditions, notably a markedly increased interest rate environment and broader economic uncertainty. At that time, the Responsible Entity reconsidered the Fund's capital management including possible strategies to increase liquidity for investors in addition to what was available through normal market trading. As a result, an on-market buyback program for URF securities was announced in June 2022.

Starting in July 2022, the Fund bought back both URF ordinary units (ASX: **URF**) (**Ordinary Units**) and URF Convertible Step-up Preference Units (ASX: **URFPA**) (**CPUs**), with the actual units bought back dictated by market pricing of the Ordinary Units and CPUs and available liquidity. The initial buyback was limited to the purchase of less than 10% of the smallest number of interests in the Fund (including both Ordinary Units and CPUs) over the 12-month period preceding the buyback (**10/12 Limit**), with the initial split between the two classes of units being up to 10% of either class of securities.

On 28 November 2022, the RE announced on the ASX platform that the CPUs were to be converted on 3 January 2023 and separately provided notice of conversion to CPU holders. This conversion took place on 3 January 2023.

The Fund's initial buyback is approaching the 10/12 Limit, and as previously foreshadowed in the announcement dated 14 June 2022, investor approval is being sought to extend the buyback capacity via an ordinary resolution in accordance with the Corporations Act.



While the market price discount of Ordinary Units to reported NAV persists, the Responsible Entity believes that selling assets and returning capital from sales of assets of the Fund in the form of buybacks continues to be in Unitholders' best interests as it is the most accretive option for investors at this time.

The Fund previously announced that it expected to have surplus funds of US\$25 million to US\$30 million to dedicate to capital management initiatives such as buybacks as at 30 August 2022. Subject to the trading level of Ordinary Units, the Fund intends to continue to fund its Buyback program, both from cash on balance sheet and through a continuation of the asset sales program from the Fund's 1-4 Family portfolio. The Buyback program will be reassessed on an ongoing basis, subject to US local property market and broader economic conditions, and the Fund will ensure that ample liquidity is retained for ongoing operating activities. Subject to continued strength in the local property markets allowing the Fund to sell assets, as well as Ordinary units continuing to trade at a discount to NAV, the Fund would expect to be in a position to dedicate additional funds to the capital management initiatives in excess of the initial US\$25 million to US\$30 million target, noting that the initial figure includes the amount already used to purchase Ordinary Units and CPUs. If the Resolution is approved by the Unitholders, it is not guaranteed that the Responsible Entity will buy back the maximum number of Ordinary Units permitted under the Buyback or any Ordinary Units at all.

This Explanatory Memorandum sets out information that is material to a Unitholder's decision on how to vote on the Resolution, including the reasons for the Buyback, the applicable terms, the financial implications and the possible advantages and disadvantages of the on-market buyback program.

If you have any questions regarding this Buyback Proposal please speak with your professional advisor or contact our Investor Relations team via email at URFInvestorRelations@usmrpf.com.

Kind regards,



Stuart Nisbett
Chair of E&PIL

2. THE BUYBACK PROPOSAL

2.1 Overview

The Responsible Entity is seeking to obtain Unitholder approval so that it has the flexibility to undertake buybacks during the 12-month period from 2 March 2023, should market conditions support this. The Responsible Entity believes that such flexibility will support the Fund's goals of achieving the most efficient capital structure possible, and optimising returns to Unitholders. Funding for the Buyback will be sourced from existing cash balances and implementation of the Fund's announced asset sale program.

If Unitholders approve the Buyback, the Fund will be permitted to buy back a maximum of 25% of the numbers of Ordinary Units in the Fund it has on issue as at the close of trade on 28 February 2023 over the 12 months following that date, unless terminated earlier by the Responsible Entity.

The proposed Buyback will (if approved) be conducted in accordance with the Fund's Constitution, Section 601KH of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159) and the ASX Listing Rules.

2.2 Purpose of the Resolution

The purpose of the Resolution is to seek Unitholder approval to refresh and extend the on-market buyback program. Under section 601KH(8)(a) of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159), the Fund must obtain the approval of its Unitholders in order to buyback more than 10% of the smallest number of votes attaching to the voting Ordinary Units that the Fund had on issue during the 12 months preceding the buyback (**10/12 limit**).

The Resolution is an ordinary resolution and will be approved if more than 50% of votes cast at the Meeting on the resolution are in favour of the resolution.

If approval is given, the Fund will be able to implement the Buyback on the terms outlined in this Explanatory Memorandum.

If approval is not given, the Fund may continue to buyback Ordinary Units within the 10/12 Limit, which does not require Unitholder approval. It is not guaranteed that the Responsible Entity would buy back the maximum number of Ordinary Units permitted under the 10/12 Limit.

2.3 Reasons for the Buyback

The Responsible Entity considers that an on-market buyback is an effective means of returning any surplus capital to Unitholders and will enable the Fund to maintain an efficient capital structure.

In the past, the Fund bought back both Ordinary Units and CPUs, with the actual units bought back dictated by market pricing of the Ordinary Units and CPUs and available liquidity. This buyback was



conducted within the 10/12 limit, with the initial split between the two classes of units being up to 10% of either class of securities.

Following the commencement of the Fund's initial buyback program in July 2022 and as at 27 January 2023, the Fund has bought back 28,998,331 URF Ordinary Units for a total consideration of \$7,987,086 as well as 186,932 CPUs for a total consideration of \$10,728,988.

As such, the Fund's initial buyback is approaching the 10/12 limit, and as previously foreshadowed in the announcement dated 14 June 2022, investor approval is being sought via an ordinary resolution in accordance with the Corporations Act to enable the Fund to undertake buybacks exceeding the 10/12 Limit.

On 28 November 2022, the RE made an announcement on the ASX platform that all of the CPUs would be converted on 3 January 2023 and separately provided notice of conversion to CPU holders in accordance with the Fund's constitution. This conversion duly took place on 3 January 2023 and resulted in the issuance of 369,773,875 new Ordinary Units, bringing the total number of Ordinary Units to 751,333,477 immediately after the conversion. The only class of units on issue is now the Ordinary Units.

On 3 January 2023, the RE announced the joint venture arrangement with Brooksville and the appointment of Brooksville and Pinnacle as the managers of the Fund's portfolio of 1-4 Family properties. The terms of the partnership were structured to create maximum alignment between Brooksville and URF Unitholders, with the structure incentivising Brooksville to expeditiously return the maximum amount of capital to Unitholders. Under the terms of the agreement, Brooksville will be required to deliver an 8% compound annual return above their entry valuation to URF Unitholders before receiving any promotional interest incentive payment. Brooksville's strategy to return capital to Unitholders will predominately be driven by a continuation and acceleration of asset sales from URF's 1-4 Family portfolio.

As long as the on-market discount of Ordinary Units persists, the Responsible Entity believes that selling properties and returning capital in the form of buybacks continues to be the most accretive option for Unitholders as it could increase the Ordinary Units' value to the benefit of continuing Unitholders and provide liquidity to investors who sell into the Buyback.

The Responsible Entity also considers that an on-market buyback provides the Fund with flexibility to adjust the volume of Ordinary Units bought back, and suspend or terminate the Buyback at any time depending on market conditions, as compared to the alternative methods of returning capital through a pro rata distribution of capital to all holders or an off-market buyback.



2.4 Outline of on-market buybacks

An on-market buyback involves the Responsible Entity, on behalf of the Fund, buying units in the ordinary course of trading on the ASX, in the same way as any other market transaction. It is a requirement of the Corporations Act that the Responsible Entity must not buyback Ordinary Units on-market by way of a special crossing or priority crossing.

The implementation of an on-market buyback is regulated by both ASIC and the ASX. In particular, the ASX Listing Rules prescribe that the buyback price must not be more than 5% above the volume weighted average price (**VWAP**) for units in the Fund over the previous 5 days on which sales in the units were recorded before the date on which a buyback was made.

The closing price of the Fund's Ordinary Units on the ASX on 27 January 2023 was \$0.275. The highest and lowest market prices and the average monthly closing prices of the Ordinary Units on the ASX to 27 January 2023 were as follows:

| Period | Low (\$) | High (\$) | Average Closing Price (\$) |
|---------------------------|----------|-----------|----------------------------|
| January 2023 [^] | 0.260 | 0.280 | 0.269 |
| December 2022 | 0.245 | 0.290 | 0.275 |
| November 2022 | 0.250 | 0.295 | 0.264 |
| October 2022 | 0.250 | 0.280 | 0.265 |
| September 2022 | 0.260 | 0.340 | 0.308 |
| August 2022 | 0.265 | 0.330 | 0.285 |
| July 2022 | 0.250 | 0.270 | 0.256 |
| June 2022 | 0.255 | 0.320 | 0.274 |
| May 2022 | 0.240 | 0.280 | 0.264 |
| April 2022 | 0.220 | 0.265 | 0.244 |
| March 2022 | 0.185 | 0.390 | 0.334 |
| February 2022 | 0.265 | 0.345 | 0.292 |

[^] to close of business on 27 January 2023. Source: Iress.



The Fund must announce on the ASX the period during which Ordinary Units may be bought back (if the Responsible Entity has determined this), the maximum number of Ordinary Units intended to be bought back and any other information that affects a Unitholder's decision to sell Ordinary Units. The Fund also has to give daily notices containing details of the Ordinary Units bought back.

All Unitholders are eligible to participate by selling their Ordinary Units to the Fund on the ASX. Participation in any Buyback is voluntary. Unitholders do not have to sell their Ordinary Units if they do not want to. Unitholders will not, however, have the right to withdraw sales once made.

If the Resolution is approved by the Unitholders, the maximum number of Ordinary Units that the Responsible Entity, on behalf of the Fund, will be able to buy back on-market during the 12-month period commencing on 2 March 2023 will be an amount equal to 25% of the issued Ordinary Units in the Fund as at the close of trade on 28 February 2023. As noted above, there were 751,333,477 Ordinary Units on issue after the CPU conversion and as at 27 January 2023 there are now 748,357,092 Ordinary Units on issue. Assuming there are no issues or buybacks of Ordinary Units between 28 January 2023 and the date of the Meeting the number of Ordinary Units bought back could be up to 10,043,968 Ordinary Units.

Since an on-market buyback involves Ordinary Units being acquired at the market price of Ordinary Units at that time, it is not possible to anticipate the total actual amount the Responsible Entity, on behalf of the Fund, will expend on buying back Ordinary Units. If the Resolution is approved by the Unitholders, it is not guaranteed that the Responsible Entity will buy back the maximum number of Ordinary Units permitted under the Buyback or any Ordinary Units at all.

Financial implications of the buyback program

The Buyback will be funded from the Fund's available cash reserves and, if required, the sale of certain investments.

The Responsible Entity, on behalf of the Fund, has determined that the Buyback will not materially prejudice the Fund's ability to pay creditors and will retest that assessment at the time each Buyback occurs.

As at 31 December 2022, the Fund has approximately A\$44 million of cash on its balance sheet available for all corporate purposes, including funding the Buyback. Drawing on the available cash reserves will deplete the remaining cash reserves available following the Buyback. The Fund has reinstated its asset sales program, and the proceeds of any completed sales (net of required debt repayments) will be available to add to the potential buyback reserve.

The exact impact on earnings per Ordinary Unit of any Buyback cannot be determined until the Buyback is completed and will depend on the number of Ordinary Units bought back, the volume-weighted average buyback price and how the Buyback program is funded.



Effect on control of the Fund

If the Buyback is fully implemented over the 12 months to February 2024 (which is not certain) and there are no new issues of Ordinary Units, it would reduce the number of Ordinary Units on issue by 25% and proportionately increase the voting power of investors who retain their units. For example, an existing holding of 10% of Ordinary Units would increase to over 13% of the reduced number of Ordinary Units.



2.5 Responsible Entity Recommendation

The Responsible Entity recommends that Unitholders vote in favour of the Resolution.

Having regard to all relevant circumstances, including the matters set out in this Explanatory Memorandum and Notice of Meeting, the independent directors of the Responsible Entity recommend that Unitholders vote in favour of the Resolution.

The Chair of the Meeting intends to vote undirected proxies in favour of the resolution to approve the Buyback.



3. CONSIDERATIONS RELEVANT TO YOUR VOTE

3.1 WHY UNITHOLDERS MAY VOTE FOR

The general advantages of the Buyback include the following:

- Enhances the ability for URF to return surplus capital in a manner that is accretive to net asset value per Ordinary Unit;
- Enhances liquidity for Unitholders to sell Ordinary Units back to URF, where that liquidity may not be otherwise available to Unitholders;
- May have the effect of reducing the gap between the trading price of Ordinary Units and the determined net asset value per Ordinary Unit;
- Allows continuing Unitholders to control a larger proportion of the Ordinary Units on issue; and
- The Responsible Entity has complete flexibility to adjust the volume of Ordinary Units bought and can suspend or terminate the Buyback at any time depending on the market conditions.

3.2 WHY UNITHOLDERS MAY VOTE AGAINST

However, in deciding how to vote, Unitholders should be aware that, among other things, some of the disadvantages of the Buyback include:

- The Buyback will reduce the Fund's cash balances and reserves, which may be needed for ongoing operations in the event the Fund is unable to generate liquidity through property sales;
- While the Buyback may provide some liquidity in the Fund's Ordinary Units in the short term, they will likely result in reducing the liquidity in the Fund's Ordinary Units in the long term due to a smaller number of Ordinary Units on issue for trading;
- Because the Responsible Entity will only buy back Ordinary Units at prices that are accretive to the Fund, Unitholders who sell their Ordinary Units on market as part of the Buyback will exit their investment at a price below the determined net asset value per Ordinary Unit, so there is a risk that in accessing liquidity provided through the Buyback, they might receive less than if they continued to hold their Ordinary Units; and
- Participation in the Buyback may have financial, taxation, or other ramifications for Unitholders depending upon each Unitholder's personal circumstances. The Responsible Entity recommends each Unitholder should obtain their own professional advice.



4. VOTING AT THE MEETING

VOTING

The Notice of Meeting and proxy form are attached as Appendix 1 to this Explanatory Memorandum. Please refer to the Notice of Meeting for information on how to vote. The Record Date for voting is 7:00pm 27 February 2023. All proxy forms must be received by 9:00am 27 February 2023 in order to be valid. The Meeting will be held at 9:00am 1 March 2023.

In accordance with section 252S of the Corporations Act, the Responsible Entity has appointed Stuart Nisbett, Independent Chair of the Responsible Entity, to chair the meeting. The decision of the Chair on any matter relating to the conduct of the meeting is final.

The quorum for the meeting is at least two Unitholders present in person or by proxy together holding at least 10% of the Ordinary Units. If a quorum is not present within 15 minutes of the scheduled time for the meeting, the meeting may be adjourned to such time and place as the Responsible Entity decides, and at the adjourned meeting those members present in person or by proxy will constitute a quorum.

At the date of this notice, it is no longer possible to hold fully virtual meetings unless the Fund's Constitution so provides, which it does not. Accordingly the meeting will be a hybrid meeting, held both in person at the address stated in the Notice of Meeting and with an on-line facility. All members, whether attending in person or on line, will have a reasonable opportunity to participate in the meeting. Voting can be conducted in the ways stated in the Notice of Meeting – in person, by proxy, as authorised representative of a corporate unit holder, or on-line during the meeting. Voting on-line prior to the meeting is not possible.

Only holders of Ordinary Units in the Fund will be permitted to attend the meeting and to vote. Also, if the Responsible Entity or its associates were considered to have an interest in the Resolution other than as a member, they would be excluded from voting, and if they voted their votes would be disregarded.

Please refer to the Notice of Meeting for information on how to vote and attend the Meeting online.



5. OTHER MATERIAL INFORMATION

At 27 January 2023, the Fund had 748,357,092 Ordinary Units on issue.

5.1 Related parties' right to participate in the Buyback

The directors of the Responsible Entity have the following interests in the Fund at the date of this Notice of Meeting:

| Name | Unitholding | % Voting Interest |
|------------------|-------------|-------------------|
| Stuart Nisbett | 18,462 | 0.00% |
| Warwick Keneally | 77,441 | 0.01% |
| Peter Shear | 0 | 0.00% |

In addition to the director's holdings detailed in the above table, the Responsible Entity's associated companies hold 3,650,453 Ordinary Units or a 0.49% voting interest.

The following table shows the relevant voting interest that each Director of the Responsible Entity would have if the Fund bought back 25% of the issued Ordinary Units permitted under any approval of the Buyback given and if the Directors of the Responsible Entity did not sell any of their Ordinary Units:

| Name | Unitholding | % Voting Interest |
|------------------|-------------|-------------------|
| Stuart Nisbett | 18,462 | 0.00% |
| Warwick Keneally | 77,441 | 0.01% |
| Peter Shear | 0 | 0.00% |

In addition to the Director's holdings detailed in the above table, the Responsible Entity's associated companies will hold 3,650,453 Ordinary Units or a 0.65% voting interest assuming the Responsible Entity's associates did not sell any of their Ordinary Units and if the Fund bought back 25% of the issued Ordinary Units.

The Directors of the Responsible Entity and the Responsible Entity's associated companies may participate in the Buyback program.



Section 601LC of the Corporations Act prohibits the Responsible Entity from giving a financial benefit out of the Fund's property to the Responsible Entity or a 'related party' (as defined under the Corporations Act) of the Responsible Entity without the approval by resolution of Unitholders. However, such an approval by Unitholders is not required if the giving of the financial benefit is on arm's length terms under section 210 of the Corporations Act.

The Responsible Entity considers that if the Directors or the Responsible Entity's associates were to sell their Ordinary Units into the proposed Buyback, those sales would fall within the 'arms' length' exception as:

- the related parties who wish to participate in the Buyback would only be entitled to sell their Ordinary Units on the same terms as those that apply to other Unitholders;
- when the Responsible Entity enters a bid to buy Ordinary Units on market it does not know the identity of the seller and the price discovery process occurs on market; and
- the effect of the sales of those Ordinary Units on the Fund and the price is the same no matter who is selling the Ordinary Units.

5.2 Tax Implications

Approval of the resolution will not result in any tax implications for Unitholders if they do not sell their Ordinary Units. However, if a Unitholder chooses to participate in the Buyback by selling their Ordinary Units then that Unitholder should obtain specific tax advice on the treatment of the sale of their Ordinary Units taking into account their particular circumstances.

For Australian resident taxpayers holding their investment on capital account, a capital loss will arise if the disposal proceeds are less than the capital gains tax reduced cost base and a capital gain will arise if the disposal proceeds are more than the capital gains tax cost base. Capital losses can be used to net down capital gains made by the taxpayer in the current or future income years. Australian resident individuals, trusts or complying superannuation funds may be entitled to a capital gains tax discount on capital gains if the Ordinary Units were held for more than 12 months. Investors should seek professional advice on the treatment of the sale of Ordinary Units taking into account their particular circumstances.



APPENDIX 1 – NOTICE OF MEETING



Pursuant to section 252A of the Corporations Act, 2001 (Cth) (**Corporations Act**) and clause 15 of the Fund Constitution, notice is hereby given by E&P Investments Limited (ACN 152 367 649 | AFSL 410 433) (**E&PIL** or **Responsible Entity**) in its capacity as responsible entity of the US Masters Residential Property Fund ARSN 150 256 161 (**URF** or **Fund**) of a meeting to be held at 9:00AM (Sydney time) on 1 March 2023 at Level 32, 1 O'Connell St Sydney NSW 2000.

The meeting will be a hybrid meeting, held both in person at the above address and with an on-line facility. All members, whether attending in person or on line, will have a reasonable opportunity to participate in the Meeting (including to ask questions and vote during the Meeting).

This Notice of Meeting is dated 7 February 2023.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

This Notice of Meeting is an appendix to an Explanatory Memorandum. The Explanatory Memorandum and its annexures have been prepared to assist unit holders of the Fund (**Unitholders**) in determining whether or not to vote in favour of the Resolution set out in this Notice of Meeting.

Unitholders have the right to request that a paper copy of the documents is sent out to them. If you wish to request a paper copy of the documents please send your request, including your contact information, to the Responsible Entity at info.funds@eap.com.au. If you have already elected to receive the Notice of Meeting by post, you do not need to request a paper copy of the documents again.

The Explanatory Memorandum and its annexures should be read in conjunction with this Notice of Meeting.

The ASX does not take any responsibility for the contents of this Notice.



BUSINESS

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That the members of the Fund authorise and approve, for the purposes of Section 601KH(8)(a) of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159) and for all other purposes, the on-market buyback of up to 25% of the number of issued Units as at the close of trade on 28 February 2023 during the 12 month period from 2 March 2023 as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.”

Explanatory Memorandum

Members are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Resolution voting requirements

In accordance with clause 15.13 of the Constitution, the Chairman intends to call a poll on the resolution proposed at the Meeting. The Chairman considers voting by poll to be in the interests of the Unitholders as a whole and ensures the views of as many Unitholders as possible are represented in the vote.

On a poll, each Unitholder has one vote for each Unit they hold. You need not exercise all of your votes in the same way, nor need you cast all of your votes.

Entitlement to vote and voting exclusions

The Directors have decided that for the purpose of determining entitlements to participate and vote at the Meeting, Units will

be taken to be held by the persons who are the registered holders at 7.00pm (Sydney time), on 27 February 2023.

Accordingly, transfers registered after that time will be disregarded in determining entitlements to participate and vote at the Meeting.

Under section 253E of the Corporations Act, the Responsible Entity and its Associates would not be able to vote on the Resolution if any of them had an interest in the Resolution other than as a member of the Fund. The Responsible Entity and its Associates currently hold 3,746,356 Units representing 0.50% of the issued Ordinary Units.

The Responsible Entity does not consider that it, or any of its Associates has an interest in the Resolution other than as a member and will include those Units in the count if they are voted.

HOW TO VOTE

Unitholders entitled to vote at the Meeting may vote:

- a) at the meeting (either physically at the Meeting or online if attending virtually by technology) (see below for further information for attending and voting online);
- b) by appointing a proxy to attend the meeting and vote on their behalf using the proxy form accompanying this notice or, in the case of corporate Unitholders or proxies, a corporate representative to attend the meeting and vote on its behalf (and such proxy may attend the Meeting either



physically in person or online). A proxy may be an individual or body corporate.

If it becomes necessary to make further alternative arrangements for the Meeting, Unitholders will be provided with as much notice as possible. Further information will be made available on the Fund's website at <https://www.usmastersresidential.com.au> and in the Fund's ASX market announcement.

Voting Online During the Meeting

If Unitholders or proxyholders wish to vote during the Meeting online, they may participate in the webcast and live online voting facility for the Meeting by using a computer, and entering the following URL in your browser: <https://web.lumiagm.com>

The meeting ID for this Meeting is: 347-007-558.

Your username is your Voting Access Code. This number is located on your proxy form or your notice of meeting email.

Your password is your postcode registered on your holding if you are an Australian Unitholder. Overseas Unitholders should refer to the Lumi user guide.

Participating in the Meeting online enables Unitholders to view the Meeting live, ask questions and cast direct votes.

Proxies

If Unitholders do not wish to vote during the Meeting or are unable to attend the Meeting, they may appoint a proxy to vote on their behalf.

Any Unitholders entitled to participate and vote at the Meeting is entitled to appoint not more than two proxies to participate and vote in their stead.

A proxy need not be a Unitholder.

If a Unitholder appoints two proxies, that Unitholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that to which a Unitholder is entitled, each proxy may exercise half of that Unitholder's votes. Any fractions of votes brought about by the appointment of votes to a proxy will be disregarded.

Proxies must be lodged online or by emailing, posting or delivering them to the email or physical address specified below to be received not later than 9:00AM (Sydney time) on 27 February 2023.

Online: www.votingonline.com.au/urfqm2023

Email: proxy@boardroomlimited.com.au

Address: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
Or
E&P Investments Limited
Level 32, 1 O'Connell St
Sydney NSW 2000 Australia

A proxy form is provided with this Notice of Meeting.

The Chair acting as Proxy

The Chairman of the Meeting is deemed to be appointed as a Unitholder's proxy where a notice of direction and proxy form is returned which does not contain the name of the proxy



or where the person appointed on the form is absent from the Meeting.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of the Resolution.

Chair

In accordance with section 252S(1) of the Corporations Act and clause 15.7 of the Fund's constitution, the Responsible Entity intends to nominate Stuart Nisbett, to act as chair of the Meeting, but may appoint another person if Mr Nisbett is unable to attend the Meeting for any reason.

Quorum

In accordance with clause 15.5 of the Fund's constitution the quorum requirement for the Meeting is at least 2 members present in person or by proxy together holding at least 10% of the Ordinary Units.

If a quorum is not present within 15 minutes of the scheduled time for the Meeting, the Meeting will be adjourned to such place and time as the Responsible Entity decides, and at the adjourned meeting those members present in person or by proxy will constitute a quorum.

Attorneys

Any Unitholder entitled to participate and vote at the Meeting is entitled to appoint an attorney to participate and vote in their stead.

An attorney need not be a Unitholder.

The power of attorney appointing the attorney must be duly signed and specify the name of each of the Unitholders, the Company and the attorney, and also specify the Meeting at which the appointment may be used. The appointment may be a standing one. To be effective, the power of attorney must also be returned in the same manner (other than online), and by the same time, as outlined above for proxies.

Corporate representatives

A Unitholder, or proxy, that is a corporation and entitled to participate and vote at the Meeting may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with section 253B of the Corporations Act and be lodged with the Responsible Entity before the Meeting.

Submitting questions prior to the meeting

Unitholders may also submit questions in advance of the meeting by emailing info.funds@eap.com.au. Unitholders should note that it may not be possible to respond to all questions.

By order of the Board.

Caroline Purtell – Company Secretary

7 February 2023



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

PROXY FORM - YOUR VOTE IS IMPORTANT

The meeting will be held in person at Level 32, 1 O'Connell St, Sydney, NSW, 2000 and as a virtual meeting online at: <https://web.lumiagm.com/347-007-558> on Wednesday 1 March 2023 at 9:00am (AEDT). For your appointment of proxy to be effective it must be received by Boardroom or the Responsible Entity before 9:00am (AEDT) on Monday, 27 February 2023. Note: You cannot cast a direct vote online in advance of the meeting, but you can lodge a proxy vote in advance of the meeting or vote online during the meeting.

🖨 TO LODGE A PROXY VOTE ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/urfgm2023>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the fund. Do not write the name of the fund or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the fund's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the fund's securities registry.

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:00am (AEDT) on Monday, 27 February 2023**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/urfgm2023>

📧 **By Email** proxy@boardroomlimited.com.au

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
OR
E&P Investments Limited, Level 32, 1 O'Connell Street,
Sydney NSW 2000

👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia
OR
E&P Investments Limited, Level 32, 1 O'Connell Street,
Sydney NSW 2000

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **US Masters Residential Property Fund** (Fund) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Responsible Entity** (mark box)

OR if you are **NOT** appointing the Chair of the Responsible Entity as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Responsible Entity as my/our proxy at the General Meeting of the Fund to be held at the **Level 32, 1 O'Connell St, Sydney NSW 2000** and as a virtual meeting online at: <https://web.lumiagm.com/347-007-558> on **Wednesday, 1 March 2023 at 9:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Responsible Entity intends to vote undirected proxies in favour of each item of business.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Resolution

That the members of the Fund authorise and approve, for the purposes of Section 601KH(8)(a) of the Corporations Act (as inserted by ASIC Legislative Instrument 2016/1159) and for all other purposes, the on-market buyback of up to 25% of the number of issued Units as at the close of trade on 28 February 2023 during the 12 month period from 2 March 2023 as detailed in the Explanatory Memorandum which accompanies this Notice of Meeting.

For

☐

Against

☐

Abstain*

☐

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2023