



US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NAV Update - 31 January 2023

The unaudited net asset value (NAV) before tax as at 31 January 2023 is estimated to be \$0.64 per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the unaudited post-tax NAV as at 31 January 2023 is estimated to be \$0.58 per unit.

The Fund's NAV updates reflect the property values determined as a result of the 30 June 2022 appraisal process. Each monthly NAV update accounts for the operational results of the months since 30 June 2022, as well as asset sales, investor distributions and foreign exchange movements over this time period.

The Fund is in the process of finalising its half-yearly property portfolio valuation exercise. The updated portfolio valuation will be included in the 31 December 2022 full-year financial report, with release expected by the end of February. Accordingly, the estimated NAV as at 31 January 2023 does not take into account any potential changes to the property portfolio fair value that might arise from that revaluation exercise.

Sales Program Update

During the month of January, the Fund did not close the sale of any properties from the 1-4 family portfolio.

As at 12 February 2023, the Fund has six properties with signed contracts or an accepted offer for a total value of US\$10.6m, as well as US\$13.2m worth of property on the market or actively being prepared for sale.

The Fund has completed the steps required under the Right of First Refusal provision for each of the three multifamily buildings held with Urban American. The Fund has appointed a selling broker for each building, and all multifamily assets are in the process of being marketed for sale.

As at 30 June 2022 these three large-scale apartment complexes were valued at a combined US\$33.2 million, with the Fund having an economic interest in these investments of approximately US\$7.0 million.

Buyback Update

Following the commencement of the Fund's buyback program in July, as at 31 January 2023 the Fund has executed on the purchase of 29,564,034 URF Ordinary units for a total consideration of \$8,126,619.

The Responsible Entity (RE) considers that an on-market buyback is an effective means of returning any surplus capital to Unitholders and enables the Fund to maintain an efficient capital structure. The RE announced on 7 February 2023 its proposal to increase the capacity of the on-market buyback (Buyback).



Buyback Update, cont.

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 RE. While the market price discount of Ordinary Units to reported NAV persists, the RE 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 RE has released an Explanatory Memorandum with 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. This announcement can be found [here](#).

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

Authorised for release by E&P Investments Limited (ACN: 152 367 649, AFSL: 410 433), the responsible entity of the Fund.

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