



# US Masters Residential Property Fund (Fund)

## ASX Code: URF

### Investment and NAV Update - 30 June 2023

The unaudited net asset value (NAV) before tax as at 30 June 2023 is estimated to be \$0.68 per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the unaudited post-tax NAV as at 30 June 2023 is estimated to be \$0.61 per unit.

The Fund's NAV updates reflect the property values determined as a result of the 31 December 2022 appraisal process. Each monthly NAV update accounts for the operational results of the months since 31 December 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 30 June 2023 half-year financial report, with release expected by the end of August. Accordingly, this estimated NAV as at 30 June 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 June, the Fund closed on the sale of four properties for a total of US\$5.62m, a 1% premium to book value. These sales are outlined below:

Location	Sales Price (\$USD Million)	Book Value (\$USD Million)	Transaction Costs (\$USD Million)	GA Loan Repayment (\$USD Million)
Downtown Jersey City	\$1.62	\$1.66	-\$0.10	-\$1.07
Greenville	\$0.58	\$0.54	-\$0.07	-\$0.31
Union City	\$0.81	\$0.88	-\$0.05	-\$0.52
Brooklyn	\$2.62	\$2.47	-\$0.20	-\$1.29
<b>Total</b>	<b>\$5.62</b>	<b>\$5.55</b>	<b>-\$0.41</b>	<b>-\$3.18</b>

As of month end, the Fund had US\$6.44 million under contract or in attorney review, with US\$4.69 million of additional inventory listed on the market for sale, as well as US\$47.24 million in the sales pipeline.

The Fund's full sales pipeline by segment as at 30 June 2023 is outlined in the table below:

Category	NY Premium (\$USD Million)	NJ Premium (\$USD Million)	NJ Workforce (\$USD Million)	Total
Sales Pipeline	\$31.46	\$14.02	\$1.76	\$47.24
On the Market	\$4.20	-	\$0.50	\$4.69
Attorney Review or Under Contract	\$1.43	\$2.65	\$2.37	\$6.44
<b>Total</b>	<b>\$37.08</b>	<b>\$16.67</b>	<b>\$4.63</b>	<b>\$58.38</b>

Source: E&P Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund. Figures may not sum due to rounding.



## Sales Program Update, cont.

Assets marked as being in attorney review or under contract are likely (but not guaranteed) to close in coming months. The sales pipeline includes properties that will be listed for sale imminently, as well as properties where a tenant has submitted a notice to vacate at the future lease expiration date but has not yet vacated. These vacancy notices are typically submitted 1-2 months before lease expiration. Subject to market conditions, the Fund intends to list these properties for sale once they become vacant.

## Capital Management Update

Following the commencement of the Fund's buyback program in July 2022, as at 30 June 2023 the Fund has executed on the purchase of 56,244,469 URF Ordinary units for a total consideration of \$16,118,325,

During the month, the Fund was pleased to announce a distribution of 1 cent per Ordinary unit, with the payment expected to be on or around 18 July 2023. This announcement can be found [here](#).

As of 30 June 2023, the Fund has broadly allocated its available capital as outlined in the table below.

Capital Allocation	\$A Million
Cash Balance	\$37.88
Less: Global Atlantic Liquidity Covenant	-\$15.01
Less: Working Capital & Buyback Funding	-\$12.00
<b>Cash for Capital Management, Capex. and/or Distribution</b>	<b>\$10.87</b>

AUD/USD spot rate of 0.6664 as at 30 June 2023.

Cash balance is inclusive of funds being utilised for upcoming distributions that have been declared but not yet paid.

## Responsible Entity Update

Following the outcome of the vote with respect to the appointment of an alternate Responsible Entity (RE), E&PIL has entered into an Administrative Services Agreement (ASA) with K2 Asset Management Limited (ACN 085 445 094) (K2) whereby K2 will provide E&PIL with support and administration services in areas including investor relations, reporting, and administration. Under the ASA, K2 will also provide fund accounting services, replacing those that are currently provided by Australian Fund Accounting Services Pty Limited (AFAS), a related party of the RE.

As has been outlined, E&PIL will remain as RE of the Fund and the appointment of K2 does not come at any additional cost to the Fund. In line with E&P Financial Group's stated strategic objective to exit non-core businesses, E&PIL remain open to considering alternative proposals for the RE that could be in the best interests of all Unitholders, and will update Unitholders accordingly.

Investors may continue to contact the Investor Relations team at [URFInvestorRelations@usmrpf.com](mailto:URFInvestorRelations@usmrpf.com) or on (03) 9691 6110.