

# US Masters Residential Property Fund (Fund)

## ASX Code: URF

### Investment and NAV Update - 31 July 2023

The unaudited net asset value (NAV) before tax as at 31 July 2023 is estimated to be \$0.67 per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the unaudited post-tax NAV as at 31 July 2023 is estimated to be \$0.60 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 31 July 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 July, the Fund closed on the sale of one property for a total of US\$2.65 million. This transaction was completed at a 1.9% discount to book value, however it was negotiated as an off-market transaction and recognised reduced transaction costs as a result:

Location	Sales Price (\$USD Million)	Book Value (\$USD Million)	Transaction Costs (\$USD Million)	GA Loan Repayment (\$USD Million)
Downtown Jersey City	\$2.65	\$2.70	\$0.10	\$1.39
<b>Total</b>	<b>\$2.65</b>	<b>\$2.70</b>	<b>\$0.10</b>	<b>\$1.39</b>

As of month end, the Fund had US\$9.43 million under contract or in attorney review, US\$6.29 million of additional inventory listed on the market for sale, as well as US\$63.09 million in the sales pipeline.

The Fund's full sales pipeline by segment as at 31 July 2023 is outlined in the table below:

Category	NY Premium (\$USD Million)	NJ Premium (\$USD Million)	NJ Workforce (\$USD Million)	Total
Sales Pipeline	\$42.37	\$17.08	\$3.63	<b>\$63.09</b>
On the Market	\$5.79	\$0.00	\$0.50	<b>\$6.29</b>
Attorney Review or Under Contract	\$5.46	\$0.00	\$3.97	<b>\$9.43</b>
<b>Total</b>	<b>\$53.62</b>	<b>\$17.08</b>	<b>\$8.10</b>	<b>\$69.38</b>

## 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 31 July 2023 the Fund has executed on the purchase of 59,313,728 URF Ordinary units for a total consideration of \$17,048,241.

During the month, the Fund made payment of the previously announced distribution of 1 cent per Ordinary Unit. Further details regarding this distribution can be found [here](#).

As of 31 July 2023, the Fund has broadly allocated its available capital as outlined in the table below.

Capital Allocation	\$A Million
Cash Balance	\$30.95
Less: Global Atlantic Liquidity Covenant	-\$14.89
Less: Working Capital & Buyback Funding	-\$11.91
<b>Cash for Capital Management, Capex. and/or Distribution</b>	<b>\$4.16</b>

*AUD/USD spot rate of 0.6717 as at 31 July 2023.*

## Responsible Entity Update

Following the outcome of the vote with respect to the appointment of an alternate Responsible Entity (RE), E&PIL has continued to consider alternative proposals for the RE of the Fund. These proposals have included the internalisation of the RE so that the RE is a company owned by the Unitholders of URF, replacing E&PIL.

As was outlined in [this announcement](#) dated 10 August 2023, the proposal to internalise the RE would be available to Unitholders in advance of a general meeting expected to be held in the first quarter of calendar year 2024. This will be subject to an appropriately licensed company being in place by that time to take on the role of RE for the Fund.

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