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K2 Asset Management Holdings Ltd (KAM): URF Unitholder Update

URF Unitholder Update

On 31 May 2023, K2 provided an **update** addressing feedback received from unitholders in the US Masters Residential Property Fund (ASX:URF or **Fund**). The response to this announcement has been **exceedingly positive** and assisted in providing clarity to unitholders as we look ahead to the unitholder vote taking place on 19 June 2023.

Listening to further feedback and also addressing the first order of business, upon a positive vote being achieved, K2 wishes to provide additional information on a **proposed 30 June 2023 distribution**. This reinforces the **sustainable capital return strategy** detailed in the **31 May ASX release**.

After assessment of the current cash position of URF, the estimated distribution per unit for the Fund for the period ending 30 June 2023 would be as follows:

Cash distribution: \$0.01

Proposed distribution timetable

Ex-distribution date	29 June 2023
Record date	30 June 2023
Distribution payment	18 July 2023

The information above is subject to change due to a number of variables including, but not limited to, changes in the Fund's portfolio between the date of this announcement and 30 June 2023 and also K2 being appointed as the RE. K2 will be working closely with the investment manager of URF to ensure the distribution is announced before 30 June 2023. This is another positive announcement for unitholders as we look ahead at narrowing the discount to NTA and the sustainable return of capital to all unitholders.

Other items to reiterate:

- As noted in the **URF Explanatory Memorandum**, K2 propose to implement a **RE advisory committee** upon being appointed RE to support the K2 board and assist in the decision making. **K2 are looking at options to engage key URF unitholders to be represented on this committee.**
- K2 becoming the RE of the funds is in line with the E&P Financial Group exiting from its non-core businesses.
- **K2 are not unitholders in the Fund and are independent representing all unitholders both retail and wholesale. This is a key requirement to allow a RE to act in the best interest of all unitholders.** K2 have the



track record, capacity and IP to support the Fund and are committed to working with the manager to narrow the discount to NTA and return capital to unitholders as detailed in the [ASX release](#).

- There are some suggestions in the market that alternatively propose an internalised RE structure or unitholders being the RE. This is in our opinion inappropriate with the potential for **multiple conflict of interest issues**. We believe this is not in the Fund's best interest.
- K2 Asset Management is a listed diversified financial services firm (ASX: **KAM**) with **multiple segregated pillars**. The shareholder base of KAM is circa 60% staff and related parties of staff. As [announced on 29 May 2023](#), an independent non-executive director has been appointed to the K2 board. This appointment is the first of a number of initiatives to structure K2 for scalable growth, including additional independent board member appointments as the business expands and meet key milestones.

We are committed to having open and transparent discussions with unitholders who wish to do so. Please contact us via the following email address: reservices@k2am.com.au

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