



US Masters Residential Property Fund (Fund) ASX Code: URF Video Update – Q3 2021

The Fund has recorded a video update to accompany the Q3 2021 Quarterly Report for the period ending 30 September 2021. A copy of the presentation and a link to the video update is below.

This update is available on the Fund's website and investors who have elected to receive email updates from the Fund will also be emailed a link to the video.

Please click [here](#) for the video update.

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US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.

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**US Masters
Residential
Property Fund**

Q3 2021 Fund Update

18 November 2021

Disclaimer

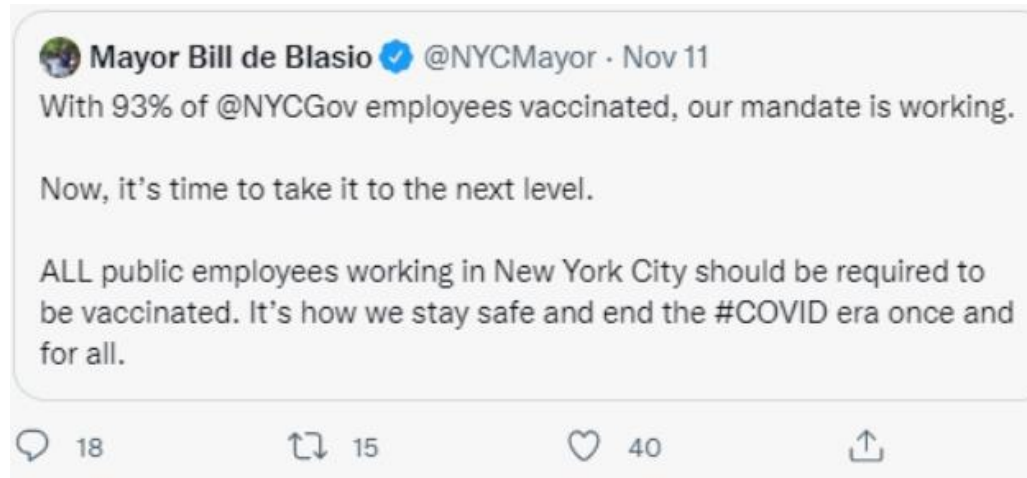
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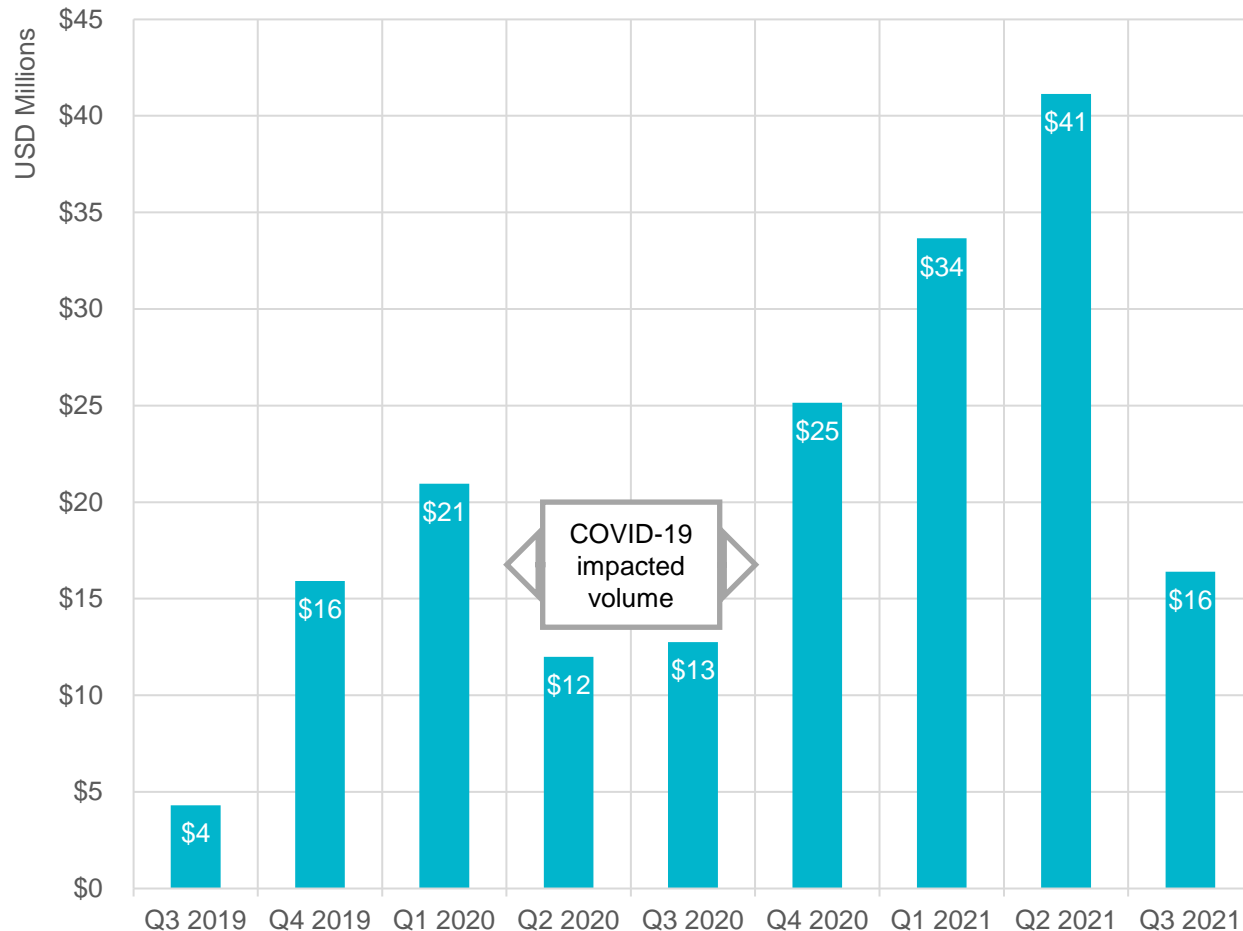
COVID-19 Update



People with completed Vaccine Series			
% of Total Population (CDC) ¹		% of 18+ Population (CDC) ¹	
67.3%		79.5%	
Total ²	% of Total Population ³	Age 18+ ²	% of 18+ Population ³
5,708,399	68.0%	5,350,752	80.4%

Source: <https://www1.nyc.gov/office-of-the-mayor/news/698-21/mayor-de-blasio-vaccine-mandate-new-york-city-workforce>
<https://coronavirus.health.ny.gov/vaccination-progress-date>

Quarterly Closed 1 – 4 Family Sales



- During Q3 2021, the Fund settled US\$16.4 million across eight transactions.
- At the end of the quarter, the Fund had US\$1.1m in properties under contract for sale.
- Following the end of the quarter, the Fund closed on the sale of the final Essex County asset, and entered contract on two large-scale townhomes for a combined value in excess of US\$14m.

Source: US REIT. Data as at 30 September 2021. Historical performance is not a reliable indicator of future performance.

Debt Repayment

	US\$ Balance at 30-Jun-21	US\$ Balance at 30-Sep-21	Q3 2021 change
Global Atlantic - Term Loan (4.00%)	350,913,925	349,885,636	(1,028,289)
Global Atlantic - Bridge Loan (5.00%)	24,601,050	0	(24,601,050)
Total	375,514,975	349,885,636	(25,629,339)
Indicative Interest Cost	15,266,610	13,995,425	(1,271,185)

The Fund has reduced its debt levels by A\$243 million since mid-2019, as well as reducing the blended cost of interest from 5.79% to 4.00% as at 30 September 2021.

Source: US REIT. Data as at 30 September 2021.

Note: Debt balances listed above exclude multi-family level debt for investments with Urban American.

Debt Repayment – Term Loan

- The Term Loan allows for 5% of the opening loan balance per annum to be repaid in the first three years (“early repayments”), with unused repayments carried forward into subsequent years.
- This equates to a total allowable early repayment of US\$54 million without penalty until mid-2025.
- The Fund has made principal repayments of US\$10.1 million to the Term loan since November 2020, with US\$1 million being repaid in Q3 2021.

Source: US REIT. Data as at 30 September 2021.

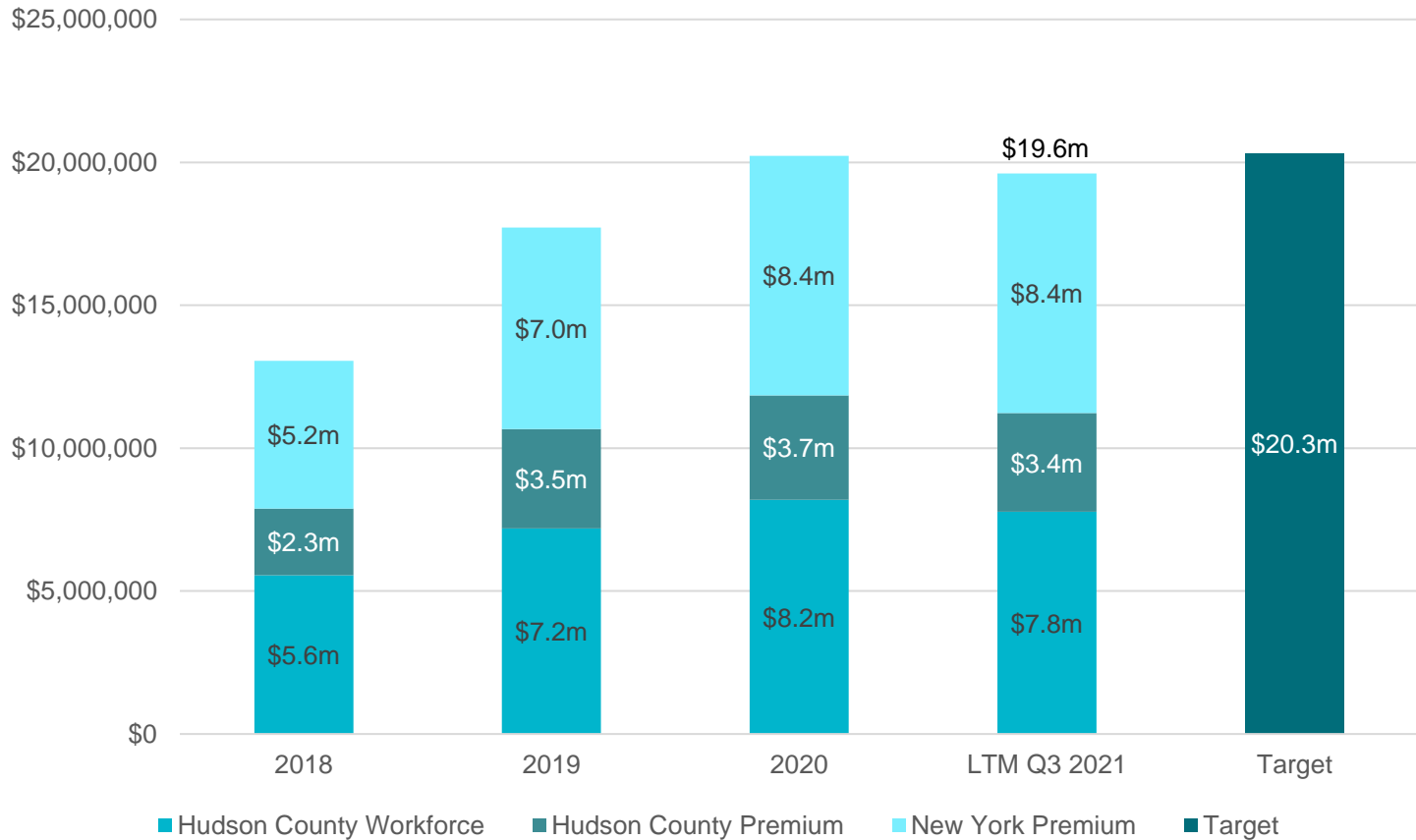
Surplus Funds

- At the end of the Q3 2021, the Fund had US\$41.4 million in cash holdings.
- The uses of surplus funds may include early repayments against the Global Atlantic Term Loan in line with early repayment limits, or on market security buybacks of either URFPA units or ordinary units.
- Following the sale of the two large-scale New York assets, and subject to broader market conditions, we anticipate that the Fund's surplus funds will be likely to approach US\$20 million in Q1 2022.

Source: US REIT. Data as at 30 September 2021.

Net Operating Income (NOI)

NOI (USD): Same-Home Stabilised 1-4 Family Properties



Source: US REIT.

Note: "LTM" refers to 'last 12 months' illustrating trailing 12 month data as at 30 September 2021.

Rent Collection Rates

Month	Collection %
July 2021	102%
August 2021	99%
September 2021	96%
Q3 2021 Total	99%

For the month of October, the Fund's 1-4 family portfolio collected funds equivalent to 98% of the month's rent roll.

Source: US REIT. Data as at 31 October 2021. Historical performance is not a reliable indicator of future performance.

Portfolio Occupancy

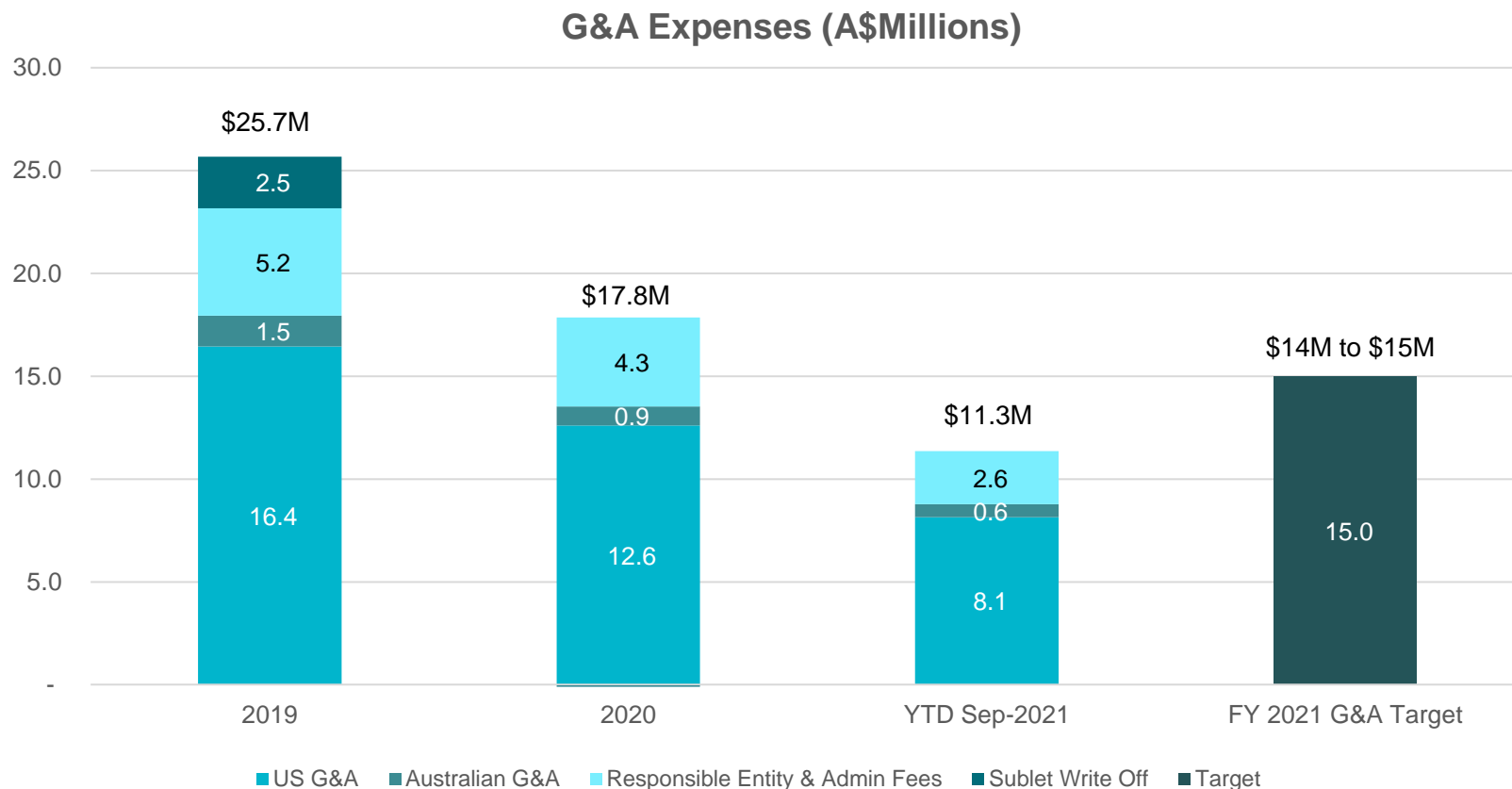
Total Portfolio (as at 30 September 2021)	Unit Count	%
Leased	841	94.6%
Turnover	24	2.7%
Held for sale - on the market (vacant)	4	0.4%
Sale asset - pending closing (vacant)	2	0.2%
For Lease	18	2.0%
Total Units	889	100%

At the end of the quarter, the Fund's rent ready occupancy was stable at 95.2%.

Source: US REIT. Data as at 30 September 2021.

General and Administrative expenses

The Fund is on track to hit the projected G&A expenses of A\$14-\$15 million for 2021.



Source: US REIT. Data as at 30 September 2021.

AUD/USD average rate of 0.6953, 0.6910 and 0.7589 for 2019, 2020 and YTD Q3 2021 respectively. Original target for 2020 was based on AUD/USD spot rate at 31 Dec 2020 of 0.7694.

General and Administrative expenses

- E&P Financial Group will indefinitely waive the Responsible Entity Administration Fee, starting 1 January 2022.
- The Administration Fee is currently 0.25% + GST of the Fund's gross asset value, expected to save the Fund in excess of A\$2 million in G&A expenses each year.
- The Fund is also in the process of finalising proposed operational changes, which will lead to further reductions in overhead costs, another key component of reaching an FFO positive run rate in 2022.

Source: US REIT.

Funds from Operations (FFO)

Funds From Operations (FFO) - Pre-Tax				
A\$	2018	2019	2020	YTD Q3 2021
Revenue from Ordinary Operations	38.1	49.7	45.4	29.5
One-Off Grant Income			1.9	-
Investment Property Expenses	(16.3)	(19.2)	(14.9)	(9.8)
Investment Property Disposal Costs	(3.6)	(4.3)	(5.7)	(7.2)
G&A	(25.1)	(22.2)	(16.0)	(11.3)
One-Off Refinancing Costs - G&A	-	-	(1.3)	-
EBITDA	(6.9)	4.0	9.4	1.2
Net Interest Expenses (Excluding Notes Interest)	(20.5)	(21.2)	(16.6)	(16.1)
One-Off Refinancing Costs - Interest	-	-	(0.4)	-
Notes Interest	(21.7)	(19.8)	(13.0)	(0.3)
Funds From Operations (FFO) - Pre-Tax	(49.0)	(37.1)	(20.7)	(15.2)

On an annualised basis, after removing one-off items and property disposal costs, year-to-date FFO to the end of Q3 represented a 30% improvement on similarly adjusted FFO for 2020.

Source: US REIT.

Note: Excludes Convertible Preference Unit (URFPA) distributions as they are equity distributions. AUD/USD average rate of 0.7476, 0.6953, 0.6910 and 0.7589 for 2018, 2019, 2020 and 2021 respectively. FFO is reported on a cash accounting basis. Figures in table may not sum due to rounding.

For further information

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