



QUARTERLY UPDATE

April - June 2025

27 August 2025



US Masters
Residential
Property Group



Executive Summary

Welcome to the US Masters Residential Property Group's (**URF or Group**) Quarterly Report for the period 1 April 2025 to 30 June 2025, which accompanies the release of the Group's statutory accounts for the half-year period ended 30 June 2025.

In connection with the half-year accounts, the Group completed its semi-annual portfolio appraisal process for the period ending 30 June 2025. A decrement of US\$9.2 million, or 2.84%, was recognised across the portfolio – with the majority of the decrement stemming from the New York Premium segment – which saw a US\$7.4 million, or 4.38%, decrement. The appraisal result in the New York Premium segment of the portfolio reflects the Group's recent selling experience in New York, where the pace of sales has slowed slightly amidst a degree of uncertainty in the business and real estate communities following the nomination of Zohran Mamdani for NYC mayor. Nevertheless, the Group has continued to execute contracts at a strong velocity in both New York and New Jersey, with traditional on-market volume being complemented by off-market inventory, direct-to-tenant sales, and – in the New Jersey Workforce segment – smaller multi-property package sales to investors. As the Group continues to try to maintain a strong sales pace for the remainder of 2025, it will be paying particularly close attention to inventory levels across neighborhoods in each of the three segments, particularly given the cooling buyer sentiment.

During the second quarter, the Group closed on the sale of 47 properties for total consideration of US\$70.92 million, bringing total sales for the half-year period to US\$118.99 million across 86 properties.

The net proceeds generated by the Group's sales programme during the quarter were used to repay US\$40.88 million of the Global Atlantic Term Loan (**GA Facility**) in accordance with the terms of the loan agreement, taking year-to-date repayments to US\$72.37 million inclusive of Exempt Property¹ payments made in prior periods. As of 30 June 2025, the balance of the GA Facility was US\$150.82 million.

On the GA Facility front, there were two important developments during the second quarter of 2025:

- The period during which the Group was liable for a penalty on any early loan repayments expired on 19 May 2025. The Group is now able to make early repayments on the facility without incurring a penalty.
- The Group successfully negotiated an amendment to the Tangible Net Worth (**TNW**) Covenant such that the requirement is now reduced pro rata for principal repayments made subject to a minimum requirement of US\$50 million. The reduction in the TNW Covenant removed an impediment to the Group's ability to repatriate funds from the U.S. to Australia for ultimate return to security holders. As of 30 June 2025, the TNW Covenant was US\$87.5 million. Further details on the amendment to the TNW Covenant can be found [here](#).

Following the amendment to the TNW Covenant, the US vehicle has repatriated US\$51.2 million (including amounts repatriated subsequent to quarter end). After taking into account the 10 cent distribution declared on 3 July 2025 (payment made on 1 August 2025), distributions totaling 11 cents have now been paid to security holders during 2025 (announcements can be found [here](#) and [here](#)). In addition to these distributions, the Group also purchased 2.09 million of URF Stapled Securities for total consideration of A\$0.78 million during the quarter. For the half-year period ended 30 June 2025, the Group purchased 2.8 million of URF Stapled Securities for total consideration of A\$1.1 million.

The sales pipeline as of the end of the quarter was US\$175.64 million, which includes assets in the pipeline for sale, on the market or in attorney review and under contract. Though there is no guarantee that assets under contract will close, the Group remains optimistic that it will meet the 2025 sales target by year-end based on the sales pipeline as of 30 June 2025, as well as additional properties that are expected to be added to the pipeline as the year progresses.

¹ Under the terms of the loan agreement, the Group can nominate properties that remain vacant during the preparation and marketing phase of the sales process to be excluded from all covenant calculations. Upon nomination of an Exempt Property, the Group is required to make a payment equal to the difference between the Release Amount and the allocated loan amount of each Exempt Property. Such payments are applied to the outstanding principal balance upon sale of each Exempt Property.



Executive Summary

As the Group continues to execute the sales programme, the Directors will assess the best use of net proceeds generated, whether that be distribution to security holders, buying back of URF Stapled Securities, or early repayments of the GA Facility (which has a maturity date of 19 May 2026).

Looking at the operational performance of the Group for the half-year period ending 30 June 2025:

- Net Operating Income (**NOI**) on a same-home basis for the 12-months ended 30 June 2025 was US\$4.9 million, which represents an 8% increase when compared to the result for the period ended 30 June 2024. As has been detailed in prior investor communications, the Group continues to drive vacancy by issuing significant rental increases as it is generally advantageous to market properties for sale with at least one unit vacant (rather than tenanted). In cases where the tenant accepts the rental increase rather than vacating the property, the underlying NOI on a 'same home' basis is bolstered.
- General & Administrative (**G&A**) expenses were A\$5.59 million, or A\$5.35 million on a normalised basis. Given that the internalisation of the Responsible Entity occurred at the end of the second quarter of 2024, the most relevant point of comparison is HY2 2024, which showed normalised G&A expenses of A\$5.8 million.
- The Group recorded a Funds From Operations (**FFO**) loss of A\$19.7 million for the half year ended 30 June 2025. Excluding disposal costs and one-off items, the adjusted FFO was a loss of A\$4.6 million. As previously advised, the Group expects to incur a FFO loss as it continues to sell down the portfolio. In addition to lost revenue on properties held vacant for sale, properties in the sales pipeline continue to incur holding costs (such as property taxes and insurance) during the period in which they are marketed for sale.

Investors may contact the Investor Relations team at URFInvestorRelations@usmrpf.com or on (03) 9691 6110.



Contents

2	Executive Summary
5	Portfolio Valuation
6	Portfolio Composition
7	Asset Sales
9	Capital Management
11	Portfolio Occupancy
12	Net Operating Income
15	General & Administrative Expenses
16	Net Asset Value
17	Cash Flow Profile

Portfolio Valuation

The Group has completed its regular semi-annual asset valuation process for the period ended 30 June 2025. Consistent with prior periods, the process was conducted by obtaining asset-specific appraisals using the comparable sales methodology from a panel of independent brokers and real estate appraisers. The comparable sales approach identifies at least three comparable sales in terms of geographic location, proximity of sale date and condition of property to assign a value to the subject property. As part of the appraisal process, properties that are under contract for sale are marked to their contracted values and properties that are on the market for sale are marked to their list price.

Unlike in all prior periods - where typically 50% of the portfolio was appraised - for the 30 June 2025 accounts the entire portfolio has been appraised either by way of contracted sales price, list price or external appraisal by one of the panel members.

A decrement of US\$9.21 million, or 2.84%, was recognised across the portfolio, with the majority of the decrement stemming from the New York Premium segment (which saw a US\$7.36 million, or 4.38%, decrement). The appraisal result in the New York Premium segment reflects the Group's recent selling experience in New York, where the pace of sales has slowed slightly amidst a degree of uncertainty in the business and real estate communities following the nomination of Zohran Mamdani for NYC mayor. Nevertheless, the Group has continued to execute contracts at a strong velocity in both New York and New Jersey, with traditional on-market volume being complemented by off-market inventory, direct-to-tenant sales, and – in the New Jersey Workforce segment – smaller multi-property package sales to investors. As the Group continues to try to maintain a strong sales pace for the remainder of 2025, it will be paying particularly close attention to inventory levels across neighborhoods in each of the three segments, particularly given the cooling buyer sentiment.

The aggregate result of this process for the 1-4 family portfolio for the half-year period ended 30 June 2025 is below (in USD):

Portfolio Segment	Opening Book Value	Closing Book Value	Change	Half Year Movement
New Jersey Workforce	\$116,389,715	\$114,972,000	-1.22%	-\$1,417,715
New Jersey Premium	\$40,137,288	\$39,705,000	-1.08%	-\$432,288
New York Premium	\$167,994,659	\$160,633,000	-4.38%	-\$7,361,659
Total	\$324,521,662	\$315,310,000	-2.84%	-\$9,211,662

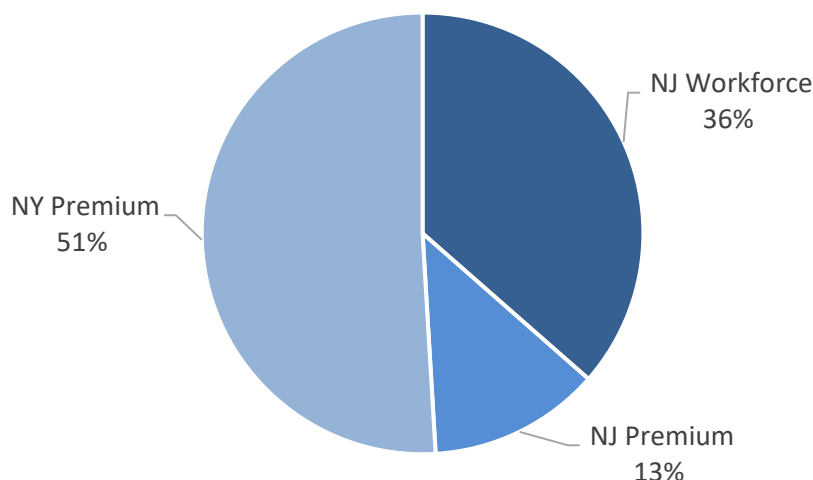
The aggregate valuation change equates to a 3.6% reduction in the Net Asset Value (NAV).

Portfolio Composition

The following breakdown represents the Group's 1-4 family portfolio as of 30 June 2025. At the end of the period, the Group held 254 1-4 family properties for a total value of US\$315.31 million.

Location	Value (USD)	Property Count	Location	Value (USD)	Property Count
NJ Workforce	\$114,972,000	172	NY Premium	\$160,633,000	60
Bayonne	\$25,525,000	38	Bedford-Stuyvesant	\$39,563,000	15
Bergen-Lafayette	\$4,400,000	6	Boerum Hill	\$5,850,000	1
Greenville	\$25,011,000	41	Bushwick	\$13,895,000	10
Jersey City Heights	\$18,829,000	22	Clinton Hill	\$4,800,000	1
Journal Square	\$12,679,000	18	Cobble Hill	\$5,600,000	2
North Bergen	\$4,522,000	7	Crown Heights	\$21,840,000	9
Secaucus	\$592,000	1	Lefferts Garden	\$3,190,000	1
Union City	\$2,030,000	3	Fort Greene	\$4,000,000	1
West Bergen	\$19,709,000	34	Park Slope	\$9,650,000	2
West New York	\$1,675,000	2	Williamsburg	\$12,680,000	4
NJ Premium	\$39,705,000	22	Hamilton Heights	\$9,400,000	3
Downtown	\$36,015,000	19	Harlem	\$30,165,000	11
Weehawken	\$3,690,000	3	Total Portfolio	\$315,310,000	254

Portfolio Composition
(by value)



Source: US REIT.

Asset Sales

Q2 2025 Sales

During Q2 2025, the Group closed on the sale of US\$70.92 million in sales across 47 properties, taking the 2025 year-to date sales results to US\$118.99 million across 86 properties.

Location	Sales Price (\$US million)	Book Value (\$US million)	Transaction Cost (\$US million)	GA Loan Repayment (\$USmillion)
Bayonne	\$3.18	\$3.03	-\$0.26	-\$1.55
Bedford-Stuyvesant	\$12.73	\$13.27	-\$0.91	-\$7.22
Bergen-Lafayette	\$1.62	\$1.51	-\$0.17	-\$0.90
Bushwick	\$1.23	\$1.23	-\$0.09	-\$0.98
Clinton Hill	\$6.31	\$6.36	-\$0.46	-\$4.61
Downtown	\$7.92	\$7.96	-\$0.45	-\$4.72
Greenville	\$1.11	\$1.14	-\$0.06	-\$0.59
Harlem	\$7.33	\$7.39	-\$0.55	-\$4.78
Jersey City Heights	\$9.28	\$9.01	-\$0.64	-\$5.22
Journal Square	\$2.59	\$2.41	-\$0.17	-\$1.44
Park Slope	\$12.25	\$12.29	-\$0.88	-\$5.87
West Bergen	\$5.39	\$5.26	-\$0.32	-\$3.01
Total	\$70.92	\$70.84	-\$4.95	-\$40.88

Sales Pipeline

As at 30 June 2025, the Group had US\$61.40 million of properties under contract or with an accepted offer in place, US\$50.02 million on the market and US\$64.22 million in the short-term pipeline for sale. The properties under contract are likely, but not guaranteed, to close.

Category	New York Premium	New Jersey Premium	New Jersey Workforce	Total
Sales Pipeline	\$41.81	\$11.72	\$10.70	\$64.22
On the Market	\$39.95	\$3.18	\$6.89	\$50.02
Attorney Review or Under Contract	\$32.40	\$7.33	\$21.67	\$61.40
Total	\$114.16	\$22.23	\$39.26	\$175.64

Source: US REIT. Figures may not sum due to rounding.

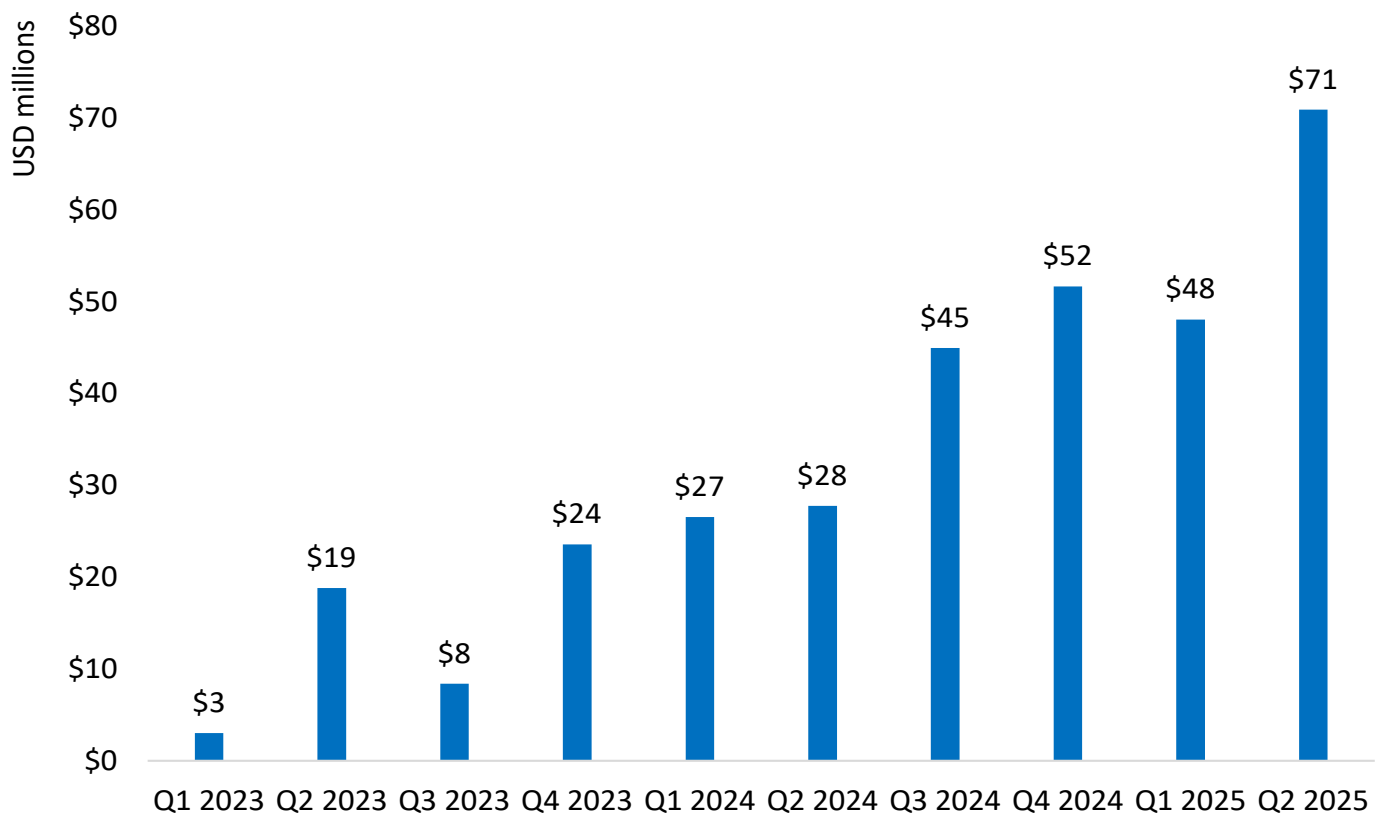
Asset Sales

2025 Outlook

As advised in late 2024, the Group has set a sales target for the 2025 calendar year in the range of US\$200 to \$225 million. The Group recorded US\$118.99 million in closed sales during HY1 2025, and has an additional US\$61.40 million under contract or in attorney review sale at the end of the period.

Though there is no guarantee that assets under contract will close, the Group remains optimistic that it will meet the 2025 sales target by year-end based on actual sales year to date, the existing pipeline at quarter end and the properties that are expected to be added to the sales pipeline as the year progresses.

Quarterly Closed 1-4 Family Sales



Source: US REIT. Figures may not sum due to rounding.

Capital Management

With an amendment to the TNW Covenant successfully negotiated during the quarter, the US vehicle was able to repatriate to Australia US\$51.2 million of net proceeds resulting from property sales completed during the first half of the year (including amounts repatriated subsequent to quarter end). Including the 10 cent distribution declared on 3 July 2025 (payment made on 1 August 2025), distributions totaling 11 cents have now been paid to security holders this year (announcements can be found [here](#) and [here](#)).

The Group also purchased 2.09 million of URF Stapled Securities for total consideration of A\$0.78 million during the quarter, as outlined in the table below. For the half-year ended 30 June 2025, the Group purchased 2.8 million of URF Stapled Securities for total consideration of A\$1.1 million. Depending on the share price relative to the underlying Net Asset Value of the Group, the RE will continue on-market security buybacks as part of its capital management strategy.

Month end	Stapled Securities (# million)	Consideration (A\$ million)
April	0.43	\$0.16
May	0.40	\$0.15
June	1.26	\$0.47
	2.09	\$0.78

Source: US REIT.

During the quarter, the Group reduced the balance of its senior debt facility with Global Atlantic by US\$41.29 million, taking the year to date reduction to US\$72.37 million, as properties forming part of the collateral pool were sold and a corresponding principal repayment was made based on each sold property's allocated loan amount. Over the twelve-month period ended 30 June 2025, the Group's debt has reduced by US\$128.58 million inclusive of Exempt Property payments made in prior periods now applied to the outstanding principal loan balance upon sale of each Exempt Property.

Debt Levels & Blended Cost of Interest Calculation

	US\$ Balance at 30-Jun-24	US\$ Balance at 31-Dec-24	US\$ Balance at 30-Jun-25
Global Atlantic - Term Loan (4.00%)	\$279,405,407	\$223,196,431	\$150,822,383
Total	\$279,405,407	\$223,196,431	\$150,822,383
Indicative Annual Interest Cost	\$11,176,216	\$8,927,857	\$6,032,895

Source: US REIT.

Excludes multi-family level debt for investments with Urban American.

Capital Management

As of 30 June 2025, the Group has broadly allocated its available cash as outlined in the table below. As the Group continues to execute the sales programme, the Directors will assess the best use of net proceeds generated, whether that be distribution to security holders, buying back of URF Stapled Securities, or early repayments of the GA Facility (which has a maturity date of 19 May 2026).

The table below does not reflect the impact on the Group's cash position of the 10 cent distribution which was declared on 3 July 2025 and paid to security holders on 1 August 2025 (announcement [here](#)).

Capital allocation	\$A million
Cash balance	\$116.62
<i>Comprised of:</i>	
<i>Cash held in the US</i>	\$48.03
<i>Cash held in Australia</i>	\$68.59
Less: Global Atlantic Liquidity Covenant	-\$15.20
Less: Working Capital	-\$11.10
Less: AFSL Cash Reserve Requirement ¹	-\$3.50
Less: Reserved for security buybacks	-\$1.40
Cash Available²	\$85.43

Source: US REIT.

¹Cash reserve required under the terms of the AFSL.

²On 3 July 2025, a distribution of 10 cents per Stapled Security was declared and was paid on 1 August 2025.

30 June 2025 exchange rate 0.6581 used (AUD:USD).



Portfolio Occupancy

As of 30 June 2025, the Group's 1-4 family portfolio had 74% of its units leased.

As noted in previous investor communications, the primary focus of the Group is the execution of the sales programme and the return of the resulting net proceeds to security holders.

The results of the sales programme are generally optimised when at least one unit is vacant as opposed to selling properties fully tenanted. Accordingly, the Group is actively driving vacancy across the portfolio either via the issuance of significant rental increases upon lease expiration to encourage non-renewal (in jurisdictions where the Group is required to offer a renewal) or by not issuing a renewal at all (in jurisdictions where the Group is not required to offer a renewal).

1-4 Family portfolio (as at 30 June 2025)	Unit Count	%
Leased	344	74%
For Lease or In Turnover	9	2%
Vacant pending sale	110	24%
Total	463	100%

Source: US REIT. Figures may not sum due to rounding.



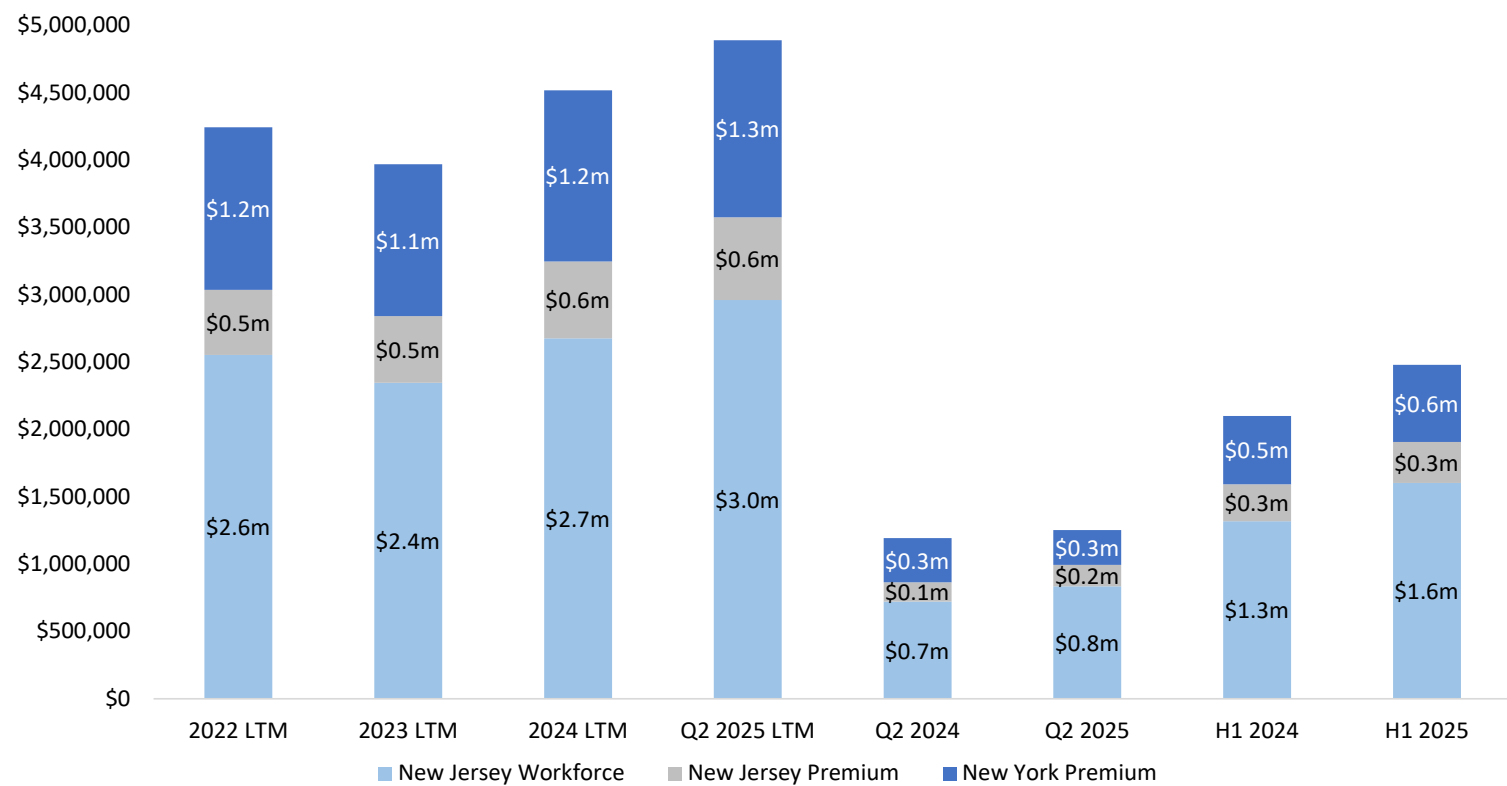
Net Operating Income (NOI)

The Group is focused on managing the portfolio as efficiently as possible to maximise the NOI on properties that do not form part of the sales pipeline.

As a result of the sales programme, total revenue is expected to decrease as the portfolio continues to reduce in size and as properties are vacated in preparation for sale. To remove the impact of the sales programme and to review NOI performance in a consistent manner, the following analysis reviews the portfolio on a ‘same home’ basis, meaning that it only considers assets currently owned, income generating or for lease (but not in the sales pipeline), and looks at the income generated by that “stabilised” pool of properties over time.

Looking specifically at NOI for the 12 months to 30 June 2025, the same-home NOI was US\$4.9 million, which is an 8% increase when compared to the comparable period in 2024. The increase in NOI is largely attributable to strong rental growth on renewal leases, as the Group has been sending significant rental increases in jurisdictions where the Group is required to issue renewals. By doing so, the Group is able to drive vacancy and increase the sales pipeline for tenants who are unwilling to accept the renewal offer, and - in circumstances where the tenant is willing to accept the rental increase and sign a renewal lease - the Group receives the benefit of outsized rental growth, which helps to boost same-home NOI when the increased rent outpaces increases in the cost of property taxes, insurance, and repairs and maintenance.

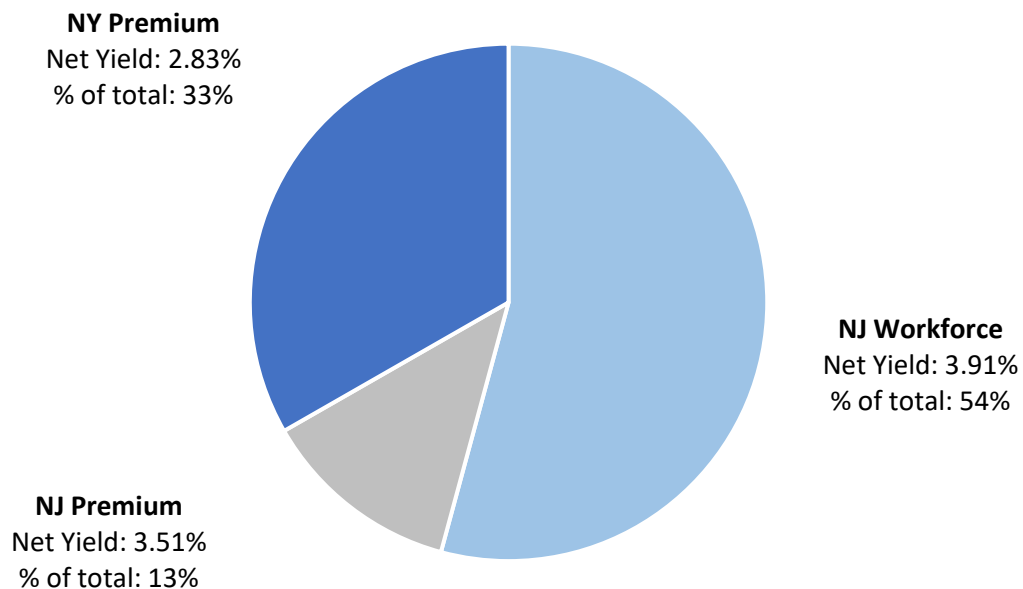
NOI (USD): Same-Home Stabilised 1-4 Family Properties



Source: US REIT. Figures may not sum due to rounding. Past performance is not a reliable indicator of future performance.
Notes: “Same-home” assets by segment will not match the total portfolio distribution as it excludes assets held for sale. LTM refers to last twelve months.

Net Operating Income (NOI)

Q2 2025 LTM NOI Yield: Same-Home Stabilised 1-4 Family Properties



Source: US REIT. Figures may not sum due to rounding. Past performance is not a reliable indicator of future performance.

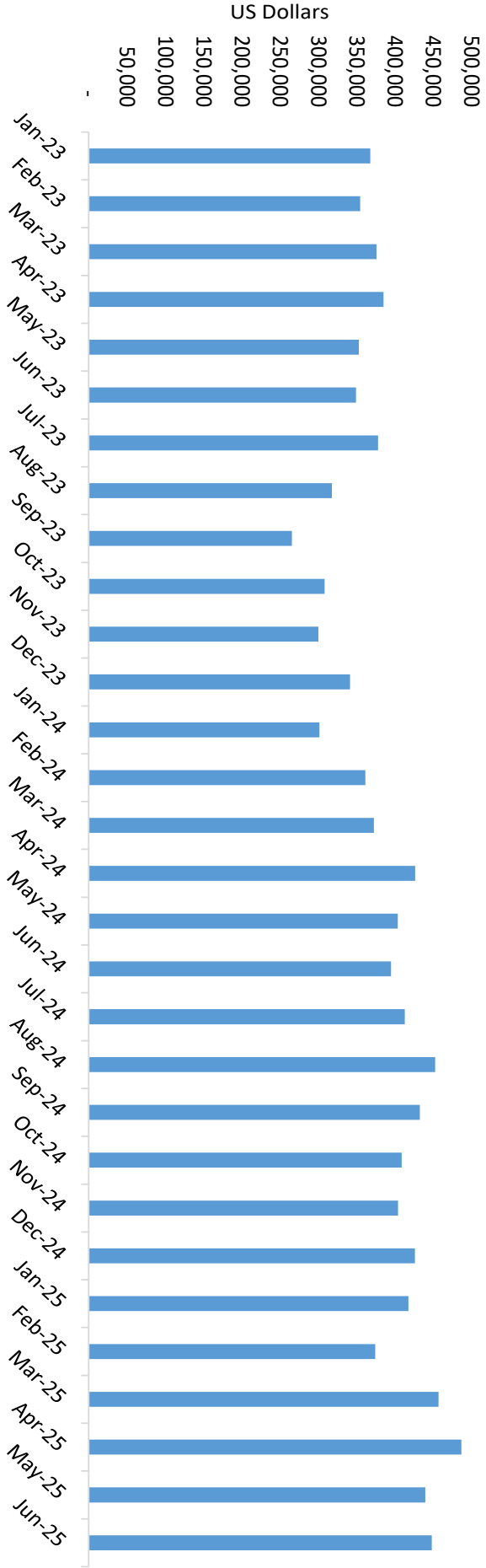
Notes: "Same-home" assets by segment will not match the total portfolio distribution as it excludes assets held for sale. LTM refers to last twelve months. NOI Yield refers to the same-home NOI divided by the aggregate book value of each segment as at 30 June 2025.



Net Operating Income (NOI)

The graph below shows the monthly NOI from January 2023 to June 2025. NOI will fluctuate month to month as a result of the unpredictable nature of both repairs and maintenance and bad debt expense, as well as due to seasonal factors such as snow removal costs.

Same Home Monthly NOI - January 2023 to June 2025

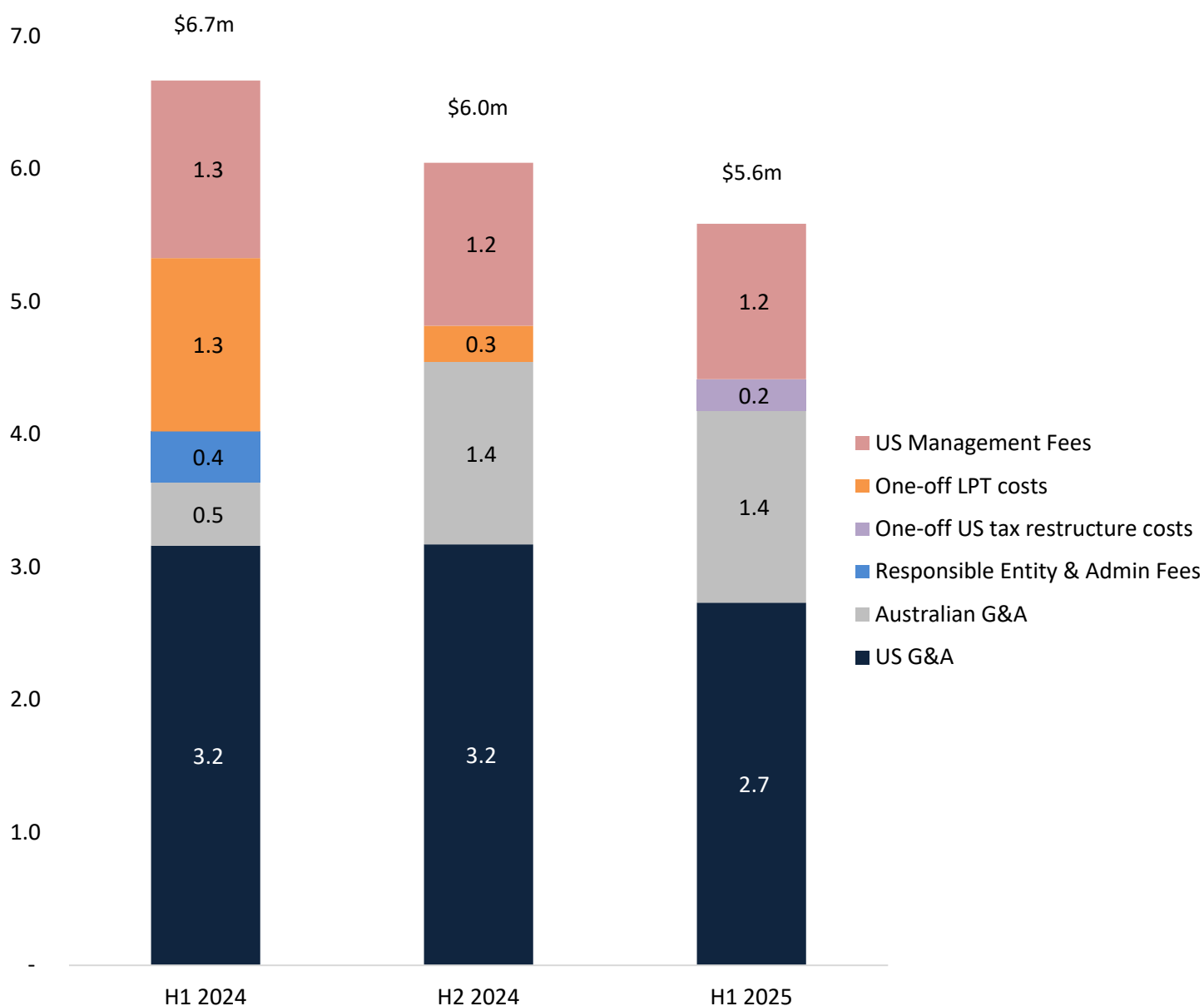


Source: US REIT. Figures may not sum due to rounding. Past performance is not a reliable indicator of future performance.

General and Administrative (G&A) Expenses

G&A expenses for the half-year ended 30 June 2025 were A\$5.59 million, or A\$5.35 million on a normalised basis. Given that the internalization of the Responsible Entity occurred at the end of the second quarter of 2024, the most relevant point of comparison is HY2 2024, which showed normalised G&A expenses of A\$5.8 million.

G&A Expenses (A\$Millions)

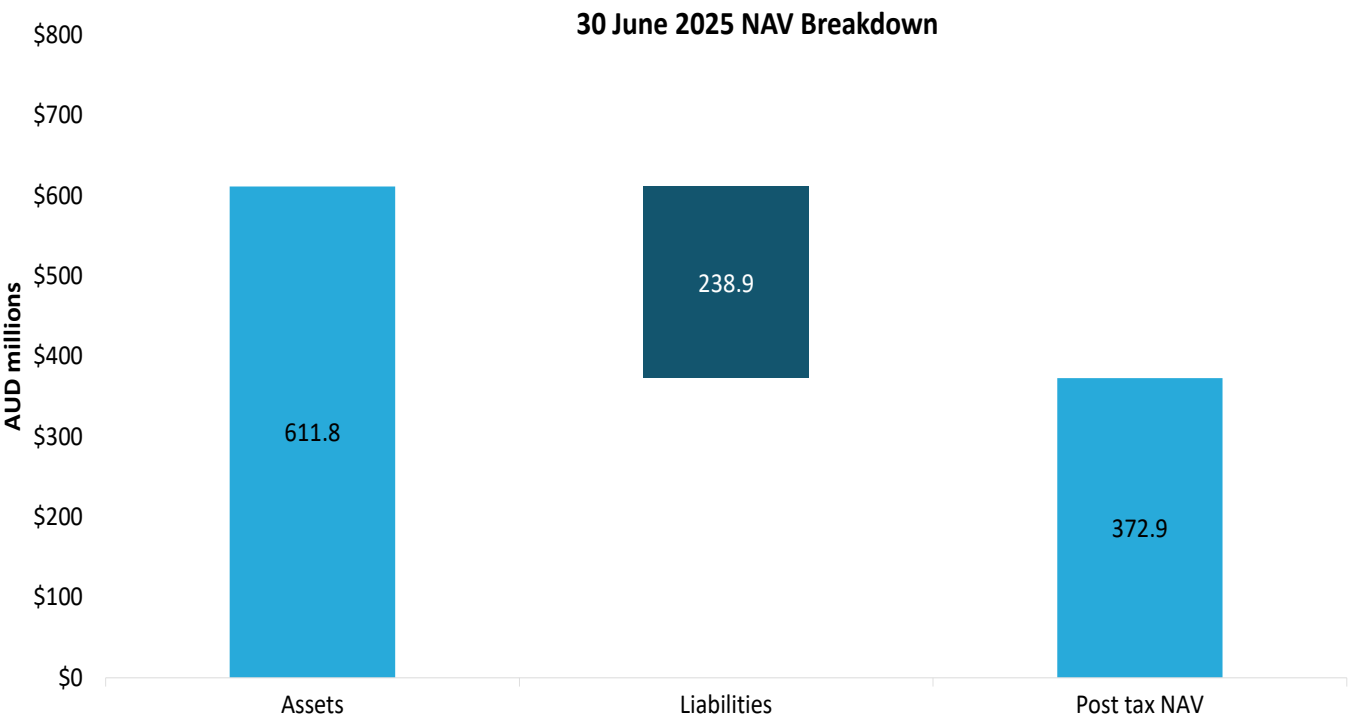


AUD/USD average rate of 0.6597 and 0.6345 for 2024 and Q2 2025 respectively.
Source: US REIT. Figures may not sum due to rounding.



Net Asset Value (NAV)

As of 30 June 2025, the Group’s post-tax NAV was \$0.541¹ per stapled security.



Source: US REIT. Figures may not sum due to rounding.

¹The Fund’s NAV per security is calculated and presented in accordance with ASX listing rules and the relevant accounting standards. Securityholders should be aware that the NAV is reported without provision for the various transaction costs associated with property sales. As the Group continues to dispose of properties the NAV of the Group and each security will naturally fall slightly as these expected costs are realised, all else being equal.

Cash Flow Profile

The following Funds From Operations (FFO) analysis outlines the Group's major operational cash-flow drivers. Non-cash items such as changes in underlying asset values, as well as capitalised expenses and investor distributions are excluded from the analysis. While these factors are vital to reviewing the Group's overall financial performance, the FFO analysis provides an overview of the Group's cash flow from operations.

Due to the transaction costs incurred on property sales coupled with the drag on cash flows associated with properties that comprise the sales pipeline, it is expected that the Group will continue to incur a FFO loss as it executes the sales programme.

The Group recorded a FFO loss of A\$19.7 million for the first half of 2025. After excluding disposal costs and other one-off items, the Group's adjusted FFO loss was A\$4.6 million for the half year.

A\$ Millions	2022	2023	2024	2025 YTD
Revenue from Ordinary Operations	44.1	44.1	37.0	12.4
One-Off Income	0.2	-	-	-
Insurance Proceeds	0.1	1.4	-	-
Investment Property Expenses	(16.1)	(19.1)	(17.9)	(6.8)
Investment Property Disposal Costs	(2.2)	(5.6)	(16.4)	(14.9)
Equity Investment Disposal Costs	-	-	(0.8)	-
G&A	(11.7)	(11.6)	(11.3)	(5.4)
One-Off Transaction Related Costs - G&A	(1.5)	-	-	-
One-Off Restructuring Costs - G&A	(1.7)	-	-	-
One-off US Tax Restructure Costs - G&A	-	-	-	(0.2)
One-Off Severance Costs - G&A	(1.0)	-	-	-
One-Off LPT Costs - G&A	(0.4)	(0.5)	(1.6)	-
EBITDA	9.7	8.7	(10.9)	(14.9)
EBITDA (excluding disposal costs and one-off items)	16.2	13.4	7.9	0.3
Net Interest Expenses (Excluding Notes Interest)	(20.1)	(20.1)	(16.3)	(4.8)
Funds From Operations (FFO)	(10.5)	(11.4)	(27.2)	(19.7)
FFO (excluding disposal costs and one-off items)	(3.9)	(6.7)	(8.4)	(4.6)

Source: US REIT. Excludes Convertible Preference Unit (URFPA) distributions in 2022 as they are equity distributions.

AUD/USD average rate of 0.6947, 0.6644, 0.6597 and 0.6345 for 2022, 2023, 2024 and HY1 2025 respectively.

FFO is reported on a cash accounting basis. Figures in table may not sum due to rounding.



Board of the Responsible Entity

Stuart Nisbett INDEPENDENT CHAIR

Peter Shear INDEPENDENT DIRECTOR

Jack Lowenstein INDEPENDENT DIRECTOR

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Important Information

This Quarterly Update (**Update**) has been prepared and authorised for release by US Masters Responsible Entity Limited (ACN 672 783 345 | AFSL 553 794) (**Responsible Entity**) as the Responsible Entity of the US Masters Residential Property Group a listed stapled entity consisting of US Masters Residential Property Fund (ARSN 150 256 161) and US Masters Residential Property Fund II (ARSN 676 798 468 (together the **Group** or **Fund**)). An investment in the Fund is subject to various risks, many of which are beyond the control of the Responsible Entity. This Update may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. Past performance is not a reliable indicator of future performance. All figures in this Update are in AUD unless stated otherwise. Readers are cautioned not to place undue reliance on forward looking statements and the Parties assume no obligation to update that information. The Parties give no warranty, representation or guarantee as to the accuracy or completeness or reliability of the information contained in this document. The Parties do not accept, except to the extent required by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this Update.