

15 June 2020

US Masters Residential Property Fund (URF or Fund)
30 June 2020 interest and distribution payments –
URF Notes III (URFHC) and URF Convertible Step-Up Preference Units (URFPA)

In recent weeks the states of New York and New Jersey have begun to gradually reopen following the impact of the COVID-19 pandemic. Although this is certainly a positive development, New York City and Hudson County (New Jersey) still remain under social distancing restrictions at the current time, and the virus continues to have a strong effect on local communities.

With the current state-imposed guidelines in place, real estate sales markets have effectively been “on pause” and have experienced minimal new transactional volume. The Fund has continued to settle on sales that were under contract prior to the COVID pandemic, but – as with the broader market – the Fund has had very few new contracts signed since March.

In contrast to the impact being felt in sales markets, the Fund’s rent collections have been encouraging, with an average collection rate of 98% across March, April, and May. The Fund’s tenant base is diversified across industries and price points, which assists in managing this economic exposure, however the Fund is not immune to these conditions.

Although encouraged by the continued improvement in local conditions over the course of the past few weeks, Walsh & Company Investments Limited (ACN 152 367 649) (**Responsible Entity**), the Responsible Entity for the Fund, believes that until real estate markets show continued signs of returning to normalcy, it is prudent to take a conservative approach through this period to ensure that the Fund maintains sufficient cash reserves. The Fund will however be paying the regular distribution on URF Convertible Step-Up Preference Units (ASX: **URFPA**) and the quarterly interest payment due on URF Notes III (ASX: **URFHC**). Notably, this conservative approach does not change the Fund’s stated goals, including the intention to repay URF Notes III prior to maturity date.

URF Notes III (URFHC) Interest

The Responsible Entity is pleased to advise the details of the URF Notes III interest payment for the period ending 30 June 2020. URF Notes III carry a fixed interest rate of 7.75% per annum and currently have a Face Value of \$90 per Note following the early reduction of principal of \$10.00 per Note in March 2020.

Period begins on and includes	31 March 2020
Period ends on and includes	30 June 2020
Days in period	92
Interest payable per Note ¹	\$1.76
Record date	22 June 2020
Payment date	30 June 2020

¹ Rounded to the nearest Australian cent as per Clause 5.3 of the URF Notes III terms.

While no additional early principal repayment will be made at this time, the Fund remains committed to the full repayment of URFHC. The Fund continues to monitor the impact of COVID-19 on the timeline of the sales program and the resulting URFHC early repayments. Although the maturity of URFHC is not until December 2021, the Fund is continuing to evaluate all available options given the uncertainty around the severity and duration of COVID-19.

URF Convertible Step-Up Preference Units (URFPA or CPU) Distribution

The Responsible Entity is also pleased to confirm the details of the URFPA distribution for the period ending 30 June 2020. URFPA units represent an equitable interest in the Fund, but on which URFPA holders may receive a priority distribution at a set rate. The securities currently have a distribution rate of 6.25% per annum and a Face Value of \$100 per Unit.

Distribution	\$3.10 per URFPA
Record date	30 June 2020
Ex-distribution date	29 June 2020
Final date for electing DRP	3 July 2020

Payment of the URFPA distribution is expected to be made on or around 25 August 2020.

Information regarding the tax components of the URFPA distribution will be provided in the Tax Distribution Statement for the 2020 tax year.

The Fund currently operates a distribution reinvestment plan (**DRP**) under which URFPA Unitholders will have all their CPU distribution reinvested in new fully paid ordinary units in the Fund (**Ordinary Units**) unless Unitholders have elected to be paid in cash in their original application form or via our unit registry, Boardroom Pty Limited. For further information regarding the DRP or to obtain an election form, please contact Boardroom Pty Limited on 1300 737 760.

The DRP price of Ordinary Units to be issued to URFPA holders under the URFPA DRP will be an amount equal to 95% of the VWAP of Ordinary Units over the 10 business days (whether or not trading of Ordinary Units occurs on those business days) up to but excluding the Record Date.

The Fund advises no part of the URFPA distribution contains foreign conduit income.

For further information, contact URF Investor Relations: URFInvestorRelations@usmrpf.com

Authorised for release by Walsh & Company Investments Limited (ACN 152 367 649 | AFSL 410 433), the responsible entity of US Masters Residential Property Fund.

The US Masters Residential Property Fund was 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.