

Appendix 4D

Interim Financial Report For the period ended 30 June 2025

Name of entity

**US Masters Residential Property Group, consisting of:
US Masters Residential Property Fund I (ARSN 150 256 151) and US Masters Residential Property Fund II (ARSN 676 798 468)**

Reporting period	Previous corresponding period
1 January 2025 to 30 June 2025	1 January 2024 to 30 June 2024

Results for announcement to the market

		For the 6 months ended 30 June 2025
		\$'000
Total revenue ("revenue from ordinary activities – investment property income and interest income")	Down by 35% to	\$13,550
Net operating profit for the period ("profit from ordinary activities after tax attributable to security holders")	Up by 127% to	\$4,778
Total comprehensive loss ("net loss for the period attributable to security holders")	Down by 135% to	(\$19,105)

Commentary on results

Refer to attached Interim Financial Report, including the Directors' Report to security holders. Additional Appendix 4D disclosure requirements can be found in the notes to the financial statements.

Distributions

	Amount per security	Franked amount
Stapled Securities		
Distribution (paid on 1 May 2025)	\$0.01	-
Total distribution	\$0.01	-
Distribution dates:		
Ex-Distribution date:	Tuesday, April 8, 2025	
Record date:	Wednesday, April 9, 2025	
Payment date:	Thursday, May 1, 2025	

	30-Jun-25	30-Jun-24
Net tangible assets per stapled security/ordinary unit		
Pre-tax attributable to stapled securities/ordinary units	\$0.54	\$0.63
Post-tax attributable to stapled securities/ordinary units	\$0.54	\$0.57

The net tangible assets per stapled security/ordinary unit is calculated on a fully diluted basis.

	30-Jun-25	30-Jun-24
Earnings per unit		
Basic earnings/(loss) per stapled security/ordinary unit	1 cent	(2) cents
Diluted earnings/(loss) per stapled security/ordinary unit	1 cent	(2) cents

Basic and diluted earnings/(loss) per stapled security/ordinary unit is calculated as profit/(loss) for the period after tax divided by the weighted average number of units.

Interim Financial Report

This report is based on the 30 June 2025 Interim Financial Report and has been reviewed by Deloitte Touche Tohmatsu.

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US Masters Residential Property Group

CONSISTING OF:

US MASTERS RESIDENTIAL PROPERTY FUND
ARSN 150 256 161

US MASTERS RESIDENTIAL PROPERTY FUND II
ARSN 676 798 468

Interim Financial Report

For the half-year ended
30 June 2025

Responsible Entity:

**US Masters
Responsible Entity
Limited**

ACN 672 783 345 | AFSL 553 794

US MASTERS RESIDENTIAL PROPERTY GROUP

FOR THE HALF-YEAR ENDED 30 JUNE 2025

CONTENTS

Chair's Letter	2
Directors' Report	4
Auditor's Independence Declaration	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	25
Independent Auditor's Review Report	26

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US MASTERS RESIDENTIAL PROPERTY GROUP

CHAIR'S LETTER

FOR THE HALF-YEAR ENDED 30 JUNE 2025

Dear Security Holders,

I am pleased to provide you with the half-year report for both US Masters Residential Property Fund (**URF I**) and US Masters Residential Property Fund II, collectively referred to as the Stapled Group (**Group**), for the half year ended 30 June 2025.

As security holders are well aware, entering 2025 the joint venture between the Group and Brooksville was critically focused on continuing to execute (and increase the pace of) its asset sales programme, which has been implemented to realise value and return capital to the Group's security holders as quickly and efficiently as possible. The venture set and announced a sales guidance target of US\$200-225 million for the 2025 financial year, a meaningful increase compared to the realised sales volume in both 2024 (US\$151.0 million) and 2023 (US\$53.8 million). This increased target was representative of the Group's commitment to continuing to accelerate the asset sales programme.

Despite the aggressive target, through the first six months of the year the Group made great strides toward reaching the \$200-225 million target guidance. As was detailed in the Chair's Letter of the 31 December 2024 full year accounts, the Group has now achieved meaningful momentum with its sales pipeline, and the vacancy created through issuing strong rental increases during 2H 2024 allowed the Group to enter 2025 with a strong starting position. To that end, as of mid-August the Group has already exceeded 2024's full-year sales volume, and with contracts in place that, if settled prior to 31 December (as is likely but not guaranteed), as well as the existing pipeline of properties listed for sale, position us well to achieve the sales target guidance. The sales pipeline as of the release of this set of accounts can best be summarised as follows:

- US\$119.0 million of closed sales that were settled through 30 June;
- US\$36.3 million of closed sales settled across July and early August, bringing the YTD total closings to US\$155.3 million;
- US\$61.5 million worth of assets under contract or with an accepted offer (if all of these properties were to close prior to the end of the year, the Group will achieve at least US\$216 million worth of sales in 2025);
- US\$54.7 million worth of property that was already listed on the market for sale, and;
- US\$29.9 million worth of assets that are either imminently being listed for sale, were recently vacated and are undergoing turnover work prior to being listed, or have provided notice of a future vacate date in 1Q and will enter the sales pipeline upon vacancy.

During the half year, the fair value of the Group's portfolio realised a fair value decrement of US\$9.2 million or 2.84% across the portfolio. The decrement was largely driven by the New York Premium segment of the portfolio, which recognised a 4.38% decrease in fair value, representing approximately US\$7.4 million of the US\$9.2 million total decrement. The New Jersey Premium and New Jersey Workforce segments both also recognised a slight decrease in fair value (1.08% and 1.22%, respectively).

The results of the valuation process mirror the Group's experience selling in its target markets. Activity and pricing has remained firm throughout the New Jersey segments, whereas in New York prices and buyer activity have slowed slightly thus far in 2025. Activity and buyer sentiment in New York has continued to be lukewarm in 2H following the nomination of democratic socialist Zohran Mamdani for NYC mayor, which has created uncertainty and an apprehensive sentiment amongst the business and real estate communities. 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 close attention to inventory levels across neighbourhoods in each of the three segments, particularly given the cooling buyer sentiment.

US MASTERS RESIDENTIAL PROPERTY GROUP

CHAIR'S LETTER

FOR THE HALF-YEAR ENDED 30 JUNE 2025

Consistent with the previously released guidance, as the asset sales programme continues to progress the Group has consistently re-evaluated its ongoing capital management strategy, with available cash to be utilised for distributions and security buybacks depending on the conditions at the time. To that end, on July 3rd, 2025 the Group declared a distribution of 10 cents per Stapled Security, which was paid on August 1st 2025. This distribution is reflective of the success of the sales programme thus far in 2025. With the maturity of its Global Atlantic senior debt facility in May 2026, the Group may require the use of available cash in order to repay any remaining facility balance. As always, in reviewing these options the Board continues to be committed to maximising value for all URF security holders, and we believe that continuing to realise asset sales represents the best way to do so.

I would like to take this opportunity to thank the management team at Brooksville, as we continue to work toward meeting the agreed target of US\$200-225 million in sales during the 2025 financial year.

I look forward to continuing the execution of our business plan and providing investors with further updates in due course.

Regards,



Stuart Nisbett
Chair
US Masters Residential Property Group

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2025

The directors of US Masters Responsible Entity Limited, Responsible Entity of both US Masters Residential Property Fund (**URF I, Parent**) and US Masters Residential Property Fund II (**URF II**) present their report together with the financial statements for the half-year ended 30 June 2025 of:

- the Stapled Group, consisting of URF I and its controlled entities and URF II and its controlled entities, and;
- URF II and its controlled entities.

Significant changes in state of affairs

On 28 January 2025, the Trustees of US Masters Residential Property (USA) Fund (**US REIT** or **US Vehicle**) agreed to reclassify the US Vehicle from a REIT structure to that of a taxable corporate (**C-Corp**) structure for US tax purposes with an effective date of 1 January 2025. At the same time, the Trustees agreed to adopt a formal plan of liquidation which is expected to be completed by 31 December 2028 (the 'Liquidation Period').

The changes in tax structure of the US Vehicle outlined above do not impact the ongoing operations of the Australian entities or of the Stapled Group as a whole.

Following the reclassification, the Stapled Group's US operations are now subject to US corporate taxes (both Federal and State) currently at an effective corporate tax rate of approximately 30%. However, as a C-Corp, historical losses are generally available to reduce the amount of corporate taxes that are expected to arise on the sell down of the portfolio. While historical losses are available to reduce taxable income under a C-Corp structure, losses incurred after the 2017 calendar year can be used to offset 80% of current year taxable income only.

The repatriation of funds to Australia made in connection with the US Vehicle's plan of liquidation are considered 'liquidating dividends' and not subject to withholding tax provided such repatriations are made within the Liquidation Period. Any assets that remain on hand at the expiration of the Liquidation Period will be transferred to the Stapled Group (the Australian Listed entity) and any taxable income resulting from the sale of these assets will be subject to US corporate tax at a current effective tax rate of approximately 30%.

As a result of the above changes, the recognised net deferred tax liability of the Stapled Group has reduced from \$40.2 million as at 31 December 2024 to \$0.5 million as at 30 June 2025. The reduction in the net deferred tax liability has been recognised in profit or loss in the current period.

Other than the matters discussed above, there were no significant changes in the state of affairs of the Stapled Group and URF II which occurred during the half-year ended 30 June 2025.

Principal activities and significant changes in the nature of activities

The principal activity of the Stapled Group during the course of the financial period was investment in the US residential property market. The Stapled Group owns freestanding and multi-family properties in the New York metropolitan area, specifically Hudson County, New Jersey, and Brooklyn and Manhattan, New York. There were no significant changes in the nature of the Stapled Group's activities during the period.

The principal activity of URF II is the provision of responsible entity services to URF I and URF II.

Financial performance and position

For the period ended 30 June 2025, the Stapled Group recorded a pre-tax loss of \$35.0 million (30 June 2024: \$20.4 million), a post-tax profit of \$4.8 million (30 June 2024: loss of \$17.9 million) and a total comprehensive loss of \$19.1 million (30 June 2024: \$8.1 million).

For the 6-month period ended 30 June 2025, URF II recorded a post-tax loss of \$7 thousand (25 June 2024 to 30 June 2024: loss of \$48 thousand).

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2025

Distributions paid or recommended

A distribution of \$0.01 per stapled security totalling \$6.9 million was declared on 3 April 2025 and was paid to securityholders of the Stapled Group on 1 May 2025.

After balance date events


Subsequent to balance date, a distribution of \$0.10 per stapled security totalling \$68.9 million was declared on 3 July 2025 and was paid to securityholders of the Stapled Group on 1 August 2025.

Other than the matters discussed above, there has not arisen in the interval between the balance date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of US Masters Responsible Entity Limited, to significantly affect the operations of the Stapled Group and URF II, the results of those operations, or the state of affairs of the Stapled Group and URF II, in future financial years.

Auditor's independence declaration

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 30 June 2025.

Signed in accordance with a resolution of the Directors:



Stuart Nisbett
Director
US Masters Residential Property Group

Dated this 27th day of August 2025

27 August 2025

The Board of Directors
US Masters Responsible Entity Limited
as Responsible Entity for:
US Masters Residential Property Fund and
US Masters Residential Property Fund II
Level 17, 1 Denison Street, North Sydney, NSW 2060

Dear Board Members

**Auditor's Independence Declaration to US Masters Responsible Entity Limited as Responsible Entity for
US Masters Residential Property Fund and US Masters Residential Property Fund II**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of US Masters Residential Property Fund and US Masters Residential Property Fund II.

As lead audit partner for the review of the half-year financial report of US Masters Residential Property Fund and US Masters Residential Property Fund II for the half-year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

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US MASTERS RESIDENTIAL PROPERTY GROUP
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2025

Note	Stapled Group		URF II	
	For the 6	For the 6	For the 6	For the period
	months ended	months ended	months ended	25 to 30 Jun
	30 Jun 2025	30 Jun 2024	30 Jun 2025	2024
	\$'000	\$'000	\$'000	\$'000
Investment property rental income	12,182	20,462	-	-
Interest income	1,368	344	-	-
Other income	242	142	59	-
Responsible entity fee income	14	-	1,003	44
Fair value movement of investment properties	5	(15,208)	(7,765)	-
Fair value movement of equity investments		-	(1,265)	-
Investment property expenses		(6,431)	(8,803)	-
Net foreign currency loss		(20)	(434)	-
Public company costs		(85)	(98)	(30)
Professional fees		(1,096)	(1,929)	(292)
IT expenses		(79)	(135)	(18)
Management fees - related party	14	-	(382)	-
Management fees - external	11	(1,170)	(1,338)	-
Promote incentive	11	1,958	(282)	-
Recharged expenses	11	(2,076)	(1,922)	-
Administrative costs		(662)	(187)	(627)
Interest expense		(7,801)	(10,435)	-
Investment property disposal costs		(14,914)	(5,155)	-
Impairment loss on financial assets		(390)	(772)	-
Other insurance expense		(157)	(140)	(81)
Depreciation and amortisation expense		-	(17)	-
State franchise tax		(386)	-	-
Other expenses		(232)	(338)	(14)
Loss before income tax		(34,957)	(20,449)	(48)
Income tax benefit/(expense)	6	39,735	2,508	(7)
Profit/(loss) for the period		4,778	(17,941)	(7)
Profit/(loss) for the period:				
Attributable to the Parent		5,169	(17,762)	-
Attributable to URF II		(7)	(48)	(7)
Attributable to non-controlling interests		(384)	(131)	-
		4,778	(17,941)	(7)
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange difference on translation of foreign operation (nil tax)		(23,883)	9,795	-
Other comprehensive (loss)/income for the period, net of tax		(23,883)	9,795	-
Total comprehensive loss for the period		(19,105)	(8,146)	(7)
Total comprehensive loss for the period:				
Attributable to the Parent		(18,714)	(7,967)	-
Attributable to URF II		(7)	(48)	(7)
Attributable to non-controlling interests		(384)	(131)	-
		(19,105)	(8,146)	(7)
Earnings per stapled security				
Basic earnings/(loss) per stapled security (dollars) *		0.01	(0.02)	(0.00)
Diluted earnings/(loss) per stapled security (dollars) *		0.01	(0.02)	(0.00)

* Basic and diluted earnings/(loss) per stapled security is calculated as profit/(loss) for the period after tax divided by the weighted average number of units.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with Notes to the Consolidated Financial Statements.

US MASTERS RESIDENTIAL PROPERTY GROUP
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	Stapled Group		URF II	
		30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Current assets					
Cash and cash equivalents		116,621	83,372	3,371	3,563
Receivables	2	651	765	82	17
Prepayments		632	1,441	93	92
Other financial assets held for sale	3	-	-	-	-
Other assets	4	14,452	4,572	-	-
Net investment in sublease		732	1,141	-	-
Investment properties held for sale	5	266,891	252,591	-	-
Total current assets		399,979	343,882	3,546	3,672
Non-current assets					
Investment properties	5	211,771	458,269	-	-
Other assets	4	-	9,252	-	-
Net investment in sublease		-	198	-	-
Security deposits		5	5	5	5
Total non-current assets		211,776	467,724	5	5
Total assets		611,755	811,606	3,551	3,677
Current liabilities					
Payables	7	6,595	5,418	196	306
Borrowings	9	228,265	-	-	-
Lease liabilities		760	1,195	-	-
Total current liabilities		235,620	6,613	196	306
Non-current liabilities					
Provisions	8	2,756	4,769	-	-
Deferred tax liabilities	6	500	40,248	-	-
Borrowings	9	-	359,189	-	-
Lease liabilities		-	204	-	-
Other non-current liabilities		-	215	-	-
Total non-current liabilities		3,256	404,625	-	-
Total liabilities		238,876	411,238	196	306
Net assets		372,879	400,368	3,355	3,371
Equity					
Unit capital attributable to the Parent	10	589,121	597,073	-	-
Unit capital attributable to URF II	10	3,362	3,371	3,362	3,371
Reserves		212,992	236,875	-	-
Accumulated losses		(432,800)	(437,962)	(7)	-
Equity attributable to security of the Stapled Group		372,675	399,357	3,355	3,371
Non-controlling interests		204	1,011	-	-
Total equity		372,879	400,368	3,355	3,371

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with Notes to the Consolidated Financial Statements.

US MASTERS RESIDENTIAL PROPERTY GROUP
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2025

STAPLED GROUP

Note	Unit capital attributable to the Parent \$'000	Unit capital attributable to URF II \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Attributable to security/unit holders \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2024	617,998	-	194,736	(393,406)	419,328	1,914	421,242
Loss for the period	-	-	-	(17,762)	(17,762)	(131)	(17,893)
Other comprehensive income, net of income tax							
Foreign operation currency translation gain	-	-	9,795	-	9,795	-	9,795
Total other comprehensive income	-	-	9,795	-	9,795	-	9,795
Total comprehensive income/(loss) for the period	-	-	9,795	(17,762)	(7,967)	(131)	(8,098)
Distributions paid to non-controlling interest	-	-	-	-	-	(171)	(171)
Transactions with owners in their capacity as owners							
(Reallocation)/issue of units	10 (3,411)	3,411	-	-	-	-	-
Unit buybacks	10 (5,816)	-	-	-	(5,816)	-	(5,816)
Distributions to ordinary unitholders	10 (7,234)	-	-	-	(7,234)	-	(7,234)
Total transactions with owners	(16,461)	3,411	-	-	(13,050)	-	(13,050)
Balance at 30 June 2024	601,537	3,411	204,531	(411,168)	398,311	1,612	399,923
Balance at 1 January 2025	597,073	3,371	236,875	(437,962)	399,357	1,011	400,368
Profit for the period	-	-	-	5,162	5,162	(384)	4,778
Other comprehensive income, net of income tax							
Foreign operation currency translation loss	-	-	(23,883)	-	(23,883)	-	(23,883)
Total other comprehensive loss	-	-	(23,883)	-	(23,883)	-	(23,883)
Total comprehensive loss for the period	-	-	(23,883)	5,162	(18,721)	(384)	(19,105)
Distributions paid to non-controlling interest	-	-	-	-	-	(423)	(423)
Transactions with owners in their capacity as owners							
Security buybacks	10 (1,045)	(9)	-	-	(1,054)	-	(1,054)
Distributions to ordinary unitholders	10 (6,907)	-	-	-	(6,907)	-	(6,907)
Total transactions with owners	(7,952)	(9)	-	-	(7,961)	-	(7,961)
Balance at 30 June 2025	589,121	3,362	212,992	(432,800)	372,675	204	372,879

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with Notes to the Consolidated Financial Statements.

US MASTERS RESIDENTIAL PROPERTY GROUP
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2025

URF II

Note	Unit capital \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 25 June 2024	-	-	-
Loss for the period	-	(48)	(48)
Total comprehensive loss for the period	-	(48)	(48)
<i>Transactions with owners in their capacity as owners</i>			
Issue of ordinary units	3,411	-	3,411
Total transactions with owners	3,411	-	3,411
Balance at 30 June 2024	3,411	(48)	3,363
Balance at 1 January 2025	3,371	-	3,371
Loss for the period	-	(7)	(7)
Total comprehensive loss for the period	-	(7)	(7)
<i>Transactions with owners in their capacity as owners</i>			
Security buybacks	(9)	-	(9)
Total transactions with owners	(9)	-	(9)
Balance at 30 June 2025	3,362	(7)	3,355

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with Notes to the Consolidated Financial Statements.

US MASTERS RESIDENTIAL PROPERTY GROUP
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

	Stapled Group		URF II	
	For the 6 months ended 30 Jun 2025 \$'000	For the 6 months ended 30 Jun 2024 \$'000	For the 6 months ended 30 Jun 2025 \$'000	For the period 25 to 30 Jun 2024 \$'000
Cash flows from operating activities				
Cash receipts from customers	12,134	19,766	-	-
Cash paid to suppliers	(10,666)	(13,001)	(1,151)	-
Responsible entity fees received	-	-	901	-
Interest received	1,309	303	-	-
Interest paid	(6,385)	(9,376)	-	-
Management fees (paid)/received	(1,210)	(1,656)	58	-
Net cash used in operating activities	(4,818)	(3,964)	(192)	-
Cash flows from investing activities				
Payments for improvements to investment properties	(5,431)	(3,708)	-	-
Proceeds from the sale of equity investments	-	258	-	-
Proceeds from sale of investment properties	185,664	82,515	-	-
Disposal costs on sale of investment properties	(14,914)	(5,155)	-	-
Net cash provided by investing activities	165,319	73,910	-	-
Cash flows from financing activities				
Security/unit buybacks	(1,054)	(5,816)	-	-
Bank loan repayments	(113,966)	(49,571)	-	-
Refund of interest reserve and escrow accounts	2,428	5,485	-	-
Payment of interest reserve and escrow accounts	(2,343)	(3,766)	-	-
Distributions paid - security holders/ordinary unitholders	(6,907)	(7,211)	-	-
Distributions paid - non-controlling interest	(423)	(171)	-	-
Payment on redemption of Series A preferred units	(210)	(22)	-	-
Lease payments	(577)	(758)	-	-
Cash receipts from net investment in sublease	547	493	-	-
Execution of stapling	-	-	-	3,411
Net cash (used in)/provided by financing activities	(122,505)	(61,337)	-	3,411
Net increase/(decrease) in cash and cash equivalents	37,996	8,609	(192)	3,411
Cash and cash equivalents at beginning of year	83,372	36,695	3,563	-
Effect of exchange rate fluctuations on cash held	(4,747)	380	-	-
Cash and cash equivalents at end of year	116,621	45,684	3,371	3,411

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with Notes to the Consolidated Financial Statements.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

1. Basis of preparation

Units of URF I and units of URF II are stapled together to form the Stapled Group. Australian Accounting Standards require the identification of an acquirer and an in-substance acquisition to be recognised in respect of this stapling arrangement. In relation to the Stapled Group, URF I is identified as the acquirer of URF II. All amounts are presented in Australian dollars, which is also the functional currency of URF and URF II, unless otherwise noted.

The Stapled Group has applied *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*. Accordingly, the condensed consolidated financial statements and accompanying notes of the Stapled Group are presented together with the condensed consolidated financial statements and accompanying notes of URF II and its controlled entities.

The Stapled Group has also applied *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the condensed consolidated financial statements and accompanying notes have been rounded to the nearest one thousand dollars unless otherwise indicated.

A) Statement of compliance

The consolidated financial statements are general purpose condensed financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**), including AASB 134: Interim Financial Reporting, and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the consolidated financial statements comply with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Stapled Group and URF II. The half-year financial statements do not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, together with any public announcements made during the half-year.

These half-year financial statements were approved by the Board of Directors of US Masters Responsible Entity Limited on 27 August 2025.

Except as otherwise noted, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

B) Use of estimates and judgements

In the application of the Stapled Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements at the reporting date and which have a significant risk of causing material adjustments to the financial statements in the next annual reporting period include:

i) Fair value of investment property assets

The Stapled Group estimates the fair value of investment properties at each reporting date primarily based on assessment of market sale prices at or around balance date of comparable properties using available market data. The Stapled Group engages external licensed property valuers and agents to assist in this assessment – refer note 5(i).

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

1. Basis of preparation (continued)

Amendments to Accounting Standards and new Interpretations that are mandatory effective from the current reporting period

The Stapled Group and URF II have adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. None of these Standards and Interpretations had any material impact.

2. Receivables

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Receivables - rental debtors	1,170	1,760	-	-
Loss allowance for rental debtors	(827)	(1,272)	-	-
Other receivables	308	277	82	17
	651	765	82	17

3. Other financial assets held for sale

Other financial assets held for sale relate to equity investments held in the following investees:

Investee	Country of Incorporation	Principal activity	Principal place of business	Ownership Interest	
				30 Jun 2025 %	31 Dec 2024 %
515 West 168th Venture LLC (i)	USA	Property investment	Washington Heights, NY	63.7%	63.7%
523 West 135th Street Venture LLC (i)	USA	Property investment	Hamilton Heights, NY	64.7%	64.7%

During the current period, the investment properties owned by 515 West 168th Venture LLC and 523 West 135th Street Venture LLC were appraised at US\$11.2 million and US\$4.3 million respectively. At balance date, the investees had borrowings of US\$12.6 million and US\$4.2 million respectively which are non-recourse to the Stapled Group. The carrying value of each investment has been recorded at nil.

- (i) The Stapled Group does not have existing rights that give it the current ability to direct the relevant activities of the Investee and therefore does not exercise control of the Investee. Similarly, the Stapled Group does not have significant influence over the Investee. Accordingly, the investment has been designated as a financial asset at fair value through profit or loss.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

4. Other assets

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Current assets				
Other assets (escrow deposits (i))	2,194	1,220	-	-
Other assets (ii) (iii)	4,456	3,352	-	-
Borrowing facility reserve accounts (iii)	7,802	-	-	-
	14,452	4,572	-	-
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Other assets (ii) (iii)	-	887	-	-
Borrowing facility reserve accounts (iii)	-	8,365	-	-
	-	9,252	-	-

- (i) Property sales can include escrow holdbacks to cover settlement adjustments such as utility bills and minor repairs. Amounts held in escrow are returned to the Stapled Group once the escrow conditions have been satisfied.
- (ii) Under the terms of the Global Atlantic facility, the Stapled Group can nominate properties that remain vacant during the preparation and marketing phase of the sales process to be excluded from all covenant calculations (**Exempt Property**). Upon nomination of an Exempt Property, the Stapled 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 will be applied to the outstanding principal balance upon sale of each Exempt Property.
- (iii) As the Global Atlantic loan facility is a current liability at balance date (refer note 9), the related facility reserve accounts and Exempt Property payments have been classified as a current asset as of 30 June 2025.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

5. Investment properties

	Stapled Group		URF II	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Disclosed in the Consolidated Statement of Financial Position as:				
Current assets				
Investment properties held for sale (i)	266,891	252,591	-	-
Non-current assets				
Investment properties	211,771	458,269	-	-
	478,662	710,860	-	-

	Stapled Group		URF II	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
At fair value				
Balance at beginning of period	710,860	878,353	-	-
Payments for improvements to investment properties	6,329	8,902	-	-
Fair value movement of investment properties to market	(15,056)	(21,139)	-	-
Fair value movement of investment properties due to damage	(152)	(234)	-	-
Disposals	(187,411)	(229,812)	-	-
Exchange rate differences on translation	(35,908)	74,790	-	-
Balance at end of period	478,662	710,860	-	-

- (i) Investment properties that are under contract for sale or which are currently marketed for sale or are part of the identified pipeline of properties expected to be sold within 12 months of balance date have been classified as "Investment properties held for sale" and are shown as a current asset on the Condensed Consolidated Statement of Financial Position.

Under the Investment Property accounting standard, selling costs are not required to be deducted from the assessment of fair value. As the Stapled Group realises these assets, selling costs in the range of 6-9% are typically incurred. The average selling costs incurred during the half-year ended 30 June 2025 were 8% inclusive of staging costs (30 June 2024: 6%).

Valuation basis

Fair value has been measured on a property-by-property basis, that being the Unit of Account under AASB 13 Fair Value.

In the current period, all properties in the portfolio have been valued either by way of external appraisal, contracted sales price or list price. Where fair value has been determined with reference to external appraisal, valuations were completed using the "direct comparable sales" approach. Under this approach, the appraiser identifies at least three relevant and appropriate comparable location sales in relative close time proximity to valuation date, which sales evidence is used in conjunction with consideration of other relevant property specific or general market factors to assess the estimated market value of the subject property.

Investment properties held for sale which are under contract or otherwise listed for sale are recognised at their contract or list price.

A panel comprised of the following appraisers valued the portfolio during the period. The appraisers were selected in consideration of their certification as either licensed residential appraisers or licensed real estate agents, as well as their experience and independence to the Stapled Group. Valuations completed by licensed residential appraisers were conducted under the Uniform Standards of Professional Appraisal Practice as required by the Appraisals Standards Board of The Appraisal Foundation in the USA.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

5. Investment properties (continued)

- County Appraisals, LLC (licensed residential appraiser)
- Accurate Appraisals Associates, LLC (licensed residential appraiser)
- Platinum Coast Appraisal & Co. (licensed residential appraiser)
- Glenn A. Gabberty Appraisals, Inc. (licensed residential appraiser)
- Douglas Elliman Real Estate (licensed real estate agent)
- Patrick Southern Coldwell Banker (licensed real estate agent)
- Ari Harkov, Brown Harris Stevens (licensed real estate agent)

At 30 June 2025, the Stapled Group has classified its property portfolio as a Level 2 hierarchy level asset due to its fair value measurement being based on inputs (other than unadjusted quoted prices in active markets for identical assets) that are observable for the assets, either directly or indirectly, as follows:

Class of property	Fair value hierarchy level	Stapled Group		URF II		Valuation technique	Inputs
		Fair value (\$'000) 30 Jun 2025	Fair value (\$'000) 31 Dec 2024	Fair value (\$'000) 30 Jun 2025	Fair value (\$'000) 31 Dec 2024		
Residential use investment property	Level 2	478,662	710,860	-	-	Direct comparable sales	- Selling price - Geographic location - Property age and condition - Size of Property - Number of rooms

The fair value of the Stapled Group's portfolio of investment properties at 30 June 2025 was determined based on market conditions existing at balance date. A sensitivity analysis has been performed on the fair value adopted at 30 June 2025 below to consider the movement in the fair value of the portfolio if the percentage fair value movements in each neighbourhood were to increase or decrease.

Key Assumptions		
	5% decrease in sales price	5% increase in sales price
Change in total value (\$'000)	(23,933)	23,933

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

6. Deferred tax liabilities

On 28 January 2025, the Trustees of US Masters Residential Property (USA) Fund (**US REIT** or **US Vehicle**) agreed to reclassify the US Vehicle from a REIT structure to that of a taxable corporate (**C-Corp**) structure for US tax purposes with an effective date of 1 January 2025. At the same time, the Trustees agreed to adopt a formal plan of liquidation which is expected to be completed by 31 December 2028 (the 'Liquidation Period').

The changes in tax structure of the US Vehicle outlined above do not impact the ongoing operations of the Australian entities or of the Stapled Group as a whole.

Following the reclassification, the Stapled Group's US operations are now subject to US corporate taxes (both Federal and State) currently at an effective corporate tax rate of approximately 30%. However, as a C-Corp, historical losses are generally available to reduce the amount of corporate taxes that are expected to arise on the sell down of the portfolio. While historical losses are available to reduce taxable income under a C-Corp structure, losses incurred after the 2017 calendar year can be used to offset 80% of current year taxable income only. Accordingly, the Stapled Group/US vehicle has recognised a deferred tax asset in respect of historical tax losses that will be available to offset future taxable income (recognised as a deferred tax liability) that is expected to result from the liquidation of the portfolio.

Also as a result of the change in tax status and plan of liquidation, the repatriation of funds to Australia made in connection with the US Vehicle's plan of liquidation are considered 'liquidating dividends' which will not be subject to withholding tax provided such repatriations are made within the Liquidation Period. Accordingly, the future withholding tax liability that was previously recorded on the statement of financial position has been reversed in the current period.

As a result of the above changes, the net deferred tax liability has reduced from \$40.2 million as at 31 December 2024 to \$0.5 million as at 30 June 2025. The reduction in the net deferred tax liability has been recognised in profit or loss in the current period.

Any assets that remain on hand at the expiration of the Liquidation Period will be transferred to the Stapled Group (the Australian Listed entity) and any taxable income resulting from the sale of these assets will be subject to US corporate tax at a current effective tax rate of approximately 30%.

At balance date, the net deferred tax liability is comprised of:

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Temporary timing differences - investment properties	55,447	40,248	-	-
Temporary timing differences - equity investments	(2,495)	-	-	-
Temporary timing differences - other	(1,743)	-	-	-
Recognition of deferred tax asset - tax losses *	(50,709)	-	-	-
Net deferred tax liability **	500	40,248	-	-

* The Stapled Group has tax losses of \$198.8 million (tax benefit of \$60.1 million) which have not been recognised as there is unlikely to be sufficient future taxable income, however these losses may be available to offset future taxable income up to 80%.

** Under the previous REIT structure, the deferred tax liability was measured at a rate of 15%, that being the rate of withholding on the repatriation of taxable income. Under the corporate structure existing at 30 June 2025, the deferred tax liability has been measured at 30%, that being the estimated effective corporate tax rate applied to corporate taxable income.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

6. Deferred tax liabilities (continued)

The Income tax (benefit) / expense recognised in the condensed consolidated statement of profit or loss and other comprehensive income relates predominately to changes related to the US REIT's tax classification and is reconciled as follows:

	Stapled Group		URF II	
	For the 6 months ended 30 Jun 2025 \$'000	For the 6 months ended 30 Jun 2024 \$'000	For the 6 months ended 30 Jun 2025 \$'000	For the period 25 Jun to 31 Dec 2024 \$'000
Reversal of previous withholding tax no longer payable	(40,248)	-	-	-
Deferred tax charged/(credited) to profit or loss	500	(2,530)	-	-
Income tax charged to profit or loss	7	-	7	-
State and withholding tax payable	6	22	-	-
Income tax (benefit)/expense	(39,735)	(2,508)	7	-

7. Payables

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Trade payables	204	310	17	74
Interest payable	874	1,318	-	-
Other payables and accruals	5,517	3,790	179	232
	6,595	5,418	196	306

The average credit period on trade payables is 30 days. No interest is charged on trade payables from the date of invoice. The Stapled Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

8. Provisions

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Provision for promote interest				
Balance at beginning of period	4,769	3,845	-	-
Interest expense	239	497	-	-
Promote reversed during the period	(1,958)	(15)	-	-
Exchange rate differences on translation	(294)	442	-	-
Balance at end of period	2,756	4,769	-	-

Under the terms of the Limited Liability Company agreement, Brooksville Company LLC (**Brooksville**) is entitled to a promote on returns delivered in excess of an 8% compound annual return, calculated with reference to the equity value contributed to the venture. Returns in excess of the 8% hurdle rate are distributed 25% to Brooksville and 75% to the members according to their equity interest percentage. The promote will be settled as and when it is realised.

The Stapled Group has estimated the value of the promote interest at balance date using a discounted cash flow model. In making its estimation, the Stapled Group has exercised judgement to form reasonable valuation inputs in respect of the length of the sell down period (2.5 years), future selling prices, disposal costs (historical average), repayment of borrowings and the discount rate used (13%, 31 Dec 2024: 10%). Based on the Stapled Group's estimation, it is not expected that the required return hurdle will be satisfied within 12 months of balance date and accordingly the provision has been classified as a non-current liability. These judgements will be revisited each reporting period and revised where necessary.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

9. Borrowings

	Stapled Group		URF II	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Current liabilities				
Secured bank loans — at amortised cost	228,265	-	-	-
	228,265	-	-	-
Non-current liabilities				
Secured bank loans — at amortised cost	-	359,189	-	-
	-	359,189	-	-

At balance date, the outstanding principal amount on the Global Atlantic (GA) loan facility was US\$150.8 million.

The facility bears interest at a fixed rate of 4% per annum and has a maturity date of May 19, 2026. Accordingly, being repayable within 12 months of balance date, the facility has been classified as a current liability in the Condensed Consolidated Statement of Financial Position.

The Directors are currently considering potential options regarding the maturity of the GA facility, including the potential negotiation of an extension to the existing facility with GA, refinancing the portfolio with a new lender, and paying down the facility with the net proceeds generated by the sales programme. The Directors will continue to monitor market conditions as they evaluate each option and will provide updates to security holders accordingly.

During the period, the loan agreement was amended with the following key changes:

- The Tangible Net Worth (TNW) requirement is reduced pro-rata for principal repayments made, subject to a minimum requirement of US\$50 million. Prior to the amendment, the TNW requirement was a static US\$250 million. At balance date, the TNW requirement was US\$87.5 million.
- The Stapled Group is required to make loan repayments sufficient to cause the outstanding principal balance to be equal to or less than US\$100 million on or prior to December 31, 2025 and US\$0 by maturity of the loan (Mandatory Prepayment). Failure to satisfy the Mandatory Prepayment requirements constitutes an Event of Default and allows the lender to demand immediate repayment of all unpaid principal and interest amounts.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

9. Borrowings (continued)

- There is also a requirement that the outstanding principal amount be reduced to at least US\$200 million on or before June 30, 2025, US\$150 million on or before September 30, 2025, and US\$50 million on or before March 31, 2026. Failure to satisfy these minimum principal balance amounts does not constitute an Event of Default but results in a Cash Trap scenario. In a Cash Trap scenario, excess funds following the application of monthly rent receipts against both the current month's interest charge and the required replenishment of facility reserves is retained by GA rather than returned to the Stapled Group. The Cash Trap is removed upon satisfaction of the minimum principal requirement.

The Yield Maintenance Premium which was applicable during the first 4.5 years of the facility has now expired as of 19 May 2025. During the period, the Stapled Group incurred US\$536,000 (A\$845,000) in Yield Maintenance Premium, which is included in "Interest expense" in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The loan facility is secured by the following:

- A charge over the following subsidiaries of URF I in which collateralised property assets are held:
 - Collingwood URF LLC
 - Carlton URF LLC
 - St Kilda LLC
 - Melbourne LLC
 - Geelong LLC
 - NJ Penelope LLC
 - NRL URF LLC
 - NY Oakland LLC
 - Brisbane URF LLC
 - Essendon LLC
 - Fremantle LLC
- A guarantee given by Jett URF Holdings LLC and Kenny URF Holdings LLC, as Equity Owners of the borrowing entities listed above.
- A guarantee given by US Masters Residential Fund (USA) Fund.
- US\$5.1 million (A\$7.8 million) placed in interest, taxes, insurance and capex reserves. Refer note 4.
- A Deposit Account Control Agreement in respect of the Rent Deposit Account, an account into which all tenant rent is received and which is swept daily by the loan servicer to cover interest and replenishment of required reserves.

The total value of the security at balance date in respect of the GA facility is \$490.4 million including property assets valued at \$476.3 million.

The facility is subject to the covenants listed below. Failure to satisfy these covenants does not constitute an Event of Default but results in a Cash Trap scenario as explained above.

- Required Debt Yield Percentage of 4.75% (tested quarterly)
- Required Debt Service Cover Ratio of 1.15 (tested quarterly)
- Required Loan to Value Ratio of 79% (tested annually)
- Threshold Amount requirement where the outstanding principal amount is required to be reduced to at least US\$200 million on or before June 30, 2025, US\$150 million on or before September 30, 2025, and US\$50 million on or before March 31, 2026

As at 30 June 2025 balance date, all above covenant requirements were satisfied.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

9. Borrowings (continued)

In addition to the Mandatory Prepayment requirements described above, the Stapled Group must also maintain a Tangible Net Worth of at least US\$87.5 million (as of balance date), a Liquid Asset covenant of at least US\$10 million, and avoid any Event of Bankruptcy. Breaching these covenants constitutes an Event of Default and allows the lender to demand immediate repayment of all unpaid principal and interest amounts.

A summary of drawn and available facilities at balance date is shown below:

	Principal drawn \$'000	Principal available \$'000	Total \$'000
Global Atlantic	229,179	-	229,179
	229,179	-	229,179

10. Capital and reserves

The units in URF I and URF II are stapled on a one for one basis forming the stapled group. The units of URF I and URF II cannot be traded separately and can only be traded as stapled securities under the Australian Securities Exchange ticker symbol URF (**URF Stapled Securities**).

Holders of URF Stapled Securities are entitled to receive distributions as declared. On a show of hands every holder present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each security holder is entitled to one vote per security owned.

The proportionate allocation of unit capital between URF I and URF II can be seen in the table below.

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
688,787,621 stapled securities	592,483	600,444	3,362	3,371
(a) Issued stapled securities/ordinary units				
Balance at beginning of the year	600,444	617,998	3,371	-
705,716,984 units issued at \$0.0048	-	-	-	3,411
Security buybacks	(1,054)	(10,320)	(9)	(40)
Distribution to security holders	(6,907)	(7,234)	-	-
Balance at end of the period	592,483	600,444	3,362	3,371
Attributable to the Parent	589,121	597,073	-	-
Attributable to URF II	3,362	3,371	3,362	3,371
	592,483	600,444	3,362	3,371

		Stapled Group		URF II	
		30 Jun 2025 No.	31 Dec 2024 No.	30 Jun 2025 No.	31 Dec 2024 No.
(b) Movements in stapled securities/ordinary units					
Date	Details				
1 January	Balance at beginning of the year	691,636,927	726,177,358	691,636,927	-
25 June 2024	Issue of stapled securities	-	-	-	705,716,984
2024	Security buybacks	-	(34,540,431)	-	(14,080,057)
2025	Security buybacks	(2,849,306)	-	(2,849,306)	-
	Balance at end of the period	688,787,621	691,636,927	688,787,621	691,636,927

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

11. Management fees, promote incentive and recharged expenses

Management fees

	Stapled Group		URF II	
	For the 6 months ended 30 Jun 2025 \$'000	For the 6 months ended 30 Jun 2024 \$'000	For the 6 months ended 30 Jun 2025 \$'000	For the period 25 Jun to 31 Dec 2024 \$'000
Asset management fee (i)	847	783	-	-
Property management fee (ii)	323	555	-	-
	1,170	1,338	-	-

- (i) Pursuant to the Asset Management Agreement, Brooksville is entitled to an Asset Management Fee of US\$1 million per year, subject to annual CPI adjustments.
- (ii) Pursuant to the Property Management Agreement, Pinnacle City Living (**Pinnacle**) is entitled to a Property Management Fee of 2.85% of gross receipts collected.

Promote incentive

	Stapled Group		URF II	
	For the 6 months ended 30 Jun 2025 \$'000	For the 6 months ended 30 Jun 2024 \$'000	For the 6 months ended 30 Jun 2025 \$'000	For the period 25 Jun to 30 Jun 2024 \$'000
Promote incentive movement (refer note 8)	(1,958)	282	-	-
	(1,958)	282	-	-

Recharged expenses

Figures in the commentary below have not been rounded.

Under the terms of the respective agreements, Brooksville and Pinnacle are entitled to recover direct expenses incurred in the management of the portfolio. Recharged expenses primarily relate to payroll costs in respect of leasing and property management services, construction management services, office administration costs, and compliance costs. During the period, the total amount recharged to the Stapled Group was \$2,128,907 (30 June 2024: \$1,955,851). Of this amount, construction management services totalling \$53,105 (30 June 2024: \$34,015) were capitalised to the relevant investment properties.

12. Capital commitments

The Stapled Group and URF II had no material capital commitments at balance date (31 December 2024: nil).

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

13. Guarantees and contingent liabilities

The Stapled Group is joint lessee of the office premises located at 140 Broadway, New York, with E&P Financial Group USA Inc. The Stapled Group is jointly and severally liable for all lease charges in respect of E&P Financial Group USA Inc's share of future lease charges which are summarised below:

	Stapled Group		URF II	
	30 Jun 2025 \$'000	31 Dec 2024 \$'000	30 Jun 2025 \$'000	31 Dec 2024 \$'000
Not later than one year	772	1,231	-	-
Later than one year and not later than five years	-	205	-	-
	772	1,436	-	-

There has not been any default on any payments to date by E&P Financial Group USA Inc.

The directors of US Masters Responsible Entity Limited are not aware of any other potential material liabilities or claims against the Stapled Group as at balance date.

14. Related parties

Key management personnel

Mr. Stuart Nisbett, Mr. Peter Shear, Mr. Jack Lowenstein and Mr. Sean Banchik are directors of US Masters Responsible Entity Limited and are deemed key management personnel of the Stapled Group and URF II.

At balance date, Mr. Stuart Nisbett owned 18,462 URF Stapled Securities. No other Director owned URF Stapled Securities.

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Responsible Entity fee

Figures in the commentary below have not been rounded.

Prior to US Masters Responsible Entity Limited becoming responsible entity on 25 June 2024, E&P Investments Limited (**EPIL**) was the responsible entity of the Stapled Group. Under the previous agreements EPIL was entitled to charge a fee equivalent to 0.08% (exclusive of GST) of gross assets of URF I. For the half year ended 30 June 2024, \$381,564 was paid to EPIL.

Under the previous agreements, EPIL was also entitled to recover direct expenses incurred in the provision of responsible entity services. For the half year ended 30 June 2024, \$112,033 was recharged by EPIL and is included in 'Administrative costs' in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Under the new agreements, US Masters Responsible Entity Limited is entitled to charge a cost recovery-based management fee payable from the assets of the Stapled Group. For the half-year ended 30 June 2025, expenses totalling \$1,002,821 (25 June to 30 June 2024: \$43,572) were incurred and recharged by US Masters Responsible Entity Limited to either URF I or URF II on a proportionate net asset value basis. An amount of \$58,172 (25 June to 30 June 2024: nil) was recharged by URF II to URF I.

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US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2025

15. Subsequent events

Subsequent to balance date, a distribution of \$0.10 per stapled security totalling \$68.9 million was declared on 3 July 2025 and was paid to securityholders of the Stapled Group on 1 August 2025.

Other than the matters discussed above, there has not arisen in the interval between the balance date and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity, to significantly affect the operations of the Stapled Group and URF II, the results of those operations, or the state of affairs of the Stapled Group and URF II, in future financial years.

16. Operating segments

The Stapled Group operates solely in the business of investing in residential real estate assets associated with the New York metropolitan area in the United States of America. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows.

The Responsible Entity, which is the CODM for the purposes of assessing performance and determining the allocation of resources, operates and is domiciled in Australia.

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US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' DECLARATION

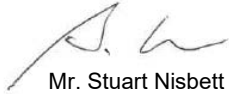
FOR THE HALF-YEAR ENDED 30 JUNE 2025

The directors of the Responsible Entity for US Masters Residential Property Group (the Stapled Group and URF II) declare that, in the directors' opinion:

- a) the attached condensed consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Stapled Group's and URF II's financial position as at 30 June 2025 and their performance for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- b) there are reasonable grounds to believe that the Stapled Group and URF II will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mr. Stuart Nisbett
Director
US Masters Residential Property Group

Dated this 27th day of August 2025

Independent Auditor's Review Report to the Stapled Security Holders of US Masters Residential Property Fund and US Masters Residential Property Fund II

Conclusion

We have reviewed the half-year financial report of US Masters Residential Property Fund and US Masters Residential Property Fund II (the 'Funds') and their subsidiaries (the 'Stapled Group'), which comprises the condensed consolidated statements of financial position as at 30 June 2025, and the condensed consolidated statements of profit or loss and other comprehensive income, the condensed consolidated statements of cash flows and the condensed consolidated statements of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Stapled Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Stapled Group's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Stapled Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Funds, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Responsible Entity of the Funds are responsible for the preparation of the half-year financial report that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Stapled Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 27 August 2025

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