

ASX Code: URF

US Masters Residential Property Group (Group)

**General Meeting of US Masters Residential Property Group
Chair's Address & Presentation**

Good morning and welcome to this general meeting of the stapled entity US Masters Residential Property Fund (URF I) and US Masters Residential Property Fund II (URF II). Units of URF I and URF II are stapled together to form the US Masters Residential Property Group. These units are known as Stapled Securities.

My name is Stuart Nisbett. I am the Chair of US Masters Responsible Entity Limited, the responsible entity of the US Masters Residential Property Group. On behalf of the Board, it is my pleasure to welcome you to this meeting. I have been appointed as the Chair of this meeting.

The business of the meeting will include the receipt and consideration of the annual financial report of the Group for the financial year ending 31 December 2025. Following the presentation of the Financial Statements, we will allow Securityholders to ask questions of the Directors.

Presentation of Financial Statements

To begin the meeting, we will first present the financial statements for the period ending 31 December 2025 for consideration. I will note that all references are in Australian dollars unless otherwise stated.

The annual financial report of the Group for the financial year ended 31 December 2025 together with the declaration of the Directors, the Directors' Report and the Auditor's Report are taken as tabled.

Operationally, General and Administrative, expenses for the year were \$10.7 million, or \$10.5 million excluding one-off costs related to the restructure of the US vehicle for US tax purposes. On a normalised basis, this compares to 2024 expenses of \$11.1 million.

Net Operating Income on a same-home basis (57 properties) for the 2025 calendar year was \$1.44 million US-dollars, reflecting a 14.6% increase when compared to the 2024 calendar year. The increase in NOI on a same-home basis is primarily attributable to strong rental growth as the Group continues to drive vacancy by issuing significant increases in rent in jurisdictions where a renewal offer is required, as well as a reduction in repairs and maintenance expenditure.

Excluding disposal costs and one-off items, the Funds from Operation for 2025 was a loss of \$10.9 million, which compares to a 2024 FFO loss on the same basis of \$8.4 million. As previously advised, the Group expects to incur an 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.

Portfolio Positioning

As was first announced on 9 February 2026, the Group enters the 2026 calendar year with the stated target, though not a forecast, of selling all remaining properties in the Group's portfolio across the New York Premium, New Jersey Premium, and New Jersey Workforce segments by the end of the calendar year. As a result, this set of accounts has been prepared on a non-going concern basis in accordance with Australian Accounting Standards.

The most material consequence of this determination is that the Group's investment properties are now measured at their net realisable value, which includes deduction of expected disposal costs which have historically been in the range of approximately 7.25% of gross sales price, rather than fair value, which did not deduct disposal costs.

As a result of this change, as well as fair value movements across the portfolio, the Group's assets recorded an overall fair value decrement for 2025 of \$20.1 million US-dollars, representing a 6.20% reduction across the portfolio. The Group ended 2025 with 161 remaining properties across the three segments and \$166.4 million US-dollars of net realisable value.

The decline was concentrated primarily in the New York Premium segment, which recorded a 9.67% decrease, or \$16.2 million US-dollars of the total decrement. Within that segment, Harlem and Hamilton Heights accounted for a significant proportion of the reduction, reflecting continued low transaction volumes and softer pricing.

The New Jersey Premium and New Jersey Workforce segments also experienced modest declines of 2.03% and 2.64% respectively.

Sales Performance

Entering 2025, the Group set a sales guidance target of \$200–225 million US-dollars, an ambitious increase compared with realised sales of \$151.0 million US-dollars in 2024 and \$53.8 million US-dollars in 2023. The Group exceeded this target, concluding 2025 with total sales volume of \$244.2 million US-dollars.

This outcome reflects the strength of execution across the portfolio and demonstrates continued momentum in the asset sales programme. It also establishes a strong foundation for the Group to conclude the wind-down of the portfolio during 2026, subject to market conditions and transaction execution.

As of 23 March 2026, the remaining portfolio is distributed as follows:

- \$39.9 million US-dollars of property has settled throughout January to 23 March 2026.
- \$65.5 million US-dollars' worth of assets are under contract or subject to accepted offers.
- \$23.4 million US-dollars' worth of property is currently listed for sale; and
- \$42.0 million US-dollars' worth of assets in the sales pipeline which are soon to be listed, recently vacated and undergoing turnover works.

Given the remaining portfolio is comprised of fewer properties than were sold during 2025, and with aggregate value below the 2025 realised sales volume, the Group does not anticipate that market absorption capacity will constrain the sales target, assuming conditions remain broadly stable.

However, execution risk remains centred on timing rather than demand, as long as selling conditions do not deteriorate. Potential challenges to execution risk include regulatory approvals, tenant cooperation, buyer settlement delays, and other unforeseeable property issues. These factors are not new and have been successfully navigated throughout prior years of the programme, but they may extend the completion timeline beyond 2026 if delays arise.

To proactively mitigate these risks, the Group - which includes Brooksville and its appointed selling agents - has undertaken a detailed review of the remaining portfolio to identify assets that may present structural or timing-related selling headwinds. Those assets are being prioritised through the pipeline to accelerate execution.

While there are external uncertainties, including the conflict in Iran and potential policy changes proposed by Mayor Mamdani, these matters are outside the Group's control. The Board remains focused on disciplined execution of the sales programme and capital management strategy and to date, no material impact on buyer behaviour has been observed.

Capital Management

As the asset sales programme has progressed, the Group has continuously reassessed its capital allocation priorities. Capital generated from sales has been substantially deployed toward distributions to Securityholders.

On 5 February 2026, the Group declared a distribution of 10 cents per security, which was paid on 20 February 2026. This distribution reflects the strong sales performance achieved during 2025 and the increased capital flexibility resulting from the extension of the Global Atlantic senior debt facility to 31 December 2026.

Since commencing the asset sales programme in 2023, the Board has remained focused on maximising value for Securityholders through disciplined capital return and orderly portfolio liquidation.

The Group now enters the final phase of execution, where we will continue to focus on completing remaining sales, reducing costs, managing liquidity, and returning proceeds efficiently to Securityholders.

I look forward to providing further updates as we advance toward full portfolio realisation and completion of the Group's strategic objectives.

That concludes the presentation. We would now like to open the forum up to questions from Securityholders.

This communication has been prepared and authorised for release by US Masters Responsible Entity Limited (ACN 672 783 345, AFSL 553 794), the responsible entity of the US Masters Residential Property Group.

US Masters Residential Property Group is 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). For more information, visit: www.usmastersresidential.com.au.

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