

Appendix 4E

Preliminary Final Report For the year ended 31 December 2025

Name of entity

US Masters Residential Property Group, consisting of:
US Masters Residential Property Fund I (ARSN 150 256 161) and US Masters Residential Property Fund II (ARSN 676 798 468)

Reporting period

1 January 2025 to 31 December 2025

Previous corresponding period

1 January 2024 to 31 December 2024

Results for announcement to the market

		31-Dec-25
Total revenue		
("revenue from ordinary activities – investment property income and interest income")	Down by 46% to	\$20,487
Net operating loss for the year		
("loss from ordinary activities after tax attributable to security holders")	Down by 27% to	(\$57,293)
Total comprehensive loss		
("net loss for the year attributable to security holders")	Down by 2,924% to	(\$84,663)

Commentary on results

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

Distributions

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

Stapled Securities	Amount per security	Franked amount
Distribution (paid on 1 August 2025)	\$0.10	-
Total distribution	\$0.10	-
Distribution dates:		
Ex-Distribution date:	Tuesday, 8 July 2025	
Record date:	Wednesday, 9 July 2025	
Payment date:	Friday, 1 August 2025	

Net tangible assets per stapled security	31-Dec-25	31-Dec-24
Pre-tax attributable to stapled securities	\$0.346	\$0.637
Post-tax attributable to stapled securities	\$0.346	\$0.579

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

Earnings per stapled security	31-Dec-25	31-Dec-24
Basic loss per stapled security	(8.2) cents	(6.3) cents
Diluted loss per stapled security	(8.2) cents	(6.3) cents

Basic and diluted loss per stapled security is calculated as loss for the year after tax divided by the weighted average number of stapled securities.

Annual Financial Report

This report is based on the 31 December 2025 Annual Financial Report and has been audited by Deloitte Touche Tohmatsu.



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

Annual Financial Report

For the year ended
31 December 2025

Responsible Entity:

**US Masters
Responsible Entity
Limited**

ACN 672 783 345 | AFSL 553 794

US MASTERS RESIDENTIAL PROPERTY GROUP
FOR THE YEAR ENDED 31 DECEMBER 2025

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US MASTERS RESIDENTIAL PROPERTY GROUP

CHAIR'S LETTER

FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Security Holders,

I am pleased to provide you with the full-year report for both US Masters Residential Property Fund (**URF I**) and US Masters Residential Property Fund II (**URF II**), collectively referred to as the Stapled Group (**Group**), for the full year ended 31 December 2025.

As was first announced on 9 February 2026, the Group enters FY2026 with the stated target 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. While this marks a target (and not a forecast), the completion of this selling programme would represent the culmination of the initiative commenced in 2023, which was implemented with the goal of realising value and returning capital to the Group's security holders as quickly and efficiently as possible.

As a result of the Group's target to sell all remaining properties and cease operations, this set of accounts has been prepared on a non-going concern basis in accordance with the requirements of Australian Accounting Standard *AASB 101 Presentation of Financial Statements*. The most material consequence of this determination as it relates to this set of accounts is that the Group's investment properties are now measured at their 'net realisable value' (which includes the deduction of expected disposal costs, historically in the range of 7.25% of gross sales price) as opposed to the prior measurement basis of 'fair value' (which did not deduct for asset disposal costs).

Entering 2025, the Group set a sales guidance target of US\$200-225 million for the year – an aggressive target that represented a meaningful increase compared to the realised sales volume in both 2024 (US\$151.0 million) and 2023 (US\$53.8 million). Pleasingly, the Group not only met this sales target – but exceeded it – finishing 2025 with total sales volume of US\$244.2 million. The success of the sales programme was continued evidence of the Group's commitment to accelerating the timing of asset sales and returning capital to security holders, and the strong sales volume of 2025 has set the foundation for the Group to be able to attempt to conclude the wind down of the portfolio before the end of the 2026 calendar year.

The Group ended 2025 with 161 remaining properties across the three segments, representing US\$166.4 million of net realisable value. As of the release of this set of accounts, the sales pipeline status of the remaining portfolio is distributed as follows:

- US\$20.2 million of property settled across January and early February;
- US\$61.7 million worth of assets are under contract or with an accepted offer;
- US\$27.5 million worth of property that was already listed on the market for sale, and;
- US\$57.0 million worth of assets remain – these assets are either imminently being listed for sale, were recently vacated and are undergoing turnover work prior to being listed, or are fully occupied.

Given the remaining portfolio is comprised of fewer properties than the Group sold during 2025 and the aggregate value (US\$166.4 million net realisable value, US\$180.2 million fair value) is also less than the Group's sales volume in 2025 (US\$244.2 million fair value) the Group believes that – as long as selling conditions do not deteriorate – the Group's selling target will not be constrained by market absorption. Instead, the Group expects that it will need to navigate other challenges throughout the year, including regulatory signoffs, uncooperative tenants, buyer delays, and other unforeseeable property issues. While none of these potential impediments are new (and have been successfully navigated for numerous property sales over the course of 2023 through 2025) they nevertheless represent prospective timing delays that could extend the selling timeline beyond 2026. In an effort to proactively mitigate this timeline risk, the Group – in conjunction with Brooksville and its selling brokers – have undertaken a detailed review of the portfolio to identify properties with prospective selling headwinds. While these properties are limited in number, the Group is working to progress these assets through the selling pipeline as quickly and efficiently as possible.

US MASTERS RESIDENTIAL PROPERTY GROUP

CHAIR'S LETTER

FOR THE YEAR ENDED 31 DECEMBER 2025

Consistent with prior practice, the Group will continue to report monthly and year to date sales in its monthly Investment and NAV updates and Quarterly updates provided to security holders by way of ASX announcements.

During the year, the Group's assets realised a fair value decrement of US\$20.1 million or 6.20% across the portfolio as a result of the Group's property appraisal process. The decrement is almost entirely driven by the New York Premium segment of the portfolio, which recognised a 9.67% decrease in fair value, representing approximately US\$16.2 million of the US\$20.1 million total decrement. As has been the case in prior periods, the New York Premium decrement was highly influenced by Harlem/Hamilton Heights (US\$6.6 million decrement), which continues to see low transactional volume and a decline in prices. The New Jersey Premium and New Jersey Workforce segments both also recognised a slight decrease in fair value (2.03% and 2.64%, respectively).

The results of the appraisal process mirror the Group's experience selling in its target markets. Activity and pricing have continued to remain firm throughout the New Jersey segments, whereas in New York prices and buyer activity have been noticeably slower. Aside from some brief spurts in activity during 2H 2025, sentiment in New York has largely been lukewarm following the rise (and subsequent election) of Democratic Socialist Zohran Mamdani as NYC mayor. While the impact on top-tier neighborhoods such as Park Slope has been subdued, fringe areas such as Harlem seem to be more impacted – possibly due to concerns over the Mayor's policies regarding public safety and police involvement. Nevertheless, as evidenced by the aggregate 2025 volume, the Group has continued to navigate these headwinds to execute contracts in a variety of channels, including traditional on-market volume, direct-to-tenant sales, and – for the first time since the inception of the sales programme – a 10 property package of New Jersey Workforce homes to an investor. The Group will continue to pursue all options with regard to selling the remaining assets over the course of 2026.

As the asset sales programme has progressed, the Group has consistently re-evaluated its capital management strategy, with capital being utilised for either distributions or security buybacks depending on the conditions at the time. To that end, on 5 February 2026 the Group declared a distribution of 10 cents per security, which was paid on 20 February 2026. This distribution is reflective of the aforementioned success of the sales programme over the course of 2025, as well as the Group's negotiation and extension of its Global Atlantic senior debt facility, which has afforded the Group further flexibility with its free capital. Since launching the asset sales programme in 2023, the Group has continued to be committed to maximising value for all URF security holders, and we look forward to the final stages of the selling programme and corresponding return of capital to security holders.

I would like to take this opportunity to thank the management team at Brooksville as we continue to work toward achieving the final sales during the 2026 financial year.

I look forward to continuing the execution of our business plan and providing security holders with further updates throughout the year.

Regards,



Stuart Nisbett
Chair
US Masters Residential Property Group

US MASTERS RESIDENTIAL PROPERTY GROUP

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The US Masters Residential Property Group (**Stapled Group**) is a listed stapled entity consisting of US Masters Residential Property Fund (ARSN 150 256 161) (**URF I**) and US Masters Residential Property Fund II (ARSN 676 798 468) (**URF II**) whose stapled securities are traded on the Australian Securities Exchange (**ASX**). The responsible entity of the Stapled Group is US Masters Responsible Entity Limited (ACN 672 783 345, AFSL 553 794) (**Responsible Entity**).

The directors of the Responsible Entity (**Board**) recognise the importance of good corporate governance.

The Stapled Group's corporate governance policies, which are referred to below, are designed to ensure the effective management and operation of the Stapled Group and will remain under regular review. The corporate governance policies are available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents.

A description of the Stapled Group's adopted practices in respect of the eight Principles and Recommendations from the Fourth Edition of the *ASX Corporate Governance Principles and Recommendations* (**ASX Recommendations**) is set out below. All these practices, unless otherwise stated, were in place throughout the year and to the date of this report.

1. Lay Solid Foundations for Management and Oversight

Board Roles and Responsibilities

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Stapled Group and in particular, is responsible for the Stapled Group's success. In meeting its responsibilities, the Board undertakes the following functions:

- Providing and implementing the Stapled Group's strategic direction;
- Reviewing and overseeing the operation of systems of risk management ensuring that the significant risks facing the Stapled Group are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with;
- Overseeing the integrity of the Stapled Group's accounting and corporate reporting systems, including the external audit;
- Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance;
- Reviewing and overseeing internal compliance and legal regulatory compliance;
- Ensuring compliance with the constitutions of URF I, URF II and the Responsible Entity and with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001 (Cth)* (**Corporations Act**);
- Overseeing the Stapled Group's process for making timely and balanced disclosures of all material information concerning the Stapled Group, and
- Communicating with and protecting the rights and interests of all security holders.

The Board of the Responsible Entity has established a formal policy which acts as a charter and sets out its functions and responsibilities (**Board Charter**). The Board Charter is available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents. A review of the Board Charter is conducted annually. The last annual review of the Board Charter was conducted on 26 November 2025.

Appointment of Directors

The Stapled Group has a formal process to ensure that all appropriate checks are undertaken before appointing a person as a director. The Stapled Group has outsourced part of this function to an external service provider, which specialises in completing background checks, to verify the candidate's experience, education, criminal record and bankruptcy history. Each director of the Stapled Group receives a formal appointment letter outlining their terms of employment, responsibilities, conditions and expectation of their engagement.

US MASTERS RESIDENTIAL PROPERTY GROUP
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

Role of the Company Secretary

The company secretary of the Stapled Group (**Company Secretary**) is directly accountable to the Board, through the Chairperson of the Board, on all matters to do with the proper functioning of the Board. This includes:

- Advising the Board on governance matters;
- Circulating to the Board all board papers in advance of any proposed meeting;
- Ensuring that the business at Board meetings is accurately captured in the minutes;
- Facilitating the induction of directors.

Diversity

The Responsible Entity recognises the importance of diversity and inclusion as good corporate governance in circumstances where appropriate for the size, nature, investment strategy and complexity of the Stapled Group. However, having regard to the size, nature, the Stapled Group's current investment strategy, that is to continue a gradual and orderly program of sales of the Stapled Group's underlying assets in the United States, and the engagement of various outsourced service providers to support the operations of the Responsible Entity, the Board believes that the current composition of the Board is suitable and sufficient to support the Responsible Entity in operating the Stapled Group. The Board will closely monitor the existing composition of the Board to ensure the Responsible Entity is adequately resourced to perform all of its duties to operate and manage the Stapled Group. The Board has elected to not comply with the ASX Recommendations in respect of diversity for the reasons described above.

Performance Evaluation

The Board of the Responsible Entity conducts a review of the performance of its directors annually in accordance with ASX Recommendation 1.6. This process includes consideration of feedback provided by directors via a questionnaire prepared by the Company Secretary. The Board and individual directors including the Chairperson were evaluated during the year ending 31 December 2025 in accordance with these processes at a Board meeting held on 18 December 2025.

ASX Recommendation 1.7 does not apply to the Stapled Group because the Stapled Group does not have any senior executives.

2. Structure the Board to Add Value

Board Composition

The Responsible Entity seeks to maintain a Board with a broad range of skills. The Responsible Entity maintains a skills matrix below which lists the skills that have been identified as the ideal attributes the Responsible Entity seeks to achieve across its Board membership:

- Financial;
- Industry Knowledge;
- Leadership;
- Understanding of US residential property in the New York metropolitan area;
- Funds Management;
- Risk Based Auditing and Risk Management;
- Debt restructure;
- Legal;
- Government and Regulation;
- Marketing and Communications;
- Investor Relations.

US MASTERS RESIDENTIAL PROPERTY GROUP

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The composition of the Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Directors' Report, including the period in office, skills, experience, and expertise relevant to the position of director.

The directors of the Responsible Entity during the 2025 financial year and as at the date of this report are:

Stuart Nisbett – Independent, Non-Executive Chairperson

Peter Shear – Independent, Non-Executive Director

Jack Lowenstein – Independent Non-Executive Director

Sean Banchik - Independent Non-Executive Director

The Company Secretary of the Responsible Entity during the 2025 financial year and as at the date of this report is **Caroline Purtell**.

Having regard to the size of the Stapled Group and the nature of its business, the Board has determined that the current Board is the appropriate composition to enable it to continue to effectively discharge its responsibilities to the Stapled Group. However, the composition of the Board will be reviewed periodically.

The current Board comprises four independent directors with the independent Chairperson holding the casting vote. The Board meets monthly and is responsible for the compliance function under the Compliance Plans for URF I and URF II. The Board has adopted various compliance and risk management policies and procedures to support the governance framework of the Stapled Group. The Board has adopted an operational framework which outlines the ongoing supervision and monitoring activities to be undertaken by the Board.

The Stapled Group recognises the ASX Recommendations with respect to establishing remuneration and nomination committees as good corporate governance. However, considering the size and structure of the Stapled Group, the functions that would be performed by these committees are best undertaken by the Board.

Induction and Ongoing Professional Development

The Responsible Entity does not currently have a formal induction program for new directors, nor does it have a formal professional development program for existing directors. The Board does not consider that a formal induction program is necessary given the expertise of the directors. Each director takes responsibility for their own professional development.

The Board will review its view on committees in line with the ASX Recommendations and in light of any changes to the size or structure of the Stapled Group, and if required, may establish committees to assist it in carrying out its functions. If a committee is established, the Board will adopt a charter in accordance with the ASX Recommendations and industry best practices.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case-by-case basis and in conformity with the requirements of the ASX Listing Rules and the Corporations Act. In accordance with the Stapled Group's corporate governance policies, directors are entitled to seek independent advice at the expense of the Stapled Group. Written approval must be obtained from the Chairperson prior to incurring any expense on behalf of the Stapled Group.

3. Promote Ethical and Responsible Decision-Making

Stapled Group Values

ASX Recommendation 3.1 states that a listed entity should articulate and disclose its values. The Stapled Group is committed to conducting all business activities fairly, honestly, efficiently and with a high degree of integrity and in compliance with applicable laws and regulatory guidelines. The Board is dedicated to high ethical standards and supports the Stapled Group's commitment to compliance with these standards.

US MASTERS RESIDENTIAL PROPERTY GROUP
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

Code of Conduct

The Board of the Responsible Entity has adopted a Code of Conduct which is available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents to define basic principles of business conduct of the Stapled Group and the Responsible Entity. This Code requires the Stapled Group's personnel to abide by the policies of the Stapled Group and to the law. The Code is a set of principles giving direction and reflecting the Stapled Group's approach to business conduct and is not a prescriptive list of rules for business behaviour.

Whistleblower Policy

The Board is subject to a Whistleblower Policy which is available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents.

Fraud and Corruption Policy

The Board is subject to a Fraud and Corruption Policy which is available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents.

Security Trading Policy

The Board of the Responsible Entity has established a Security Trading Policy which is available on the Stapled Group's website usmastersresidential.com.au/investor-centre/key-documents to apply to trading in the Stapled Group's securities on the ASX. This policy applies to the Board, the Responsible Managers, the Head of Operations and any other operational staff and the Compliance Officer (**Restricted Persons**). All Restricted Persons must not deal in the Stapled Group's securities while in possession of price sensitive information.

4. Safeguard integrity in Financial Reporting

Given the size and nature of the Stapled Group's business, the Board has elected not to establish an audit or compliance committee. The Board has formed a view that all directors of the Responsible Entity meet the definition of an external director in s601JA(2) of the Corporations Act and the definition of an independent director in the guidance provided in the ASX Recommendations. Accordingly, the Board has determined it will undertake the function of an audit and compliance committee and will oversee the operation of the audit, compliance and risk function.

As registered managed investment schemes, URF I and URF II have compliance plans that have been lodged with the Australian Securities and Investments Commission (**ASIC**). The Compliance Plans are reviewed every year to ensure that the way in which the Stapled Group operates protects the rights and interests of security holders and that major compliance risks are identified and properly managed. The Responsible Managers ensure the Stapled Group complies with the relevant licensing regulations, its compliance plans and its constitutions. The Board of the Responsible Entity meets on a quarterly basis to review and monitor compliance with the AFSL requirements and URF I and URF II compliance plans and consider any other regulatory requirements.

The Board exercises due care, diligence and skill in relation to the following areas:

- Application of accounting policies to the Stapled Group's financial reports and statements
- Monitoring the integrity of the financial information provided to security holders, regulators and the general public
- Corporate conduct and business ethics, including Auditor independence and ongoing compliance with laws and regulations

US MASTERS RESIDENTIAL PROPERTY GROUP
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

- Maintenance of an effective and efficient audit
- Appointment, compensation and oversight of the external Auditor, and ensuring that the external Auditor meets the required standards for Auditor independence
- Regularly monitoring and reviewing corporate governance policies and codes of conduct.

The Board meets at least monthly and proceedings of all meetings are minuted and signed by the Chairperson of the Board. Copies of the minutes are provided to each member of the Board.

5. Making Timely and Balanced Disclosure

The Stapled Group is committed to complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and releasing relevant information to the market and security holders in a timely and direct manner and to promoting investor confidence in the Stapled Group and its securities. The Board has adopted a Continuous Disclosure Policy which is available on the Stapled Group's website **usmastersresidential.com.au/investor-centre/key-documents** to ensure the Stapled Group complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. The policy administered by the Board is as follows:

- The Board is involved in reviewing significant ASX announcements and ensuring and monitoring compliance with this policy;
- The Company Secretary is responsible for the overall administration of this policy and all communications with the ASX; and
- The Head of Operations of the Stapled Group is responsible for reporting any material price sensitive information to the Company Secretary and observing the Stapled Group's no comments policy.

6. Respect the Rights of Security Holders

Rights of Security Holders

The Stapled Group promotes effective communication with security holders. The Board has developed a strategy within its Continuous Disclosure Policy to ensure that security holders are informed of all major developments affecting the Stapled Group's performance, governance, activities and state of affairs. Each security holder is also provided online access to the Registry to allow them to receive communications from, and send communication to, the Responsible Entity and the Registry. This also includes using a website to facilitate communication with security holders via electronic methods. Information is communicated to security holders through announcements to the ASX, releases to the media and dispatch of financial reports. Security holders are provided with an opportunity to access such reports and releases electronically; copies of all such ASX announcements are linked to the Stapled Group's website at www.usmastersresidential.com.au.

These include:

- weekly net asset value estimates;
- monthly net tangible asset backing announcements and investment updates;
- quarterly investment updates;
- the half year report;
- the full year report;
- occasional ASX announcements made to comply with the Stapled Group's continuous disclosure requirements; and
- occasional correspondence sent to security holders on matters of significance to the Stapled Group.

The Board encourages full participation of security holders at the general meetings to ensure a high level of accountability and identification with the Stapled Group's strategy. Security holders who are unable to attend the general meeting are given the opportunity to provide questions or comments ahead of the meeting and where appropriate, answers are provided at the meeting.

US MASTERS RESIDENTIAL PROPERTY GROUP
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Recognise and Manage Risk

The Board has accepted the role of identifying, assessing, monitoring and managing the significant areas of risk applicable to the Stapled Group and its operations. The Board also monitors and appraises financial performance, including the approval of annual and half-year financial reports and liaising with the Stapled Group's auditors.

In order to evaluate and continually improve the effectiveness of its risk management and internal control processes, the Responsible Entity has adopted a Risk Management Framework. The Board conducts an annual review of the Risk Management Framework to satisfy itself that the Risk Management Framework continues to be sound. The last annual review of the Risk Management Framework was conducted on 27 February 2025.

The Board is responsible for maintaining proper financial records. In addition, the Board receives a letter half yearly from the Stapled Group's external auditor regarding their procedures and reporting, including compliance with Australian Accounting Standards (**Accounting Standards**).

The Stapled Group has a limited environmental and social footprint. It operates out of relatively small office spaces that utilise renewable energy sources where available. The Stapled Group's portfolio was renovated using energy efficient heating, cooling and lighting systems wherever possible. The directors continually assess opportunities to reduce its environmental footprint.

The Responsible Entity provides declarations required by Section 295A of the Corporations Act for all financial periods and confirms that in its opinion the financial records of the Stapled Group have been properly maintained and that the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view of the financial position and performance of the Stapled Group, based on its review of the internal control systems, management of risk, the financial statements and the letter from the Stapled Group's external auditor. Details of the Stapled Group's financial risk management are set out in the notes to the financial statements in the Annual Report. The Board does not release to the market any periodic corporate reports which are not audited or reviewed by an external auditor with the exception of the unaudited NTA which is published weekly and monthly.

8. Remunerate Fairly and Responsibly

Remuneration Policies

Due to the relatively small size of the Stapled Group and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with the remuneration of the directors.

The directors' fees are paid by the Responsible Entity on a cost recovery basis. The Responsible Entity's Constitution governs remuneration of the directors.

In accordance with the constitutions of URF I and URF II, the Responsible Entity is entitled to a Management Fee equal to the Responsible Entity's reasonable estimate of its costs, including all overheads and internal expenses of the Responsible Entity. Details of the Stapled Group's related party transactions, if any, are set out in the notes to the financial statements in the Annual Report.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors of US Masters Responsible Entity Limited, the 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 year ended 31 December 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.

The Responsible Entity's registered office and principal place of business is Level 17, 1 Denison Street, North Sydney, NSW 2060.

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 of the US vehicle which is required to be completed by 31 December 2028 (the 'Liquidation Period'). 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, subject to a cap of 80% of current year taxable income for losses incurred after 2017. 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 subsequent 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 (i.e. deferred tax liability net of deferred tax asset recognised in respect of tax losses) of the Stapled Group has reduced from \$40.2 million as at 31 December 2024 to nil as at 31 December 2025. The reduction in the net deferred tax liability has been recognised in profit or loss in the current year.

In consideration of the US Vehicle's adopted plan of liquidation, together with an updated review of the sales pipeline of its property portfolio, the Stapled Group announced to the ASX on 9 February 2026, that the directors intend to cease operations of the Stapled Group through the targeted disposal of its remaining property portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome. As a result of this determination, in accordance with *AASB 101 Presentation of Financial Statements* and *AASB 110 Events after the Reporting Period*, the consolidated financial statements as of and for the year ended 31 December 2025 have been prepared on a non-going concern basis. The adoption of a non-going concern basis prospectively from 1 January 2025 has resulted in a material change to the Stapled Group's investment property assets as a result of the requirement to measure such assets at their 'net realisable value' as opposed to the previous measurement at 'fair value'. The key difference is the inclusion of disposal costs in the determination of net realisable value whereas these costs are not permitted to be included in the determination of fair value. Disposal costs represent approximately 7.25% of asset values.

Other than the matters discussed above, there were no significant changes in the state of affairs which occurred during or subsequent to the year ended 31 December 2025 up until the date of this report.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Directors

The directors of the Responsible Entity (**Board**) at any time during or since the end of the financial year are shown below. Directors were in office to the date of this report unless otherwise stated.

Stuart Nisbett BCom, MCom (UNSW)

Chair

Stuart is currently Executive Director and Principal at Archerfield Partners, a boutique corporate advisory firm specialising in real estate, which he established in 2008. He has more than 30 years' experience in property development, property funds management, equity and debt raising, corporate advisory and project finance.

Previously, Stuart was Executive Director, Head of Property Funds at ANZ Investment Bank. He was also the Managing Director, Head of Property Banking & Property Investment Banking at N M Rothschild & Sons (Australia) Limited. Stuart has also held senior roles at director level at Macquarie Bank Property Investment Banking Division and at Lend Lease Corporation in its development and commercial asset management divisions.

Stuart is a Chartered Accountant and holds a Bachelor of Commerce with Merit and Master of Commerce from the University of NSW. In 2005 he was appointed a Fellow of the Australian Property Institute.

Peter Shear BBus, MBA (Exec), GAICD

Director

Peter has significant expertise in funds management, financial advisory and complex lending arrangements including leveraged finance, property development and debt workout situations. Peter was most recently Chief Financial Officer of Firmus, a leader in Immersion cooled data centres. He was a Founder of Archibald Capital which specialises in Opportunistic Credit and Special Situations and prior to that the Co-Managing Partner of Opportunistic Lending and Special Situations at LIM Advisors. Peter has also held the positions of Chief Risk Officer and Managing Director & Head of Corporate and Structured Finance at Lloyds Banking Group (and its predecessor HBOS plc) in Australia and as a Partner in Corporate Finance & Restructuring at Ernst & Young. Peter has a Bachelor of Business from the University of Technology, an Executive MBA from AGSM, is a member of Chartered Accountants Australia and New Zealand, a Fellow of FINSIA and a Graduate Member of the Australian Institute of Company Directors.

Jack Lowenstein BA, MA (Oxon)

Director

Jack has more than 30 years' relevant experience in companies providing financial services in Australia in both executive and non-executive capacities. He is currently non-executive chairman of the ASX listed investment company Morphic Ethical Equities Fund Ltd. Previously he was an executive director and responsible manager at Morphic Asset Management Pty Ltd and Hunter Hall Invest Management Ltd. Jack has also served as executive deputy chairman of Hunter Hall International Ltd, non-executive chairman of Tissue Repair Limited, and as a non-executive director of Fiji Kava Ltd, Calliden Group Ltd/Reinsurance Australia Ltd and Kresta Holdings Ltd, all listed on the ASX. Jack has had extensive experience in funds management, including supervising activities of investment professionals (portfolio managers, analysts, dealers, distribution specialists), outsourced service providers and operational staff. He did his undergraduate degree at Oxford University and completed the Owner President Management course at Harvard Business School.

US MASTERS RESIDENTIAL PROPERTY GROUP
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Sean Banchik CFA
Director

Sean has over 35 years of professional experience including over 20 years in various roles relating to fixed income asset management, most recently serving as President and COO of American Mortgage Investment Partners Management, LLC (AMIP), an alternative asset manager. Sean has a thorough understanding of U.S. residential real estate markets with particular experience overseeing the AMIP REO department in the management and disposition of thousands of single family residential properties throughout the United States. Sean's experience complements the board's expertise as the Group continues the strategic sell-down of the portfolio and return of capital to security holders. He presently serves on the board of AMIP and Visio-Beach Point Mortgage Trust, LLC, a private REIT, and is an adjunct professor at the Marshall School of Business at the prestigious University of Southern California (USC). Sean holds a bachelor's degree from the Massachusetts Institute of Technology and is a CFA(r) charterholder.

Principal activities and significant changes in the nature of activities

The principal activity of the Stapled Group during the course of the financial year 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.

As disclosed above, the directors intend to cease the Stapled Group's operations through the targeted disposal of its property portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome.

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

Results and review of operations

For the year ended 31 December 2025, the Stapled Group recorded a pre-tax loss of \$97.6 million (2024: \$56.1 million), a post-tax loss of \$57.3 million (2024: \$44.9 million) and a total comprehensive loss of \$84.7 million (2024: \$2.8 million).

For the year ended 31 December 2025, URF II recorded a pre-tax loss of nil (2024: nil), a post-tax loss of \$7,000 (2024: nil) and a total comprehensive loss of \$7,000 (2024: nil).

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 security holders of the Stapled Group on 1 May 2025.

A distribution of \$0.10 per stapled security totalling \$68.9 million was declared on 3 July 2025 and was paid to security holders of the Stapled Group on 1 August 2025.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Business risks

The Board recognises the importance of continual monitoring of business risks. As part of this ongoing assessment, the Board has identified the following as significant business risks facing the Stapled Group.

Risk	Summary
Risks of the US residential property market	The Stapled Group has concentrated its exposure to US residential real estate in the New York metropolitan area, with a focus on Brooklyn and Manhattan, New York and Hudson County, New Jersey. The Stapled Group's performance, including the results of its planned property portfolio disposal, is and will continue to be highly correlated to the performance of the residential property market in these areas.
Foreign Currency Risk	The Stapled Group's assets are and will continue to be denominated largely in US dollars. Changes in the value of the US dollar relative to the Australian dollar will impact the value, in Australian dollars, of the Stapled Group's assets, as the Stapled Group does not hedge its foreign currency exposure.
Macroeconomic Risks	The value of the Stapled Group's assets can be affected by changes in various macroeconomic conditions including the economic, political and regulatory environments, as well as inflation and market sentiment. Some of the ways in which adverse changes in the macroeconomic environment may impact the Stapled Group's performance include the following: • The price at which the Stapled Group is able to sell its property assets; • The time taken to dispose of the portfolio in a property by property sell down scenario; • The creditworthiness of the tenant base, thus impacting the recoverability of outstanding tenant balances; • The price at which the Stapled Group is able to lease its properties; • The cost of maintaining the portfolio; and • Changes in the political and/or regulatory environment that directly or indirectly impact landlord/tenant relationships, such as rules impacting the ability of the landlord to expeditiously evict delinquent tenants or the ability to set market rents, may also impact the Stapled Group's performance.
Refinancing and Deposit Risk	The Stapled Group's existing debt facility with Global Atlantic has a maturity date of December 31, 2026. There is a risk that the Stapled Group is unable to settle the outstanding debt or secure financing on similar terms to the existing facility, thereby impacting the financial performance of the Stapled Group. Additionally, the Stapled Group has US dollar denominated deposits. These cash deposits are insured by the US Federal Government up to \$250K only. In the event of bank failure the deposits may not be recoverable in full.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Taxation Risk	Changes to the taxation laws in Australia, the US, or the double tax treaty that applies between Australia and the US may impact the value of returns to security holders.
Climate Change	The Stapled Group may be adversely impacted by the direct consequences of climate change, including property damage due to increases in the frequency, duration and severity of extreme weather events, such as hurricanes and floods. Increases in property damage due to these events may also impact the cost of property insurance to the Stapled Group, thereby impacting overall performance.
Key Personnel Risk	There is a risk that the departure of key staff or consultants that have particular expertise and knowledge will impact the performance of the Stapled Group.
Litigation Risk	In the course of its operations, the Stapled Group may become involved in disputes and litigation that may adversely affect the financial performance of the Stapled Group.
Pandemic Risk	A pandemic could negatively impact the global economy, disrupt financial markets and cause varying levels of employment, all of which could negatively impact the performance of the Stapled Group.
Cyber Risk	The Stapled Group's operations are exposed to cyber risk such as data breaches and phishing schemes that could result in financial losses, reputational damage and legal liabilities.

After balance date events

Subsequent to balance date, a distribution of \$0.10 per stapled security totalling \$68.8 million was declared on 5 February 2026 and was paid to security holders of the Stapled Group on 20 February 2026.

As of 31 January 2026, in the course of its planned property disposal plan, the Stapled Group has contracted to sell 13 properties with a net realisable value of \$22.2 million.

In consideration of the US Vehicle's adopted plan of liquidation, together with an updated review of the sales pipeline of its property portfolio, the Stapled Group announced to the ASX on 9 February 2026, that the directors intend to cease operations of the Stapled Group through the targeted disposal of its remaining property portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome.

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.

Future developments, prospects and business strategies

As detailed in the Chair's Letter in pages 1 through 2, the Stapled Group plans to continue the sale of its property portfolio. It is expected that the net proceeds resulting from the sale of these assets will be returned to security holders by way of either a return of capital or distributions, or by way of security buybacks.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Environmental issues

To the best of the directors' knowledge the USA operations have been conducted in compliance with the environmental regulations existing under the USA federal, state and local legislation.

Beneficial and relevant interest of directors of the Responsible Entity in securities

As at the date of this report, details of directors of the Responsible Entity who hold securities for their own benefit are listed as follows:

Director	No. of securities
Stuart Nisbett	18,462
Peter Shear	-
Jack Lowenstein	-
Sean Banchik	-

Other relevant information

The following is a list of other relevant information required to be reported under the *Corporations Act 2001*:

- fees paid to the Responsible Entity – refer to note 22 to the financial statements
- units held by the directors of the Responsible Entity at the reporting date – refer to note 22 to the financial statements
- security buybacks completed during the financial year – refer to note 15 to the financial statements
- the value of the Stapled Group's assets and basis of valuation – refer to Consolidated Statement of Financial Position and notes 2 and 3 respectively, and
- interests in the Stapled Group as at 31 December 2025, including movements in units on issue during the year – refer to note 15 to the consolidated financial statements.

Indemnifying officers or auditor

Under the constitutions of URF I and URF II, the Responsible Entity, including its officers and employees, is indemnified out of the assets of the Stapled Group for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Stapled Group.

Insurance premiums have been paid, during or since the end of the financial year, for all directors of the Responsible Entity of the Stapled Group. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for the auditor of the Stapled Group.

Non-audit services

During the year Deloitte Touche Tohmatsu (**Deloitte**), the Stapled Group's auditor, has performed certain other services in addition to their statutory duties.

The Board of the Responsible Entity has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Stapled Group and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Stapled Group, acting as an advocate for the Stapled Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Stapled Group, Deloitte, and its related practices for audit and non-audit services provided during the year are set out in note 26.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Auditor's independence declaration

The auditor's independence declaration is set out on page 16 and forms part of the directors' report for the financial year ended 31 December 2025.

Signed in accordance with a resolution of the directors:



Stuart Nisbett

Director

US Masters Residential Property Group

Dated this 26th day of February 2026

26 February 2026

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 audit of the financial report of US Masters Residential Property Fund and US Masters Residential Property Fund II for the financial year ended 31 December 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 audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

US MASTERS RESIDENTIAL PROPERTY GROUP

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Stapled Group		URF II	
		For the 12 months ended	For the 12 months ended	For the 12 months ended	For the period 25 Jun to 31
		31 Dec 2025 \$'000	31 Dec 2024 \$'000	31 Dec 2025 \$'000	Dec 2024 \$'000
Investment property rental income		18,116	36,738	-	-
Interest income		2,371	927	-	2
Insurance proceeds		361	-	-	-
Other income		449	294	79	91
Responsible entity fee income	22	-	-	1,931	1,185
Fair value movement of investment properties	8	(35,795)	(21,373)	-	-
Investment property write downs to net realisable value	8	(19,581)	-	-	-
Asset disposal costs	8	(32,568)	(16,398)	-	-
Fair value movement of equity investments	6	-	(1,265)	-	-
Investment property expenses		(10,653)	(16,518)	-	-
Net foreign currency loss		(13)	(3,975)	-	-
Public company costs		(137)	(162)	(30)	(71)
Professional fees		(1,928)	(3,236)	(573)	(355)
IT expenses		(135)	(281)	(28)	(21)
Management fees - related party	22	-	(384)	-	-
Management fees - external	16	(2,135)	(2,565)	-	-
Promote incentive	16	3,786	15	-	-
Recharged expenses	16	(4,290)	(3,904)	-	-
Administrative costs	22	(1,184)	(798)	(1,146)	(628)
Interest expense		(12,054)	(19,970)	-	-
Equity investment disposal costs		-	(801)	-	-
Impairment loss on financial assets		(902)	(1,394)	-	-
Other insurance expense		(254)	(324)	(137)	(124)
Depreciation and amortisation expense		-	(17)	-	-
State franchise tax		(436)	-	-	-
Other expenses		(666)	(733)	(96)	(79)
Loss before income tax		(97,648)	(56,124)	-	-
Income tax benefit/(expense)	10	40,355	11,185	(7)	-
Loss for the year		(57,293)	(44,939)	(7)	-
Loss for the year:					
Attributable to the Parent		(56,582)	(44,556)	-	-
Attributable to URF II		(7)	-	(7)	-
Attributable to non-controlling interests		(704)	(383)	-	-
		(57,293)	(44,939)	(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)		(27,370)	42,139	-	-
Other comprehensive loss for the year, net of tax		(27,370)	42,139	-	-
Total comprehensive loss for the year		(84,663)	(2,800)	(7)	-
Total comprehensive loss for the year:					
Attributable to the Parent		(83,952)	(2,417)	-	-
Attributable to URF II		(7)	-	(7)	-
Attributable to non-controlling interests		(704)	(383)	-	-
		(84,663)	(2,800)	(7)	-
Earnings per stapled security					
Basic loss per stapled security (dollars) *	17	(0.08)	(0.06)	(0.00)	-
Diluted loss per stapled security (dollars) *	17	(0.08)	(0.06)	(0.00)	-

* Basic and diluted loss per stapled security is calculated as loss for the year after tax divided by the weighted average number of units.

The 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 FUND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Stapled Group		URF II	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Cash and cash equivalents	4	92,311	83,372	3,335	3,563
Receivables	5	3,955	765	182	17
Prepayments		926	1,441	37	92
Other financial assets held for sale	6	-	-	-	-
Other assets	7	15,852	13,824	-	-
Net investment in sublease	9	183	1,339	-	-
Investment properties held for sale	8	198,125	252,591	-	-
Investment properties	8	51,166	458,269	-	-
Security deposits		5	5	5	5
Total assets		362,523	811,606	3,559	3,677
Liabilities					
Payables	11	5,968	5,418	205	306
Lease liabilities	9	189	1,399	-	-
Borrowings	13	117,333	359,189	-	-
Provisions	12	1,075	4,769	-	-
Deferred tax liabilities	10	-	40,248	-	-
Other liabilities	14	-	215	-	-
Total liabilities		124,565	411,238	205	306
Net assets		237,958	400,368	3,354	3,371
Equity					
Unit capital attributable to the Parent	15	520,153	597,073	-	-
Unit capital attributable to URF II	15	3,361	3,371	3,361	3,371
Reserves		209,505	236,875	-	-
Accumulated losses		(494,551)	(437,962)	(7)	-
Equity attributable to security of the Stapled Group		238,468	399,357	3,354	3,371
Non-controlling interests		(510)	1,011	-	-
Total equity		237,958	400,368	3,354	3,371

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

US MASTERS RESIDENTIAL PROPERTY GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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 year		-	-	-	(44,556)	(44,556)	(383)	(44,939)
Other comprehensive income, net of income tax								
Foreign operation currency translation gain		-	-	42,139	-	42,139	-	42,139
Total other comprehensive income		-	-	42,139	-	42,139	-	42,139
Total comprehensive income/(loss) for the year		-	-	42,139	(44,556)	(2,417)	(383)	(2,800)
Distributions paid to non-controlling interest		-	-	-	-	-	(520)	(520)
Transactions with owners in their capacity as owners								
(Reallocation)/issue of units	15	(3,411)	3,411	-	-	-	-	-
Security buybacks	15	(10,280)	(40)	-	-	(10,320)	-	(10,320)
Distributions to security holders	15	(7,234)	-	-	-	(7,234)	-	(7,234)
Total transactions with owners		(20,925)	3,371	-	-	(17,554)	-	(17,554)
Balance at 31 December 2024		597,073	3,371	236,875	(437,962)	399,357	1,011	400,368
Balance at 1 January 2025		597,073	3,371	236,875	(437,962)	399,357	1,011	400,368
Loss for the year		-	-	-	(56,589)	(56,589)	(704)	(57,293)
Other comprehensive income, net of income tax								
Foreign operation currency translation loss		-	-	(27,370)	-	(27,370)	-	(27,370)
Total other comprehensive loss		-	-	(27,370)	-	(27,370)	-	(27,370)
Total comprehensive loss for the year		-	-	(27,370)	(56,589)	(83,959)	(704)	(84,663)
Distributions paid to non-controlling interest		-	-	-	-	-	(817)	(817)
Transactions with owners in their capacity as owners								
Security buybacks	15	(1,134)	(10)	-	-	(1,144)	-	(1,144)
Distributions to security holders	15	(75,786)	-	-	-	(75,786)	-	(75,786)
Total transactions with owners		(76,920)	(10)	-	-	(76,930)	-	(76,930)
Balance at 31 December 2025		520,153	3,361	209,505	(494,551)	238,468	(510)	237,958

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

US MASTERS RESIDENTIAL PROPERTY GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

URF II

	<i>Note</i>	Unit capital \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 25 June 2024		-	-	-
Loss for the period		-	-	-
Total comprehensive loss for the period		-	-	-
<i>Transactions with owners in their capacity as owners</i>				
Issue of ordinary units	15	3,411	-	3,411
Security buybacks	15	(40)	-	(40)
Total transactions with owners		3,371	-	3,371
Balance at 31 December 2024		3,371	-	3,371
Balance at 1 January 2025		3,371	-	3,371
Loss for the year		-	(7)	(7)
Total comprehensive loss for the year		-	(7)	(7)
<i>Transactions with owners in their capacity as owners</i>				
Security buybacks	15	(10)	-	(10)
Total transactions with owners		(10)	-	(10)
Balance at 31 December 2025		3,361	(7)	3,354

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

US MASTERS RESIDENTIAL PROPERTY GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

Note	Stapled Group		URF II	
	For the 12 months ended	For the 12 months ended	For the 12 months ended	For the period
	31 Dec 2025	31 Dec 2024	31 Dec 2025	25 Jun to 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Cash receipts from customers	18,689	35,658	-	-
Cash paid to suppliers	(19,751)	(26,750)	(2,031)	(1,104)
Responsible entity fees received	-	-	1,754	1,167
Interest received	2,376	717	-	2
Interest paid	(10,536)	(17,374)	-	-
Management fees (paid)/received	(2,183)	(3,021)	49	92
State franchise tax paid	(436)	-	-	-
Net cash (used in)/provided by operating activities	4	(11,841)	(10,770)	(228)
Cash flows from investing activities				
Payments for improvements to investment properties	(10,613)	(9,028)	-	-
Proceeds from the sale of equity investments	-	4,678	-	-
Proceeds from sale of investment properties	373,476	228,484	-	-
Disposal costs on sale of investment properties	(32,568)	(16,398)	-	-
Disposal costs on sale of equity investments	-	(801)	-	-
Net cash provided by investing activities	330,295	206,935	-	-
Cash flows from financing activities				
Security/unit buybacks	(1,144)	(10,320)	-	-
Bank loan repayments (including exempt property payments)	(227,053)	(137,779)	-	-
Payment of GA loan amendment borrowing costs	(9)	-	-	-
Refund of interest reserve and escrow accounts	5,490	7,395	-	-
Payment of interest reserve and escrow accounts	(3,837)	(5,960)	-	-
Distributions paid - security holders/ordinary unitholders	(75,786)	(7,376)	-	-
Distributions paid - non-controlling interest	(817)	(520)	-	-
Payment on redemption of Series A preferred units	(210)	(22)	-	-
Lease payments	(1,146)	(1,451)	-	-
Cash receipts from net investment in sublease	907	1,001	-	-
Refund/(payment) of security deposit	-	195	-	(5)
Execution of stapling	-	-	-	3,411
Net cash (used in)/provided by financing activities	(303,605)	(154,837)	-	3,406
Net increase/(decrease) in cash and cash equivalents	14,849	41,328	(228)	3,563
Cash and cash equivalents at beginning of year	83,372	36,695	3,563	-
Effect of exchange rate fluctuations on cash held	(5,910)	5,349	-	-
Cash and cash equivalents at end of year	4	92,311	83,372	3,335

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

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

US Masters Residential Property Fund (URF I, **Parent**) and US Masters Residential Property Fund II (URF II) are registered management investment schemes under the *Corporations Act 2001*, domiciled in Australia. The financial statements comprise URF I and its subsidiaries and URF II and its subsidiaries, collectively referred to as US Masters Residential Property Group (**Stapled Group**).

The consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2026. For the purpose of preparing the consolidated financial statements, the Stapled Group is a for-profit entity.

The principal activity of the Stapled Group is investment in the US residential property market.

2. 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.

The Stapled Group has applied *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*. Accordingly, the consolidated financial statements and accompanying notes of the Stapled Group are presented together with the 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 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 financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the consolidated financial statements comply with IFRS Accounting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

In accordance with *AASB 101 Presentation of Financial Statements* and *AASB 110 Events after the Reporting Period*, the consolidated financial statements as of and for the year ended 31 December 2025 have been prepared on a non-going concern basis as a result of the directors intention to cease operations of the Stapled Group through the disposal of its remaining property portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome.

The adoption of a non-going concern basis prospectively from 1 January 2025 has resulted in a material change to the carrying amount of the Stapled Group's investment property assets as a result of the requirement to measure such assets at their 'net realisable value' as opposed to the previous measurement at 'fair value'. The key difference is the inclusion of asset disposal costs in the determination of net realisable value whereas these costs are not permitted to be included in the determination of fair value. Disposal costs represent approximately 7.25% of asset values. Liabilities, including any onerous contract amounts, have been recorded at their contractual settlement amounts. In addition, all assets and liabilities have been classified in order of expected liquidity in the Consolidated Statement of Financial Position. All assets and liabilities are expected to be realised/extinguished within 12 months of balance date. This timing expectation is subject to factors that may ultimately extend this timeline.

The accounting policies, recognition and measurement adopted for the comparative figures in the financial statements are on a going concern basis and are consistent with those adopted in the 31 December 2024 year financial report. Therefore, the comparative amounts have not been restated as a result of the intention to cease the Stapled Group's operations.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation (*continued*)

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 the 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) Net realisable value / 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 fair value assessment – refer note 3D and note 8.

Net realisable value of investment property assets at 31 December 2025 is determined by deducting estimated asset disposal costs from the fair value of the assets.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies

The accounting policies set out below have been applied in the preparation of the consolidated financial statements.

A) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Stapled Group, comprised of URF I, URF II and the entities each of them controls. Control is achieved when either URF I or URF II:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Stapled Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Stapled Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of non-controlling interests are adjusted to reflect changes in the value of their relative interests in the relevant subsidiaries.

B) Foreign currency

The consolidated financial statements are presented in AUD which is also the functional currency of URF I and URF II.

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated at the exchange rate prevailing on reporting date. Income and expense items other than fair value gains/losses on non-monetary items are translated at the average exchange rate for the year. Fair value gains/losses on non-monetary items are translated at the exchange rate prevailing on the date fair value was determined. Exchange differences arising on the retranslation of foreign operations at each reporting date, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve.

Foreign currency denominated transactions outside of the Stapled Group's foreign operations are translated at the exchange rate prevailing on the transaction date. Exchange differences arising on the retranslation of foreign denominated assets and liabilities at reporting date are recognised in profit or loss in the period in which they arise.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

C) Financial instruments

i) Financial assets

The Stapled Group has the following financial assets: receivables, cash and cash equivalents, and equity investments.

Receivables

Trade and lease receivables are recognised at amortised cost.

The Stapled Group recognises a loss allowance for expected credit losses (**ECL**) on receivable balances.

The ECL is estimated using the Stapled Group's historical credit loss experience adjusted for factors that are specific to the receivable balance.

The amount of ECL is assessed at each reporting period and is updated to reflect changes in credit risk subsequent to initial recognition of the receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

C) Financial instruments (*continued*)

i) Financial assets (*continued*)

Equity investments

The Stapled Group's interests in 515 West 168th Venture LLC and 523 West 135th Street Venture LLC (refer to note 6) are designated as financial assets at fair value through profit or loss (FVTPL). Financial assets at FVTPL are recorded at fair value at the end of each reporting period with any fair value gains or losses recognised in profit or loss. Fair value has been determined as outlined in note 6. Net realisable value equates to fair value at balance date.

ii) Financial liabilities

The Stapled Group has the following financial liabilities: trade and other payables, borrowings and preference unit capital.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method.

Preference unit capital

Preference unit capital is classified as a financial liability if it is redeemable on a specific date or at the option of the unitholders, or if dividend payments are not discretionary. Dividends are recognised as interest expense in profit or loss as accrued.

iii) Unit capital

Stapled securities

The units of URF I are stapled to the units of URF II and are collectively referred to as stapled securities. Stapled securities are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issue of stapled securities are recognised as a deduction from equity. Repurchase of stapled securities are recognised as a reduction directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of stapled securities.

Distributions to security holders

Distributions are recognised in the reporting period in which they are declared, determined, or publicly recommended by the Board of the Responsible Entity.

A distribution payable is recognised in the Consolidated Statement of Financial Position if the distribution has been declared or publicly recommended on or before balance date.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

D) Investment property

i) Recognition and measurement

Investment property comprising residential real estate assets held to earn rental income and/or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, representing the assessed amount that would be received to sell the asset in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Changes in the fair value of investment property are recorded in profit or loss as and when they arise.

As at and for the year ending 31 December 2025, as a result of the adoption of the non-going concern basis of accounting, the carrying values of investment property assets have been written down to reflect their net realisable value. Net realisable value represents the expected selling price of the assets (fair value) less associated costs of disposal.

ii) Determination of net realisable value / fair value

At each reporting date, the fair values of investment properties are assessed using management's knowledge of relevant market factors impacting the residential markets in which the Stapled Group invests, supported by the engagement of suitably qualified external property valuers and agents to assist in determination of active market prices (fair values). Refer to note 8 for further details regarding the determination of fair value of the property portfolio.

Net realisable value represents the fair value of the property less associated costs of disposal.

iii) Held for sale

At balance date, investment properties that are under contract for sale or which are available or under preparation to be sold are classified as held for sale. Under the requirements of *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, investment properties classified as held for sale are presented separately in the Consolidated Statement of Financial Position.

E) Provisions

Provisions are recognised when the Stapled Group has a present obligation as a result of a past event, it is probable that the Stapled Group will be required to settle the obligation, and a reliable estimate of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

F) Income

i) Rental income

Rental income from operating leases is recognised as income over the lease term. Where lease incentives are provided to tenants, the cost of the incentives are initially capitalised and then recognised over the lease term on a straight-line basis as a reduction in rental income.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

G) Income tax

Under current Australian income tax legislation, the Stapled Group is not liable to pay income tax provided security holders are presently entitled to the Stapled Group's distributable income and its taxable income (including assessable realised capital gains) is fully distributed to security holders.

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 of the US vehicle which is required to be completed by 31 December 2028 (the 'Liquidation Period').

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 sale of the property portfolio.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (**GST**), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (**ATO**) is included as an asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

H) Operating segments

The Stapled Group has one operating segment, the investment in residential real estate assets in the New York metropolitan area of the United States of America.

I) Leases

(a) The Stapled Group as lessee

The Stapled Group assesses whether a contract is or contains a lease at inception of the contract. The Stapled Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is the lessee, except short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Stapled Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets are recognised at the present value of the future lease payments and are depreciated over the shorter period of the lease and the useful life of the asset.

(b) The Stapled Group as lessor

Leases for which the Stapled Group is a lessor are classified as finance or operating leases. Where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Stapled Group is an intermediate lessor (such as the sublease arrangement in place at the 140 Broadway, New York office), it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease and recognised as a net investment in sublease at the present value of contractual cash flows over the contract period.

Finance lease income is calculated with reference to the carrying amount of the lease receivable and is allocated to accounting periods so as to reflect a constant periodic rate of return.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Material accounting policies (*continued*)

J) New accounting standards and interpretations

Adoption of new and revised Accounting Standards

The Stapled Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to their operations and effective for the current year.

Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations that will be effective for years ending on or after 31 December 2025 have not yet been determined.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	31 December 2026
AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity	1 January 2026	31 December 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	31 December 2027
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028	31 December 2028

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Cash and cash equivalents

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank	92,287	83,330	3,335	3,563
Restricted cash (i)	24	42	-	-
	92,311	83,372	3,335	3,563

Cash at bank earns interest at floating rates. The effective interest rate on bank deposits during the year was 2.74% (2024: 1.37%).

The Stapled Group's exposure to interest rate risk is shown in note 19.

- (i) Restricted cash relates to a deposit account into which all tenant rent is received (Rent Deposit Account) pursuant to the requirements of the Global Atlantic loan facility. Amounts are swept daily from the Rent Deposit Account by the loan servicer to cover interest, replenishment of required reserves and any other amount due to Global Atlantic. The residual balance, if any, is returned to the Stapled Group.

Reconciliation of cash flows from operating activities

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Loss for the year	(57,293)	(44,939)	(7)	-
Adjustments for:				
Net unrealised loss on foreign exchange	13	3,975	-	-
Change in fair value of investment property	35,795	21,373	-	-
Investment property write downs to net realisable value	19,581	-	-	-
Asset disposal costs	32,568	16,398	-	-
Change in fair value of equity investments	-	1,265	-	-
Non-cash interest expense - Global Atlantic loan facility	1,036	995	-	-
Non-cash interest expense - promote incentive	426	497	-	-
Withholding tax on interest	-	9	-	-
Equity investment disposal costs	-	801	-	-
Depreciation and amortisation expense	-	17	-	-
Change in trade and other receivables	(159)	(91)	(174)	(57)
Change in other assets	27	21	-	-
Change in prepayments	515	(112)	54	(92)
Change in trade and other payables	(316)	243	(101)	306
Change in provisions (excluding foreign exchange impact)	(3,786)	(15)	-	-
Change in deferred tax liability (excluding foreign exchange impact)	(40,248)	(11,207)	-	-
Net cash (used in)/provided by operating activities	(11,841)	(10,770)	(228)	157

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Cash and cash equivalents (*continued*)

Reconciliation of liabilities arising from financing activities

		1 Jan 2025	Financing cash flows	Payment of transaction costs	Non-cash changes		31 Dec 2025
					Amortisation of borrowing costs	Exchange rate differences on translation	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Secured bank loans	13	359,189	(223,635) (i)	(156)	1,036	(19,101)	117,333
Lease liability	9	1,399	(1,146)	-	-	(64)	189
		360,588	(224,781)	(156)	1,036	(19,165)	117,522

- (i) Excluding Exempt Property payments yet to be applied to the outstanding principal balance. Refer note 7(ii).

		1 Jan 2024	Financing cash flows	Payment of transaction costs	Non-cash changes		31 Dec 2024
					Amortisation of borrowing costs	Exchange rate differences on translation	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Secured bank loans	13	456,226	(135,808) (i)	-	995	37,776	359,189
Lease liability	9	2,677	(1,451)	-	-	173	1,399
		458,903	(137,259)	-	995	37,949	360,588

5. Receivables

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Receivables - rental debtors (i)	925	1,760	-	-
Loss allowance for rental debtors	(723)	(1,272)	-	-
Receivables - property disposal proceeds (ii)	3,031	-	-	-
Other receivables	722	277	182	17
	3,955	765	182	17

- (i) Rent is receivable in advance on the first day of each month. Late fees are levied on tenants if rent is not paid by the sixth day of the month. No interest is charged on trade receivables.

The Stapled Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (**ECL**). The ECL on trade receivables is estimated using the Stapled Group's historical credit loss experience adjusted for factors that are specific to the receivable balance. A loss allowance of \$0.7 million (2024: \$1.27 million) has been recognised in respect of outstanding amounts at balance date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Amounts owing from tenants that have since departed the property are written off as a bad debt in profit or loss.

The Stapled Group's exposure to credit and currency risks related to trade and other receivables is shown in note 19.

- (ii) Relates to proceeds from property sales that closed in December 2025, but with settlement occurring in January 2026. This amount is inclusive of loan payments in connection with these sales totalling US\$0.96 million (A\$1.44 million), which were applied against the outstanding principal loan balance in January 2026.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. 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	
				2025 %	2024 %
515 West 168th Venture LLC (i) *	USA	Property investment	Washington Heights, NY	63.7%	63.7%
523 West 135th Street Venture LLC (ii) *	USA	Property investment	Hamilton Heights, NY	64.7%	64.7%

- (i) At balance date, the investment property owned by 515 West 168th Venture LLC was under contract for sale at US\$9.25 million. At balance date, the investee had borrowings of US\$12.5 million which are non-recourse to the Stapled Group, and accordingly the carrying fair value of the investment reflecting its net realisable value has been recorded at nil.
- (ii) At balance date, the investment property owned by 523 West 135th Street Venture LLC was on the market for sale. Based on market feedback received (including non-binding offers), the fair value of the property is estimated to be US\$3.4 million. At balance date, the venture had borrowings of US\$4.1 million which are non-recourse to the Stapled Group, and accordingly the carrying fair value of the investment reflecting its net realisable value has been recorded at nil.

7. Other assets

	Stapled Group		URF II	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other assets (escrow deposits (i))	2,166	1,220	-	-
Other assets (ii)	7,499	4,239	-	-
Borrowing facility reserve accounts (iii)	6,187	8,365	-	-
	15,852	13,824	-	-

- (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.

* 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. On a non-going concern basis, fair value of the equity investment equates to its net realisable value.

US MASTERS RESIDENTIAL PROPERTY GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Other assets (continued)

(iii) At balance date, the Stapled Group had the following balances on reserve with Global Atlantic (**GA**) as required under the terms of the facility (refer note 13(i)):

- An interest reserve totalling US\$1.3 million (\$2.0 million).
- A property tax reserve totalling US\$2.0 million (\$3.0 million).
- An insurance reserve totalling US\$0.3 million (\$0.5 million).
- A capital expenditure reserve totalling US\$0.5 million (\$0.7 million).

In an Event of Default scenario, funds held in the interest, property tax, insurance and capital expenditure reserve accounts may be applied to amounts outstanding under the loan facility in such order, proportion and priority determined by GA in its sole discretion.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Investment properties

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Disclosed in the Consolidated Statement of Financial Position as:				
Investment properties held for sale (i)	198,125	252,591	-	-
Investment properties (ii)	51,166	458,269	-	-
	249,291	710,860	-	-

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	
At net realisable value (2024: fair value)				
Balance at beginning of year	710,860	878,353	-	-
Payments for improvements to investment properties	11,330	8,902	-	-
Fair value movement of investment properties to market	(35,795)	(21,373)	-	-
Investment property write downs to net realisable value (iii)	(19,581)	-	-	-
Asset disposal costs (iv)	(32,568)	-	-	-
Disposals	(349,058)	(229,812)	-	-
Exchange rate differences on translation	(35,897)	74,790	-	-
Balance at end of year	249,291	710,860	-	-

- (i) 'Investment properties held for sale' represent those properties under contract for sale at balance date, or properties available or in the process of being prepared for sale.
- (ii) 'Investment properties' represent residual properties not classified as 'held for sale' at balance date but are nonetheless targeted for sale within calendar year 2026.
- (iii) 'Investment property write downs to net realisable value' relate to asset disposal cost adjustments made against properties held at balance date in order to reflect the assets at 'net realisable value' applying the non-going concern accounting policy basis. In 2024 investment properties were recorded at 'fair value' which excluded any disposal costs associated with ultimate sale of the assets.
- (iv) 'Asset disposal costs' relate to disposal costs incurred in respect of properties sold during the year.

Valuation basis

In both the current and prior year 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 year property fair value has been reduced by estimated property disposal costs in order to derive 'net realisable value' which is the adopted basis of recognition.

Fair value has been determined in the current year by way of external appraisal, contracted sales price or with reference to list price where the property is currently on the market for sale. Where fair value has been determined with reference to external appraisal, appraisals were completed using the "direct comparable sales" approach. Under this approach, the appraiser identifies 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.

A panel of appraisers valued the portfolio during the year. The appraisers were selected in consideration of their certification as either licenced residential appraisers or licenced real estate agents, as well as their experience and independence to the Stapled Group.

As noted above, at 31 December 2025, the 'fair value' of the property portfolio has been written down to 'net realisable value' by deducting the estimated costs of disposing the assets.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. Investment properties (continued)

The Stapled Group has classified its property portfolio as a Level 2 hierarchy asset due to its measurement (2025: net realisable value; 2024: fair value) 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
		Net realisable value (\$'000) 2025	Fair value (\$'000) 2024	Net realisable value (\$'000) 2025	Fair value (\$'000) 2024		
Residential use investment property	Level 2	249,291	710,860	-	-	Direct comparable sales	- Selling price - Geographic location - Property age and condition - Size of Property

The net realisable value of the Stapled Group's portfolio of investment properties at 31 December 2025 was determined based on market conditions existing at balance date. A sensitivity analysis has been performed to consider the movement in the net realisable value of the portfolio if the percentage sales price were to increase or decrease.

Key Assumptions		
	5% decrease in sales price	5% increase in sales price
Change in total value (\$'000)	(12,465)	12,465

ii) Leasing arrangements

Investment properties are leased to tenants under operating leases. Generally, the operating leases have a duration of 12 months with rent payable monthly.

Minimum lease payments receivable on leases of investment properties are shown below. Tenants that are on a month to month basis are excluded from the analysis.

	Stapled Group		URF II	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Not later than one year	1,240	9,625	-	-
	1,240	9,625	-	-

iii) Contractual obligations

The Stapled Group has no material contractual obligations in respect of property refurbishments (2024: nil).

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

9. Leases

The Stapled Group is party to a sublease in respect of its lease at 140 Broadway, New York, New York. The movement in the net investment in sublease receivable and the liability on the head lease is shown below.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Net investment in sublease				
Balance at beginning of year	1,339	2,186	-	-
Interest income	47	115	-	-
Lease payments received	(1,141)	(1,116)	-	-
Exchange rate differences on translation	(62)	154	-	-
Balance at end of year	183	1,339	-	-

Maturity analysis in respect of the lease payments receivable is as follows:

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Lease receivable - contractual undiscounted cash flows				
Year one	184	1,190	-	-
Year two	-	198	-	-
Year three	-	-	-	-
	184	1,388	-	-

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Lease liabilities				
Balance at beginning of year	1,399	2,677	-	-
Interest expense	34	84	-	-
Lease repayments	(1,180)	(1,535)	-	-
Exchange rate differences on translation	(64)	173	-	-
Balance at end of year	189	1,399	-	-

Minimum lease payments payable in respect of lease liabilities are as follows:

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Lease liabilities - contractual undiscounted cash flows				
Not later than one year	190	1,231	-	-
Later than one year and not later than five years	-	205	-	-
	190	1,436	-	-

US MASTERS RESIDENTIAL PROPERTY GROUP

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10. Deferred tax liabilities

On 28 January 2025, the Trustees of US Masters Residential Property (USA) Fund (**US REIT** or **US Vehicle**) resolved 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 of the US vehicle which is required to be completed by 31 December 2028 (the 'Liquidation Period').

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 year.

As a result of the above changes, the net deferred tax liability (i.e. deferred tax liability net of deferred tax asset recognised in respect of tax losses) has reduced from \$40.2 million as at 31 December 2024 to nil as at 31 December 2025. The reduction in the net deferred tax liability has been recognised in profit or loss in the current year.

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 Stapled Group had the following temporary timing differences:

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Temporary timing differences - investment properties	22,102	40,248	-	-
Temporary timing differences - equity investments	(2,510)	-	-	-
Temporary timing differences - other	(1,130)	-	-	-
Recognition of deferred tax asset - tax losses *	(18,462)	-	-	-
Net deferred tax liability **	-	40,248	-	-

* The Stapled Group has tax losses of \$254.1 million (tax benefit of \$74.0 million) which have not been recognised as there is unlikely to be sufficient future taxable income.

** 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 31 December 2025, the deferred tax liability has been measured at 30%, that being the estimated effective corporate tax rate applied to corporate taxable income.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. Deferred tax liabilities (continued)

The Income tax (benefit) / expense recognised in the 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 12 months ended 31 Dec 2025	For the 12 months ended 31 Dec 2024	For the 12 months ended 31 Dec 2025	For the period 25 Jun to 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Reversal of previous withholding tax no longer payable	(40,248)	-	-	-
Deferred tax credited to profit or loss	-	(11,207)	-	-
Income tax (credited)/charged to profit or loss	(116)	-	7	-
State and withholding tax payable	9	22	-	-
Income tax (benefit)/expense (i)	(40,355)	(11,185)	7	-

- (i) The income tax benefit of \$40.355 million recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in FY25 relates substantially to the reversal of the deferred tax liability existing at the 31 December 2024 balance date as a result of the corporate tax restructure set out above. No income tax benefit is recognised on the current year operating loss before tax as these losses do not meet the recoverability criteria for assessment as deferred tax assets.

11. Payables

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Trade payables	98	310	-	74
Interest payable	555	1,318	-	-
Other payables and accruals	5,315	3,790	205	232
	5,968	5,418	205	306

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

12. Provisions

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Provision for promote interest				
Balance at beginning of year	4,769	3,845	-	-
Interest expense	426	497	-	-
Promote reversed during the year	(3,786)	(15)	-	-
Exchange rate differences on translation	(334)	442	-	-
Balance at end of year	1,075	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 Group has estimated the value of the promote interest at balance date using a discounted cash flow model. In making its estimation, the Group has exercised judgement to form reasonable valuation inputs in respect of the length of the sell down period, future selling prices, disposal costs (historical average), repayment of borrowings and the discount rate used (13%, 2024: 10%). These judgements will be revisited each reporting period and revised where necessary.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13. Borrowings

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Secured bank loans — at amortised cost	117,333	359,189	-	-
	117,333	359,189	-	-

Throughout both the current and prior year, the facility bore interest at a fixed rate of 4% per annum.

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

- The loan maturity date was extended from 19 May 2026 to 31 December 2026. The Group expects to repay the facility within the expiration period from property disposal proceeds.
- Effective 1 January 2026, the interest rate increases from 4% per annum to 6% per annum.
- 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\$50 million, which has been satisfied.
- 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 31 March 2026, 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.
- There is also a requirement that the outstanding principal amount be reduced to at least US\$85 million on or before 30 June 2026, and US\$50 million on or before 30 September 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.

A Yield Maintenance Premium was applicable during the first 4.5 years of the facility. This has now expired as of 19 May 2025. During the year, the Stapled Group incurred US\$536,000 (A\$831,000) in respect of the Yield Maintenance Premium, which is included in "Interest expense" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and "Payables" in the Consolidated Statement of Financial Position.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13. Borrowings (continued)

The loan facility is secured by the following:

- A charge over the following subsidiaries of the Stapled Group 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 Property (USA) Fund.
- US\$4.1 million (A\$6.2 million) placed in interest, taxes, insurance and capex reserves (refer note 7(iii)).
- 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 (refer note 4).

The total value of the security at balance date in respect of the GA facility is \$266.0 million including property assets valued at \$247.1 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)
- * During the year, there was a Threshold Amount requirement where the outstanding principal amount was required to be reduced to at least US\$200 million on or before 30 June 2025, and US\$150 million on or before 30 September 2025. Following the most recent loan amendment that occurred at the end of the year, there is now a Threshold Amount requirement that the outstanding principal amount be reduced to at least US\$85 million on or before 30 June 2026, and US\$50 million on or before 30 September 2026.

As at 31 December 2025 balance date, all above covenant requirements were satisfied.

The Stapled Group must also maintain a Tangible Net Worth of at least US\$50 million, a Liquid Asset covenant of at least US\$10 million, and avoid any Event of Bankruptcy. A breach of these covenants is an Event of Default and allows the lender to demand immediate repayment of all unpaid principal and interest amounts. These conditions were satisfied as of 31 December 2025.

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

	Principal drawn \$'000	Principal available \$'000	Total \$'000
Global Atlantic	117,899 *	-	117,899
	117,899	-	117,899

* USD equivalent of US\$78.7 million.

US MASTERS RESIDENTIAL PROPERTY GROUP

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FOR THE YEAR ENDED 31 DECEMBER 2025

14. Other liabilities

	Stapled Group		URF II	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Redeemable preference units	-	202	-	-
Accrued interest	-	13	-	-
	-	215	-	-

Series A Preferred Units	Stapled Group				URF II			
	2025 No of units	2025 \$'000	31 Dec 2024 No of units	31 Dec 2024 \$'000	2025 No of units	2025 \$'000	31 Dec 2024 No of units	31 Dec 2024 \$'000
Issued	-	-	125	215	-	-	-	-

In the current year, the face value of the preference units were redeemed and accrued interest through to the date of redemption was settled. The redeemable preferences units are no longer on issue.

The holders of the Series A Preferred units were entitled to receive cumulative preferential cash dividends. Dividends accrued on a daily basis and were cumulative from the first date on which the units were issued. Series A Preferred units ranked ahead of ordinary units, did not carry the right to vote except in relation to Series A Preferred unit matters, and were redeemable at the sole discretion of the Stapled Group. Dividends accrued under the terms of the Series A Preferred units are disclosed as interest expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. 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		
	2025	2024	2025	2024	
	\$'000	\$'000	\$'000	\$'000	
688,451,287 stapled securities	523,514	600,444	3,361	3,371	
(a) Issued stapled securities					
Balance at beginning of the year	600,444	617,998	3,371	-	
705,716,984 units issued at \$0.0048	-	-	-	3,411	
Security buybacks	(1,144)	(10,320)	(10)	(40)	
Distribution to security holders	(75,786)	(7,234)	-	-	
Balance at end of the year	523,514	600,444	3,361	3,371	
Attributable to the Parent	520,153	597,073	-	-	
Attributable to URF II	3,361	3,371	3,361	3,371	
	523,514	600,444	3,361	3,371	
	Stapled Group		URF II		
	2025	2024	2025	2024	
	No.	No.	No.	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	(3,185,640)	-	(3,185,640)	-
	Balance at end of the year	688,451,287	691,636,927	688,451,287	691,636,927

Translation reserve

The translation reserve comprises all foreign currency movements arising on the translation of the financial statements of foreign operations.

US MASTERS RESIDENTIAL PROPERTY GROUP

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16. Management fees, promote incentive and recharged expenses

Management fees

	Stapled Group		URF II	
	For the 12 months ended 31 Dec 2025	For the 12 months ended 31 Dec 2024	For the 12 months ended 31 Dec 2025	For the period 25 Jun to 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Asset management fee (i)	1,667	1,563	-	-
Property management fee (ii)	468	1,002	-	-
	2,135	2,565	-	-

(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 12 months ended 31 Dec 2025	For the 12 months ended 31 Dec 2024	For the 12 months ended 31 Dec 2025	For the period 25 Jun to 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Promote incentive movement recognised in profit or loss (refer note 12)	(3,786)	(15)	-	-
	(3,786)	(15)	-	-

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 year, the total amount recharged to the Group was \$4,393,691 (2024: \$3,982,214). Of this amount, construction management services totalling \$103,378 (2024: \$77,996) were capitalised to the relevant investment properties.

US MASTERS RESIDENTIAL PROPERTY GROUP

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17. Earnings per stapled security

	2025 No.	2024 No.	2025 No.	2024 No.
(a) Weighted average number of stapled securities				
Weighted average number of stapled securities used to calculate basic and diluted loss per stapled security	689,591,389	708,064,477	689,591,389	698,261,231
	Stapled Group		URF II	
	For the 12 months ended 31 Dec 2025	For the 12 months ended 31 Dec 2024	For the 12 months ended 31 Dec 2025	For the period 25 Jun to 31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
(b) Loss attributable to stapled security holders				
Loss used in the calculation of basic and diluted loss per stapled security	(57,293)	(44,939)	(7)	-
Basic loss per stapled security (dollars):				
Attributable to the Parent	(0.08)	(0.06)	-	-
Attributable to URF II	(0.00)	-	(0.00)	-
Attributable to non-controlling interests	(0.00)	(0.00)	-	-
Diluted loss per stapled security (dollars):				
Attributable to the Parent	(0.08)	(0.06)	-	-
Attributable to URF II	(0.00)	-	(0.00)	-
Attributable to non-controlling interests	(0.00)	(0.00)	-	-

Basic and diluted loss per stapled security amounts are calculated by dividing loss for the year attributable to stapled security holders by the weighted average number of stapled securities outstanding during the year.

18. 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and 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.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. Financial risk management and financial instruments

Overview

The Stapled Group's financial instruments comprise cash and cash equivalents, receivables, payables and bank loans. The Stapled Group has exposure to the following risks from its use of financial instruments:

- * Credit risk
- * Liquidity risk
- * Market (currency risk and interest rate risk)
- * Capital management

Financial risk and risk management framework

The directors of the Responsible Entity have overall responsibility for the establishment and oversight of the Stapled Group's risk management framework.

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Stapled Group to incur a financial loss. The Stapled Group has exposure to credit risk on all its financial assets included in the Stapled Group's Consolidated Statement of Financial Position.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Summary exposure	Note	Stapled Group		URF II	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash and cash equivalents	4	92,311	83,372	3,335	3,563
Trade and other receivables	5	3,955	765	182	17
Loan facility reserves and escrow deposits	7	15,852	13,824	-	-
Security deposits		5	5	5	5
Net investment in sublease	9	183	1,339	-	-
		112,306	99,305	3,522	3,585

Cash and cash equivalents

Cash and cash equivalents are only deposited with reputable financial institutions. The majority of funds at year end were deposited with ANZ and National Australia Bank in Australia, and Centennial Bank, Citizens Bank and Bank of America in the USA. No ECL is required in respect of cash and cash equivalents.

US MASTERS RESIDENTIAL PROPERTY GROUP

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FOR THE YEAR ENDED 31 DECEMBER 2025

19. Financial risk management and financial instruments (continued)

Trade and other receivables

The Stapled Group manages its credit risk by closely monitoring arrears on existing tenants.

The Stapled Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables is estimated using the Stapled Group's historical credit loss experience adjusted for factors that are specific to the receivable balance. A loss allowance of \$0.7 million (2024: \$1.3 million) has been recognised in respect of outstanding amounts at balance date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Amounts owing from tenants that have since departed the property are written off as a bad debt in profit or loss.

The aging of trade receivables at the reporting date was:

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current	204	432	182	17
Past due 31-60 days	124	300	-	-
Past due 61-90 days	4	9	-	-
More than 90 days	593	1,019	-	-
	925	1,760	182	17

Movement in loss allowance for trade receivables

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	1,272	1,568	-	-
Impairment loss on financial assets	902	1,394	-	-
Amounts written off during the year	(1,374)	(1,818)	-	-
Exchange rate differences on translation	(77)	128	-	-
Balance at end of the year	723	1,272	-	-

US MASTERS RESIDENTIAL PROPERTY GROUP

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19. Financial risk management and financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Stapled Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Stapled Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Stapled Group's reputation.

The following is the contractual maturity profile of financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Stapled Group can be required to pay. The tables include both interest and principal cash flows.

Stapled Group

31 December 2025	Carrying amount \$'000	Contractual cash flows \$'000	12 mths or less \$'000	1-5 years \$'000	5 years and more \$'000
Payables	5,968	5,968	5,968	-	-
Secured bank loans	117,333	125,071	125,071 (i)	-	-
Lease liability	189	190	190	-	-
	123,490	131,229	131,229	-	-

31 December 2024	Carrying amount \$'000	Contractual cash flows \$'000	12 mths or less \$'000	1-5 years \$'000	5 years and more \$'000
Payables	5,418	5,418	5,418	-	-
Series A preference units	215	328	25 (ii)	101 (ii)	202 (ii)
Secured bank loans	359,189	380,968	14,628	366,340	-
Lease liability	1,399	1,436	1,231	205	-
	366,221	388,150	21,302	366,646	202

- (i) As disclosed on the Consolidated Statement of Financial Position, the Stapled Group has \$249.3 million of properties that are expected to be sold within 12 months. The Global Atlantic facility is expected to be fully settled from asset disposal proceeds by 31 December 2026, being the facility expiration date.
- (ii) During the year, the preference shares were redeemed and are no longer on issue. Preference shares were redeemable at the sole discretion of the Stapled Group, and accordingly only cumulative interest payments accruing under the terms of the instrument were included in the '12 months or less' and '1-5 years' columns whereas the principal was included in the '5 years and more' column.

URF II

31 December 2025	Carrying amount \$'000	Contractual cash flows \$'000	12 mths or less \$'000	1-5 years \$'000	5 years and more \$'000
Payables	205	205	205	-	-
	205	205	205	-	-

31 December 2024	Carrying amount \$'000	Contractual cash flows \$'000	12 mths or less \$'000	1-5 years \$'000	5 years and more \$'000
Payables	306	306	306	-	-
	306	306	306	-	-

US MASTERS RESIDENTIAL PROPERTY GROUP

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19. Financial risk management and financial instruments (continued)

Market risk (currency risk and interest rate risk)

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Stapled Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Stapled Group's operating subsidiary is based in the USA and has a USD functional currency. The assets and liabilities of the US subsidiary are translated into Australian dollars using the exchange rate prevailing at balance date. Income and expenses are translated at the average exchange rate for the year, with the exception of fair value movements recognised on investment properties and interests in equity investments which are translated using the exchange rate applicable on the date fair value was determined. Exchange differences that arise on the retranslation of the foreign subsidiary for reporting purposes are accounted for in equity and are reflected in the foreign currency translation reserve. The AUD:USD year-end exchange rate used is 0.6673 and the average rate for the year used is 0.6452.

The USD denominated assets and liabilities of the US subsidiary to which the above exposure relates are shown below:

	USD exposure converted to AUD		URF II	
	Stapled Group			
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash	82,810	73,757	-	-
Receivables and other assets	21,215	17,019	-	-
Investment properties	249,291	710,860	-	-
Total assets	353,316	801,636	-	-
Liabilities				
Payables	5,667	6,172	-	-
Provisions	1,075	4,769	-	-
Borrowings	117,333	359,189	-	-
Other payables	-	215	-	-
Total liabilities	124,075	370,345	-	-
Net exposure	229,241	431,291	-	-

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Financial risk management and financial instruments (continued)

Currency risk (continued)

Sensitivity analysis

A 10% movement of the AUD against the USD at 31 December would have increased or decreased equity by the amounts shown below. This analysis is based on foreign exchange rate variances that the Stapled Group considered to be reasonable at the end of the reporting period.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Impact on equity				
+10% - Strengthening	(20,835)	(39,149)	-	-
-10% - Weakening	25,465	47,849	-	-

Interest rate risk

Management of interest rate risk

During the year, the interest payable on both the GA facility and the redeemable preference shares, while on issue, were fixed at 4% and 12.5% per annum respectively. Effective 1 January 2026, the interest payable on the GA facility is fixed at 6% per annum.

The Stapled Group's bank deposits are exposed to variable rates of interest.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Cash and cash equivalents	92,311	83,372	3,335	3,563
	92,311	83,372	3,335	3,563

Cash flow sensitivity analysis for variable rate instruments

A change of 25 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Impact on profit before tax / equity				
+0.25% (25 basis points)	231	208	8	9
-0.25% (25 basis points)	(231)	(208)	(8)	(9)

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19. Financial risk management and financial instruments (continued)

Capital management

The Stapled Group manages its capital to maximise returns to security holders.

Under its Australian Financial Services Licence, the Responsible Entity is subject to a Net Tangible Asset requirement. The Responsible Entity has been compliant with this requirement from inception.

The Stapled Group is not subject to any other externally imposed capital requirements.

The capital structure of the Stapled Group consists of net debt (as detailed in note 13) and equity of the Stapled Group. The gearing ratio at the end of the reporting period was as follows:

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Debt	117,333	359,404	-	-
Equity	237,958	400,368	3,354	3,371
Debt to equity ratio *	49.31%	89.77%	0.00%	0.00%

* Debt to equity ratio has been calculated based on total equity as reflected in the Consolidated Statement of Financial Position.

As disclosed in Note 2A, the directors intend to cease the Stapled Group's operations through the disposal of the remaining asset portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome. Proceeds from the sale of property assets will be utilised to settle the outstanding bank loans and payables, fund future operational expenses and any excess funds returned as distributions to security holders.

20. Capital commitments

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

21. Guarantees and contingent liabilities

The Stapled Group is from time to time involved in litigation claims relating to its operations, including construction activities undertaken by or on its behalf. Based on legal advice the directors do not consider that any material obligation will arise in respect of any claims outstanding at balance date.

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	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Not later than one year	190	1,231	-	-
Later than one year and not later than five years	-	205	-	-
	190	1,436	-	-

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

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

22. 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.

Key management personnel remuneration

Figures in the table below have not been rounded.

The remuneration of key management personnel during the year was as follows and is included in 'Administrative costs' in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$	\$	\$	\$
Short-term employee benefits	550,001	257,831	550,001	257,831
Post-employment benefits	38,188	18,975	38,188	18,975
	<u>588,189</u>	<u>276,806</u>	<u>588,189</u>	<u>276,806</u>

Responsible Entity fee

Figures in the commentary below have not been rounded.

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 year ended 31 December 2025, expenses totalling \$1,931,172 (2024: \$1,185,104) 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 \$78,951 (25 June 2024 to 31 December 2024: \$91,563) was recharged by URF II to URF I.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23. Controlled entities

US Masters Responsible Entity Limited is the Responsible Entity of both the Stapled Group and the US REIT. Below is a list of all subsidiaries owned by the Stapled Group.

		Ownership interest	
		2025	2024
Parent entity			
US Masters Residential Property Fund	Australia		
Subsidiary			
US Masters Residential Property (USA) Fund	United States	100%	100%
Melbourne, LLC	United States	99.1%	99.1%
EMU LLC	United States	100%	100%
Geelong LLC	United States	99.1%	99.1%
St Kilda LLC	United States	99.1%	99.1%
Newtown Jets LLC	United States	100%	100%
Morben Finance LLC	United States	100%	100%
Steuben Morris Lending LLC	United States	100%	100%
Morris Finance LLC	United States	100%	100%
Essendon LLC	United States	99.1%	99.1%
Carlton URF LLC	United States	99.1%	99.1%
Collingwood URF LLC	United States	99.1%	99.1%
Fremantle URF LLC	United States	99.1%	99.1%
AFL URF LLC	United States	100%	100%
NRL URF LLC	United States	99.1%	99.1%
Newcastle URF LLC	United States	100%	100%
Canterbury URF LLC	United States	100%	100%
Manly Warringah URF LLC	United States	100%	100%
Penrith URF LLC	United States	100%	100%
Brisbane URF LLC	United States	99.1%	99.1%
USM URF AT Holdings LLC	United States	100%	100%
USM Asset Trust	United States	100%	100%
TRS URF LLC	United States	100%	100%
W168 Investors LLC	United States	100%	100%
34 Astoria Investors LLC	United States	100%	100%
Essex URF LLC	United States	100%	100%
523 W. 135th Investors LLC	United States	100%	100%
NY Oakland LLC	United States	99.1%	99.1%
NJ Penelope LLC	United States	99.1%	99.1%
Jett URF Holdings LLC	United States	99.1%	99.1%
Kenny URF Holdings LLC	United States	99.1%	99.1%
History Homes LLC	United States	99.1%	99.1%
US Masters 2 LLC	United States	100.0%	100.0%
USM 3 LLC	United States	99.1%	99.1%
Controlled entities of URF II			
US Masters Residential Property Fund II	Australia	100%	100%
US Masters Responsible Entity Holdco Pty Ltd	Australia	100%	100%
US Masters Responsible Entity Limited	Australia	100%	100%

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24. Parent entity disclosures

As at, and throughout, the financial year ended 31 December 2025 the parent entity of the Stapled Group was URF I. For the year ended 31 December 2025, the parent entity of the URF II Group was URF II.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Result of parent entity				
(Loss)/profit for the year	(38,116)	6,667	(7)	-
Financial position of parent entity at year end				
Total assets	235,432	390,711	3,423	3,446
Total liabilities	826	41,069	69	75
Net assets	234,606	349,642	3,354	3,371
Total equity of the parent entity comprising of:				
Unit capital	523,514	600,444	3,361	3,371
Reallocation of capital to URF II	(3,361)	(3,371)	-	-
Accumulated losses	(285,547)	(247,431)	(7)	-
Total equity	234,606	349,642	3,354	3,371

25. Subsequent events

Subsequent to balance date, a distribution of \$0.10 per stapled security totalling \$68.8 million was declared on 5 February 2026 and was paid to security holders of the Stapled Group on 20 February 2026.

As of 31 January 2026, in the course of its planned property disposal plan, the Stapled Group has contracted to sell 13 properties with a net realisable value of \$22.2 million.

In consideration of the US Vehicle's adopted plan of liquidation for US tax purposes, together with an updated review of the sales pipeline of its property portfolio, the Stapled Group announced to the ASX on 9 February 2026, that the directors intend to cease operations of the Stapled Group through the targeted disposal of its remaining property portfolio by the end of calendar year 2026. The directors note that this timeline is a target only and will ultimately be subject to market and property specific factors that may impact the ultimate timeline outcome.

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, the results of those operations, or the state of affairs of the Stapled Group, in future financial years.

US MASTERS RESIDENTIAL PROPERTY GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26. Auditors' remuneration

Figures in the table below have not been rounded.

	Stapled Group		URF II	
	2025	2024	2025	2024
	\$	\$	\$	\$
Auditors of the Group				
<i>Deloitte Touche Tohmatsu</i>				
Audit and review of Group financial statements	236,000	262,890	-	-
Audit of subsidiary financial statements	84,950	91,000	25,950	25,000
Other services - taxation advisory services	2,000	5,775	2,000	5,775
	<u>322,950</u>	<u>359,665</u>	<u>27,950</u>	<u>30,775</u>
Other services				
<i>Deloitte Tax LLP</i>				
USA taxation compliance services	376,710	337,776	-	-
USA taxation advisory services *	234,475	159,434	-	-
	<u>611,185</u>	<u>497,210</u>	<u>-</u>	<u>-</u>

* Taxation advisory services in 2024 and 2025 were predominantly related to the REIT restructure and the adoption of plan of liquidation completed in quarter 1, 2025. Refer note 10.

US MASTERS RESIDENTIAL PROPERTY GROUP

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2025

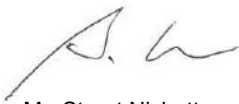
The directors of the Responsible Entity for US Masters Residential Property Group (the Stapled Group) declare that:

1. The financial report as set out in pages 17 to 55, are in accordance with the *Corporations Act 2001*, including:
 - a. Giving a true and fair view of the Stapled Group's financial position as at 31 December 2025 and of its performance, for the financial year ended on that date
 - b. In compliance with International Financial Reporting Standards as stated in note 2 to the financial statements, and
 - c. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.
3. As a result of the directors intention to cease operations of the Stapled Group through the disposal of its remaining property portfolio, the financial statements have been prepared on a non-going concern basis.

Through operating cash flows generated during the wind down period and the disposal proceeds from the sale of its property portfolio, the directors consider that there are reasonable grounds to believe that the Stapled Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 295(5) of the *Corporations Act 2001*:

Signed in accordance with a resolution of directors of the Responsible Entity.



Mr. Stuart Nisbett
Director
US Masters Residential Property Group

Dated this 26th day of February 2026

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

Report on the Audit of the Financial Report

Opinion

We have audited the 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 consolidated statements of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended for, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Stapled Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Stapled Group's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities 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 (the "Directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<i>Net Realisable Value of Investment Properties</i> In 2025, applying the adopted non-going concern basis of financial statement preparation, investment property assets are recorded at net realisable value, representing the expected proceeds from the sale of the assets less any associated disposal costs. As at 31 December 2025 the Stapled Group has determined the net realisable value of the investment properties to be \$249.3 million as disclosed in Note 8. The basis of valuation of the portfolio is disclosed in Note 8(i). Net realisable value of investment properties was a key audit matter because: - Investment property balances are financially significant in the Consolidated Statement of Financial Position; - Changes in the net realisable value of investment properties can have a significant effect on the consolidated Stapled Group's profit for the year and total comprehensive income; and - Assessing the net reasonable value of investment properties is inherently subjective, including judgement required by independent appraiser's in selecting comparable sale transactions and selection of adjustments to be applied to expected sale proceeds, such as associated disposal costs.	Our procedures included, but were not limited to: - Obtaining an understanding of the basis of valuation and key processes and controls adopted by management, including consideration of the impact on property values when applying a non-going concern basis; - Evaluating compliance with management's policy of obtaining independent appraisals to support property values; - Assessing the independence, competence and objectivity of the independent appraisers; - Making enquiries of a sample of the independent appraisers to obtain an understanding of their valuation methodology and prevailing market conditions; - Evaluating on a sample basis, the key valuation inputs used by the independent appraisers, including the selection of comparable sale transactions to the subject property; - Assessing the appropriateness of the determination of investment property net realisable values, including the inclusion of disposal cost amounts in the calculation; - Assessing the appropriateness of the disclosures included in Notes 2(B) and 8 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Stapled Group's annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Stapled Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Stapled Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Stapled Group to continue as a going concern. As disclosed in Note 2A, the financial report has been prepared on a non-going concern basis because the directors have determined to cease operations of the Stapled Group through the disposal of its remaining property portfolio and to subsequently wind up the Stapled Group's legal entities.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stapled Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 26 February 2026

US MASTERS RESIDENTIAL PROPERTY GROUP

STOCK EXCHANGE INFORMATION

Statement of quoted securities as at 31 January 2026

Fully Paid Units Stapled Securities (Stapled Securities)

- There are 1,396 security holders holding a total 688,451,287 Stapled Securities
- The 20 largest security holders between them hold 76.896% of the total Stapled Securities on issue

Distribution of quoted stapled securities as at 31 January 2026

Fully paid units stapled securities

Distribution of security holders category (size of holding)	Number of security holders	%
1-1,000	168	0.00
1,001-5,000	158	0.06
5,001-10,000	102	0.12
10,001-100,000	578	3.85
100,001 and over	390	95.97
Totals	1,396	100.00
Holding less than a marketable parcel	202	

Substantial security holdings as at 31 January 2026

The following holders are registered by the Group as a substantial holder, having declared a relevant interest, in accordance with the Corporations Act, in the Stapled Securities below:

Name	Number of Stapled Securities	% of Voting Power
Investment Administration Services Pty Ltd (IAS) ^{1, 2}	25,189,897 Stapled Securities	3.66%
Samuel Terry Asset Management Pty Ltd (STAM) as trustee for Samuel Terry Absolute Return Fund (Samuel Terry) ^{3, 4}	107,237,952 Stapled Securities	15.58%
Almitas Capital LLC ^{5, 6}	107,297,444 Stapled Securities	15.59%
Staude Capital Pty Ltd ^{7, 8}	48,506,228 Stapled Securities	7.05%
Harvest Lane Asset Management Pty Ltd ^{9, 10}	34,887,335 Stapled Securities	5.07%

¹. Note: Investment Administration Services Pty Ltd's security holdings are held by JP Morgan as nominee for IAS Managed Discretionary Account clients

². Date of the last substantial holder notice lodged on 15 September 2021

³. Note: Registered holders of securities are JP Morgan Nominees Australia Pty Ltd as sub-custodian of Samuel Terry for 107,232,952 Stapled Securities and Fred Woollard for 5,000 Stapled Securities

⁴. Date of the last substantial holder notice lodged on 24 December 2025

⁵. Note: Registered holder of securities is JP Morgan Securities Australia Ltd

⁶. Date of the last substantial holder notice lodged on 19 June 2024

⁷. Note: Registered holders of securities are HSBC Custody Nominees for 45,727,308 Stapled Securities and BNP Paribas Noms Pty Ltd for 2,778,920 Stapled Securities

⁸. Date of the last substantial holder notice lodged on 12 November 2025

⁹. Note: Registered holders of securities are Palm Beach Nominees Pty Ltd for 16,556,045 Stapled Securities and BNP Paribas Nominees Pty Ltd for 18,331,290 Stapled Securities

¹⁰. Date of the last substantial holder notice lodged on 21 January 2026

US MASTERS RESIDENTIAL PROPERTY GROUP

Directors' security holdings

As at 31 January 2026 directors of the Group held a relevant interest in the following securities on issue by the Group.

Director	Stapled Securities
Stuart Nisbett	18,462
Peter Shear	0
Jack Lowenstein	0
Sean Banchik	0

Restricted Securities

There are no restricted securities on issue by the Group.

Top 20 holders of stapled securities at 31 January 2026

Security Holder Name	Numbers of Stapled Securities held	% of total
CITICORP NOMINEES PTY LIMITED	160,053,258	23.248
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	139,905,312	20.322
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	44,345,789	6.441
BNP PARIBAS NOMS PTY LTD	34,546,751	5.018
JAMPLAT PTY LTD	23,700,000	3.443
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	21,522,410	3.126
PALM BEACH NOMINEES PTY LIMITED	18,936,569	2.751
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	15,161,238	2.202
KALUKI PTY LTD <THE PINCZEWSKI SUPER A/C>	13,074,266	1.899
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	12,589,922	1.829
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,925,021	1.296
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	5,650,887	0.821
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	5,484,348	0.797
UBS NOMINEES PTY LTD	5,136,635	0.746
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	3,827,925	0.556
MR MATTHEW JEFFCOTT LANCASTER	3,656,995	0.531
MR SUNNY YANG & MRS CONNIE YANG <YANG'S FAMILY A/C>	3,343,598	0.486
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	3,301,053	0.479
JAMEJAN PTY LTD <JAMEJAN FAMILY A/C>	3,153,846	0.458
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	<u>3,074,355</u>	<u>0.447</u>
Total Securities of Top 20 Holdings	529,390,178	76.896

US MASTERS RESIDENTIAL PROPERTY GROUP

CORPORATE DIRECTORY

The Stapled Group's units are quoted on the official list of the Australian Securities Exchange Limited (ASX).

ASX Code is URF.

US Masters Residential Property Fund

(ARSN 150 256 161)

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Deloitte Touche Tohmatsu

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Responsible Entity

US Masters Responsible Entity Limited

(ACN 672 783 345) (AFSL 553 794)

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