

12 January 2017

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 31 December 2016

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 December 2016 was \$1.95* per unit. The 31 December 2016 unaudited net tangible asset value excludes the \$0.05 per unit distribution announced on 16 December 2016.

If estimated tax at 35% on unrealised portfolio gains or losses were recognised, the estimated unaudited post-tax net asset value before withholding tax on unpaid distributions as at 31 December 2016 would be \$1.72 per unit.

The Fund is a long-term investor and does not intend to dispose of its total portfolio, though as part of its ongoing capital management program it will from time to time dispose select properties and generally reinvest the proceeds into the target market.

The Fund is in the process of finalising its half-yearly property portfolio valuation exercise. The independent appraisal and property valuation will be included in the 31 December 2016 full year financial report. Accordingly, the NTA as at 31 December 2016 of \$1.95* does not take into account any potential changes to the property portfolio fair value that might arise from that revaluation exercise.

Property Portfolio Update

During the month, the Fund acquired five properties for a total acquisition cost of US\$11.1 million. Please find detailed descriptions of each property on the following pages.

Fund Update

Following the Fund's successful equity capital raising in September, the Fund is currently exploring additional debt options, including launching a third tranche of its successful unsecured notes. Additional debt would allow the Fund to continue to grow its portfolio while further diversifying and optimising its funding structure.

*Source: Walsh & Company Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.

US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.

ADDRESS: 47 West 95th Street, Manhattan, NY 10025

REGION: Upper West Side



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1.5 bed/1 bath
- Apt 2: 4 bed/3 bath
- Approximate land size 1,812 sq ft
- Walk Score®: 93
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 2 December 2016

Total Acquisition Cost: US \$5,208,980

Est. Monthly Rents:
- As 1-family attached US \$33,995

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- Designed in 1891 by renowned architect Martin Van Buren Ferdon, 47 West 95th Street provided, a rare opportunity to acquire a proper Upper West Side brownstone spanning 18 feet wide. Looking past the picturesque renaissance style façade, the location, just a half block from beautiful Central Park, makes this property an extremely exciting acquisition. With the interior in rough condition, the Fund was able to negotiate a below-market purchase price. Upon renovation this property will be a grand single family residence in a prime Manhattan neighbourhood.

LOCATION:



ADDRESS: 362A 6th Avenue, Brooklyn, NY 11215

REGION: Park Slope



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 2 bed/1 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 1 bed/1 bath
- Approximate land size 1,248 sq ft
- Walk Score®: 99
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 6 December 2016

Total Acquisition Cost: US \$2,239,979

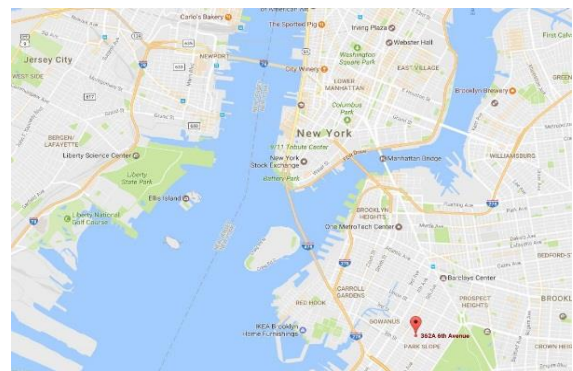
Est. Monthly Rents:
- As 1-family attached US \$15,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- With all of the recent success in the Park Slope leasing market, the Fund has determined to continue searching for value in this family-friendly Brooklyn neighbourhood. Located in the heart of Park Slope, this magnificent brick townhome fits in well with the Fund's portfolio in the area. Within walking distance to a multitude of train lines and historic Prospect Park, this charming townhome provides easy access to Manhattan while boasting excellent local amenities.

LOCATION:



ADDRESS: 28 Pierce Avenue, Jersey City, NJ 07307

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 3 bed/1.5 bath
- Apt 3: 3 bed/1.5 bath
- Approximate land size 2,500 sq ft
- Walk Score®: 97
- Transit Score®: 82

KEY STATISTICS:

Acquisition Date: 7 December 2016

Total Acquisition Cost: US \$655,593

Est. Monthly Rents:

- Apt 1	US \$1,395
- Apt 2	US \$1,995
- Apt 3	US \$1,995

Est. Annual Net Yield: 4.3%

OTHER COMMENTS:

- 28 Pierce Avenue is the latest addition to the Fund's extensive portfolio in Jersey City Heights. This home is situated on a quiet block just steps away from bus routes on Summit Avenue, and will provide in-demand rental stock in this booming Jersey City neighbourhood. The property features private front yard parking and an attached garage, as well as a spacious layout designed to fit three units comfortably. The area offers a plethora of dining and entertainment options within a short distance. The home should enjoy expanding local amenities as the neighbourhood continues to re-develop.

LOCATION:



ADDRESS: 66 Devoe Street, Brooklyn, NY 11211

REGION: Williamsburg



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 3 bed/2 bath
- Apt 2: 2 bed/1 bath
- Approximate land size 908.5 sq ft
- Walk Score®: 98
- Transit Score®: 93

KEY STATISTICS:

Acquisition Date: 8 December 2016

Total Acquisition Cost: US \$1,457,365

Est. Monthly Rents:

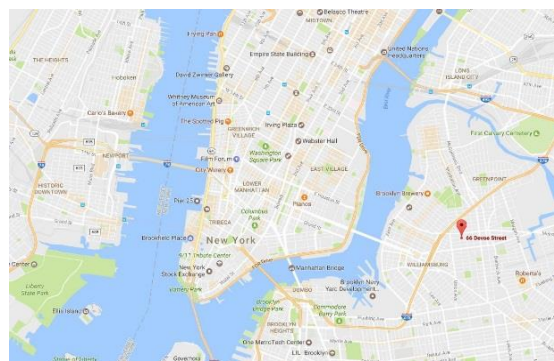
- Apt 1 US \$3,995
- Apt 2 US \$3,295

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- It's all about location with this delightful Brooklyn townhouse. Situated just east of the Brooklyn-Queens Expressway, this Williamsburg home provides convenient transit options while boasting some of the best restaurants and bars in Brooklyn. The trendy Brooklyn neighbourhood benefits from the proximity to Manhattan, but maintains the artistic flair that made it what it is today. The Fund also owns the neighbouring house, 64 Devoe Street, and plans to leverage their contiguous nature to minimise construction costs.

LOCATION:



ADDRESS: 209 8th Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 0 bed/1 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 2 bed/1 bath
- Approximate land size 1,850 sq ft
- Walk Score®: 97
- Transit Score®: 82

KEY STATISTICS:

Acquisition Date: 13 December 2016

Total Acquisition Cost: US \$1,574,572

Est. Monthly Rents:

- Apt 1	US \$2,195
- Apt 2	US \$3,195
- Apt 3	US \$3,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- Located on a Downtown Jersey City street in which the Fund is heavily invested, 209 8th Street is another exciting acquisition. This gorgeous brick townhome boasts beautiful original woodwork, pocket doors and fireplaces. The Fund will continue to operate this property as a three family with plans to do a grand single family conversion in the future. With the Newport Mall less than two blocks away, the neighborhood's shopping, dining and transit options are all within close proximity.

LOCATION:

