

23 January 2017

US Masters Residential Property Fund
ASX Code: URF

URF announces URF Notes III to be listed on the ASX

Walsh & Company Investments Limited (Issuer), as responsible entity for the US Masters Residential Property Fund (Fund or URF), the largest Australian-listed property trust with a primary strategy of investing in US residential property, is pleased to announce the lodgement of a prospectus with the Australian Securities & Investments Commission (ASIC) for an offer of unsecured notes (URF Notes III).

Following the success of URF Notes I and II that raised \$150 million and \$90.5 million in December 2014 and October 2015, respectively, the Fund is launching a third tranche of unsecured notes. URF Notes III carry a fixed annual interest rate of 7.75% per annum, payable quarterly, and have a maturity of approximately five years (four years and 10 months).

The offer is for a minimum of \$50 million and up to \$100 million with the ability to accept oversubscriptions of up to a further \$50 million (Offer). The Issuer has allocated a Priority Offer of up to \$50,000 (500 URF Notes III) for each Applicant who is a URF unitholder (Unitholder) or URF Noteholder (either URF Notes I or URF Notes II) at 5:00pm on the Offer Closing Date. An Applicant who holds URF units (Units) as well as URF Notes I and/or URF Notes II (URF Notes) is entitled to apply for up to \$100,000 (1,000 URF Notes III) under the Priority Offer. The Issuer will apply for URF Notes III to be listed on the ASX.

Alan Dixon, Managing Director and CEO, Dixon Advisory USA, said "While optimising our financing structure, URF Notes III will allow us to continue to develop our property portfolio with a focus on further acquisitions and renovations. Since launching the Fund in mid-2011, our business model has become increasingly integrated. With an experienced team of property specialists, we have been able to create efficiencies around the acquisition, renovation and leasing process. Our target investment area remains the New York metropolitan area, with a focus on undervalued neighbourhoods experiencing growth and gentrification in Brooklyn, Manhattan, and Queens, New York and Hudson County, New Jersey. Through the execution of this strategy we now have a diversified property portfolio of quality assets, consisting of 1,572 housing units across 601 freestanding houses and 14 apartment buildings."

Proceeds from the issue of URF Notes III will be used to fund URF's investment strategy, including renovations of properties in the portfolio and acquisitions of new properties, and for general business and financing purposes.

About URF Notes III

URF Notes III are unsecured debt obligations that rank behind secured debt, unsecured creditors of the Fund, and alongside other unsecured creditors of the Fund.

URF Notes III provide investors with quarterly interest payments of 7.75% per annum. Interest payments are mandatory with the first interest payment scheduled for 31 March 2017.

URF Notes III mature on 24 December 2021 approximately five years (four years and 10 months) from the expected issue date (on or around 20 February 2017), however may be redeemed at the election of the issuer from 24 December 2019 and earlier in certain circumstances.

URF intends that URF Notes III will be listed on the ASX. As such, investors will generally be able to trade URF Notes III on the ASX, subject to available liquidity.

About the Offer

The Offer is scheduled to open on 1 February 2017 (Offer Opening Date) and the expected closing date of the Offer is 13 February 2017.

The Responsible Entity reserves the right to vary the dates and times of the Offer (including varying the Offer closing date) and to scale back applications at its sole discretion.

The minimum investment in URF Notes III is \$2,000 (20 URF Notes III) and thereafter in multiples of \$500 (5 URF Notes III).

Investors should read the Prospectus in full before deciding whether to invest in URF Notes III. For more detail and a copy of the full terms of the URF Notes III, please see Annexure A of the Prospectus.

The full terms of URF Notes III are provided in Annexure A of the Prospectus. Applications under the Offer can be made using the Application Form issued with and attached to the Prospectus to be lodged with the ASX on the Offer Opening Date, or through the online Application Form at www.usmrpf.au which will be uploaded on the same day.

Note: the dates are indicative only and may vary subject to the requirements of the Listing Rules and the Corporations Act. The Responsible Entity may vary dates and times of the Offer, including varying the Offer closing date, without notice. Accordingly, investors are encouraged to submit their applications as early as possible.

For further information, contact:

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The Issuer of URF Notes III will be Walsh & Company Investments Limited (ACN 152 367 649) in its capacity as Responsible Entity for the US Masters Residential Property Fund. The prospectus (Prospectus) is available and can be obtained from www.usmrpf.com.au. The offer of URF Notes III will be made in, or accompanied by, a copy of the Prospectus and a person should consider the Prospectus in deciding whether to acquire the securities. Anyone who wants to acquire URF Notes III will need to complete the Application Form issued with and attached to the Prospectus to be lodged with the ASX on the Offer Opening Date, or through the online Application Form at www.usmrpf.com.au, which will be uploaded on the same day.

This announcement does not constitute an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of units in the Fund or URF Notes III in any jurisdiction, and neither this document, nor anything in it, will form the basis of any contract or commitment. The information provided in this announcement is factual information or general advice and should not be considered personal advice. It has been prepared without taking into account your objectives, financial situation or particular needs. The past performance of the Fund is not a guarantee of future performance. An investment in URF Notes III involves various risks.