

13 June 2014

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 31 May 2014

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 May 2014 was \$1.66* per unit.

The Fund is a long-term investor and does not intend to dispose of its total portfolio. 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 May would be \$1.59 per unit.

Property portfolio update

During the month of May, the Fund received conditional acceptances for 22 properties, with an estimated combined acquisition cost of US\$34.4 million. Based on the pre-purchase due diligence undertaken, it is estimated that these 22 properties will achieve annualised net yields of 4.0% to 4.8%.

Multi-family update

The Fund has also entered into contract to purchase three separate portfolios of multi-family buildings in Brooklyn with its existing joint venture partner Excelsior Equities. In total, the Fund will acquire a 92.5% interest in 11 buildings with a total of 330 units. The buildings are located in Bedford-Stuyvesant, Bushwick, Crown Heights and Clinton Hill in Brooklyn and are located proximately to the Fund's existing freestanding residential properties. The Fund expects to close on these buildings in stages over the coming months.

The table below summarises the Fund's property acquisition activity for the month and since inception.

*Source: Dixon Advisory & Superannuation Services 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. The Fund is managed by Dixon Advisory & Superannuation Services Limited.



Freestanding and multi-dwelling properties (URF share) – acquisition activity

	# properties		Total acquisition costs (US\$ million) ¹		Estimated property net yield range (%p.a.) ²
	Month	Inception	Month	Inception	Month
Freestanding					
Conditional acceptances received ³	22	64	\$34.4m	\$72.3m	4.0% - 4.8%
Properties purchased	13	523	\$13.2m	\$280.2m	4.0% - 4.7%
Total Freestanding secured				\$352.5m	
Multi-dwelling					
Properties contracted		12		\$71.0 m	4.0% - 5.7%
Properties purchased		20		\$53.4m	5.7% - 6.1%
Total Multi-family secured		32		\$124.4m	4.0% - 6.1%
Total freestanding and Multi-dwelling properties secured				\$476.9m	

Note:

- 1 Total acquisition costs inclusive of all property related closing costs which includes attorney fees, title charges, survey costs, government recording and transfer charges and bulk sale compliance fees.
- 2 This yield does not necessarily reflect the distribution yield an investor is likely to receive on their investment. Estimated yields are based on assumptions made by the Responsible Entity and actual yields may differ from these estimates.
- 3 Conditional acceptances do not include those properties which have been accepted and subsequently closed.

ADDRESS: 259 DECATUR ST, BROOKLYN, NY 11233

REGION: BEDFORD-STUYVESANT



PROPERTY DESCRIPTION:

- 1-family attached on 1 side
- Apt 1: 5 bed/6 bath, quadplex
- Approximate land size 2,000 sq ft
- Walk Score®: 92
- Transit Score®: 92

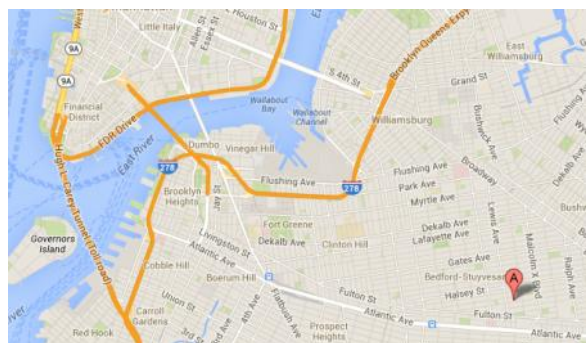
KEY STATISTICS:

Acquisition Date:	1 May 2014
Total Acquisition Cost:	US \$1,762,708
Est. Monthly Rents:	
- Apt 1	US \$12,800
Est. Annual Net Yield:	4.1%

OTHER COMMENTS:

- This original five-family Renaissance Revival style row house was built in 1910 and boasts a lot of its original details. The interior boasts original wood floors, wood carved staircase banisters, wood crafted doors and mouldings, fireplace mantles, and chandeliers. The exterior of the property boasts an attractive façade and has a private garden area in the rear. This property is located three blocks from the A and C subway lines as well as Fulton Park.

LOCATION:



ADDRESS: 202 BRUNSWICK ST, JERSEY CITY, NJ 07302

REGION: DOWNTOWN



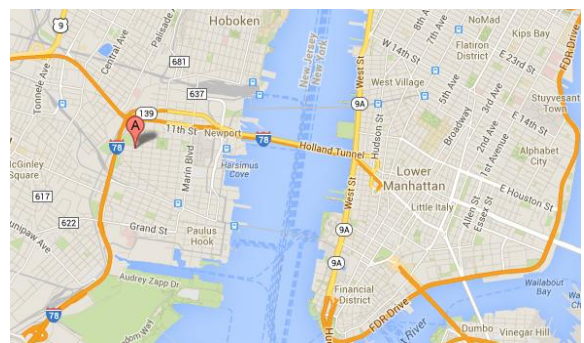
PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 2.5 bed/1.5 bath, duplex
- Approximate land size 900 sq ft
- Walk Score®: 95

KEY STATISTICS:**Acquisition Date:** 8 May 2014**Total Acquisition Cost:** US \$866,847**Est. Monthly Rents:**
- Apt 1 US \$2,000
- Apt 2 US \$3,600**Est. Annual Net Yield:** 4.0%

OTHER COMMENTS:

- This classic vinyl framed two-family row house was built in 1870 and boast some original details. The interior contains original wood floors, ceiling moulding, and brick fireplace mantle. The kitchens and bathrooms have been renovated and display a modern style. The rear of the house features a deck for entertainment and there is also a bonus roof top deck with views of New York City. This property is a fifteen minute walk to the Newport PATH station and less than a block from Jones Park.

LOCATION:

ADDRESS: 1290 BERGEN ST, BROOKLYN, NY 11213

REGION: CROWN HEIGHTS



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 3 bed/2 bath, duplex
- Approximate land size 1,950 sq ft
- Walk Score®: 92
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 9 May 2014

Total Acquisition Cost: US \$1,065,536

Est. Monthly Rents:

- Apt 1 US \$1,900

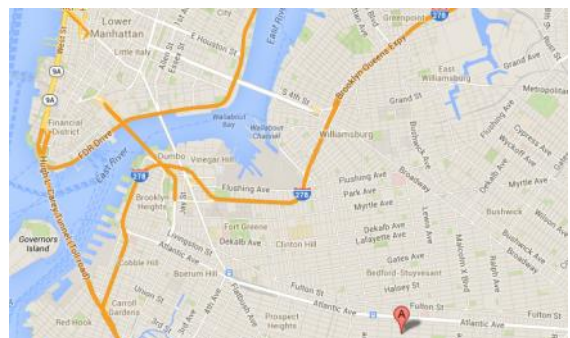
- Apt 2 US \$4,700

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- This original three-family Renaissance Revival style row house was built in 1899 and boasts some of its original details. The interior has original wood banisters, foyer mirror with wood trim moulding, ceiling moulding, fireplace mantle, and chandelier. This property is located six blocks from the C subway line and one block from Brower Park.

LOCATION:



ADDRESS: 151 COLES ST, JERSEY CITY, NJ 07302

REGION: DOWNTOWN



PROPERTY DESCRIPTION:

- 1-family attached on 1 side
- Apt 1: 3 bed/3.5 bath, triplex
- Approximate land size 834 sq ft
- Walk Score®: 97

KEY STATISTICS:

Acquisition Date: 12 May 2014

Total Acquisition Cost: US \$894,979

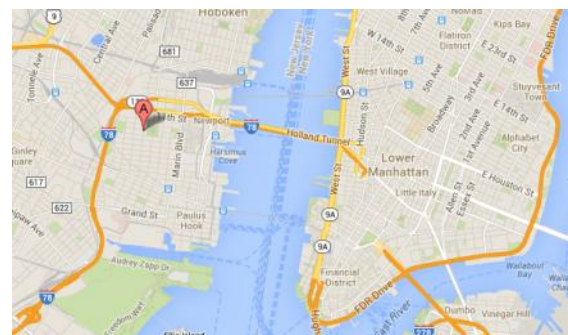
Est. Monthly Rents:
- Apt 1 US \$6,500

Est. Annual Net Yield: 4.3%

OTHER COMMENTS:

- This original two-family Italianate style row house was built in the mid 1800's and boasts some of its original details. The interior has wood carved staircase banister, ceiling mouldings, and fireplace mantle. This property is a twelve minute walk to the Newport PATH station and less than one block from the historic Hamilton Park as well as shops and restaurants.

LOCATION:



ADDRESS: 221 MACDONOUGH ST, BROOKLYN, NY 11233

REGION: BEDFORD-STUYVESANT



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/3 bath, triplex
- Approximate land size 2,000 sq ft
- Walk Score®: 98
- Transit Score®: 93

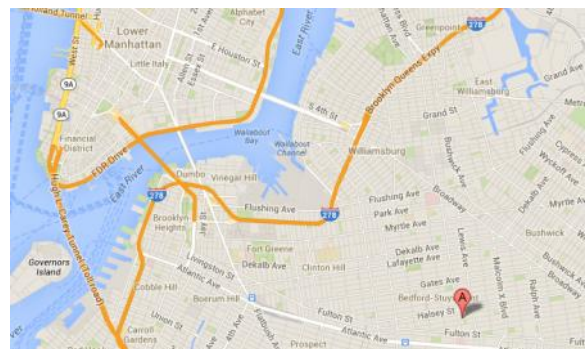
KEY STATISTICS:**Acquisition Date:** 12 May 2014**Total Acquisition Cost:** US \$1,239,152**Est. Monthly Rents:**

- Apt 1 US \$1,950
- Apt 2 US \$5,900

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This two-family Gothic Revival row house was built in 1899 and boasts some original details. The interior has wood moulding, wood carved banisters, and fireplace mantle. The rear of the property boasts a private garden area. This property is located four blocks from the C subway line as well as less than a block from Decatur Playground.

LOCATION:

ADDRESS: 308 8TH ST, JERSEY CITY, NJ 07302

REGION: DOWNTOWN



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/3.5 bath, triplex
- Approximate land size 834 sq ft
- Walk Score®: 97

KEY STATISTICS:

Acquisition Date:	13 May 2014
Total Acquisition Cost:	US \$907,031
Est. Monthly Rents:	
- Apt 1	US \$6,500
Est. Annual Net Yield:	4.0%

OTHER COMMENTS:

- This one-family Italianate style brick row house was built in the mid 1800's. The layout of the interior has the proper size for a small family once it has been fitted with a modern renovation. This property is located in a premiere Downtown Jersey City neighborhood and is a ten minute walk from the Newport PATH station and one block from the historic Hamilton Park as well as shops and restaurants.

LOCATION:



ADDRESS: 67-40 KESSEL ST, QUEENS, NY 11375

REGION: FOREST HILLS



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/1.5 bath, triplex
- 1 car parking
- Approximate land size 2,000 sq ft
- Walk Score®: 78
- Transit Score®: 65

KEY STATISTICS:

Acquisition Date: 15 May 2014

Total Acquisition Cost: US \$776,256

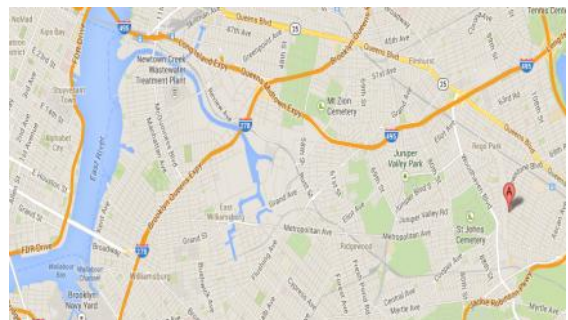
Est. Monthly Rents:
- Apt 1 US \$4,800

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This one-family brick house was built in 1940 and is located in an up and coming Forest Hills section of Queens. The property is a good size for a small family and comes with a one car parking space. This property is located one block from the Yellowstone Blvd bus stop as well as shops and restaurants.

LOCATION:



ADDRESS: 19 WAVERLY ST, JERSEY CITY, NJ 07307

REGION: JERSEY CITY HEIGHTS



PROPERTY DESCRIPTION:

- 2-family detached
- Apt 1: 4 bed/2 bath, duplex
- Apt 2: 2 bed/1 bath
- 2 car parking
- Approximate land size 2,500 sq ft
- Walk Score®: 78

KEY STATISTICS:

Acquisition Date: 16 May 2014

Total Acquisition Cost: US \$410,604

Est. Monthly Rents:

- Apt 1 US \$1,750

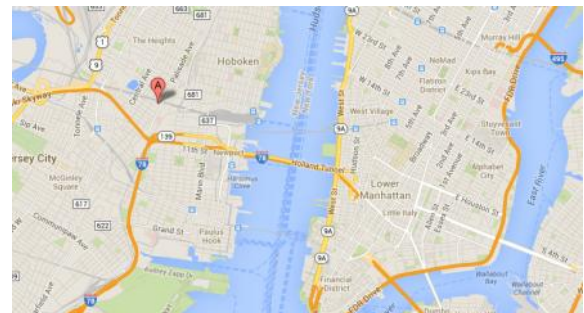
- Apt 2 US \$1,300

Est. Annual Net Yield: 4.4%

OTHER COMMENTS:

- This two-family is nestled on a quiet residential neighborhood in the up and coming Heights section of Jersey City. There is exclusive parking for two cars and the rear of the property has a private garden area. This property is located two blocks from the Palisade Ave bus stop as well as shops and restaurants.

LOCATION:



ADDRESS: 195 MACDONOUGH ST, BROOKLYN, NY 11216

REGION: BEDFORD-STUYVESANT



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/3.5 bath, triplex
- Approximate land size 2,000 sq ft
- Walk Score®: 98
- Transit Score®: 94

KEY STATISTICS:

Acquisition Date: 20 May 2014

Total Acquisition Cost: US \$1,071,786

Est. Monthly Rents:

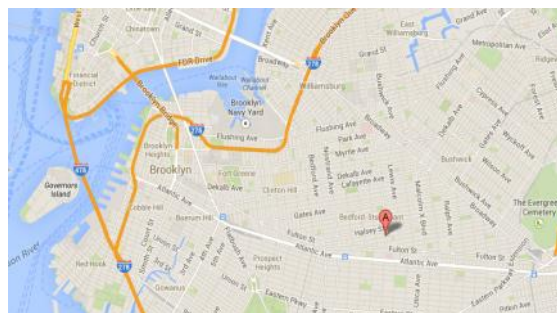
- Apt 1 US \$2,200
- Apt 2 US \$6,800

Est. Annual Net Yield: 4.4%

OTHER COMMENTS:

- This original three-family Italianate style row house was built in 1931 and boasts some original details. The interior boasts wood staircase banisters, ceiling moulding, and wooden pocket doors. The rear of the property has a nice space for a garden or patio. This property is located three blocks from the C subway line and is one block from Decatur Playground.

LOCATION:



ADDRESS: 891 KNICKERBOCKER AVE, BROOKLYN, NY 11207

REGION: BUSHWICK



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/2.5 bath, triplex
- Approximate land size 1,300 sq ft
- Walk Score®: 65
- Transit Score®: 85

KEY STATISTICS:

Acquisition Date: 22 May 2014

Total Acquisition Cost: US \$644,810

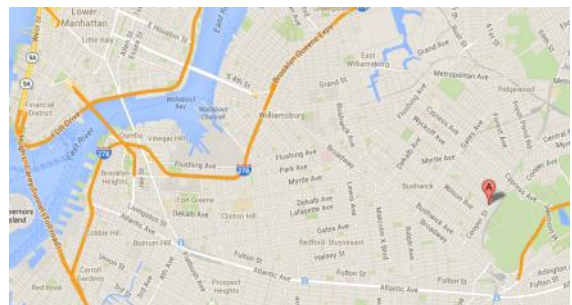
Est. Monthly Rents:
- Apt 1 US \$4,000

Est. Annual Net Yield: 4.6%

OTHER COMMENTS:

- This original two-family Renaissance Revival style row house was built in 1931 and is located in the up and coming Bushwick section of Brooklyn. The property is outdated and will need a full updating. This property is located three blocks from the L subway line and four blocks from Irving Square Park.

LOCATION:



ADDRESS: 272 7TH ST, JERSEY CITY, NJ 07302

REGION: DOWNTOWN



PROPERTY DESCRIPTION:

- 1-family attached on 1 side
- Apt 1: 3 bed/2.5 bath, triplex
- 1 car parking
- Approximate land size 2,500 sq ft
- Walk Score®: 95

KEY STATISTICS:

Acquisition Date:	23 May 2014
Total Acquisition Cost:	US \$706,379
Est. Monthly Rents:	
- Apt 1	US \$4,900
Est. Annual Net Yield:	4.0%

OTHER COMMENTS:

- This one-family brick house is located in a prime section of Downtown Jersey City and has a one car parking spot. The rear also boasts a nice garden area for entertainment. This property is a ten minute walk from the Newport PATH station and one block from the historic Hamilton Park as well as shops and restaurants.

LOCATION:



ADDRESS: 590 JERSEY AVE, JERSEY CITY, NJ 07302

REGION: DOWNTOWN



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/2.5 bath, triplex
- Approximate land size 834 sq ft
- Walk Score®: 98

KEY STATISTICS:

Acquisition Date: 29 May 2014

Total Acquisition Cost: US \$1,196,254

Est. Monthly Rents:

- Apt 1 US \$2,200

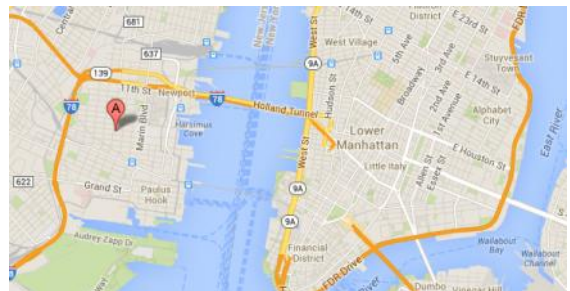
- Apt 2 US \$5,900

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- This two-family Italianate style brick row house was built in the early 1900's and boasts some original details. The interior boasts expose brick walls, wood floors, and ceiling moulding. The exterior has a nice garden patio as well as a deck in the rear of the property. This property is located in a premiere Downtown Jersey City neighborhood and is a ten minute walk from the Grove St PATH station as well as plenty of shops and restaurants.

LOCATION:



ADDRESS: 272 JEFFERSON AVE, BROOKLYN, NY 11216

REGION: BEDFORD-STUYVESANT



PROPERTY DESCRIPTION:

- 1-family attached on 1 side
- Apt 1: 4 bed/6.5 bath, quadplex
- 1 car parking
- Approximate land size 1,800 sq ft
- Walk Score®: 88
- Transit Score®: 98

KEY STATISTICS:

Acquisition Date: 30 May 2014

Total Acquisition Cost: US \$1,649,995

Est. Monthly Rents:

- Apt 1 US \$12,000

Est. Annual Net Yield: 4.7%

OTHER COMMENTS:

- This grand Greek Revival brownstone row house was built in 1931 and was owned by New York State since 1971. Once utilized as an alternative school, the fund acquired this property through a foreclosure process. The interior boasts a lot of original details such as wood trim doors, stained glass windows, ceiling moulding, and expose brick walls. The property comes with an exclusive parking garage which is rare to find in Brooklyn town homes. This property is located eight blocks from the A and C subway line and three blocks from the Potomac Playground.

LOCATION:

