

12 December 2014

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 30 November 2014

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 30 November 2014 was \$1.76* per unit.

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 30 November 2014 would be \$1.68* 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 of select properties and generally reinvest the proceeds into the target market.

Property portfolio update

During the month, the Fund acquired one property for US\$1,944,689. Please find a detailed description of the property below.

The Fund also closed on the sale of five properties for a combined sales price of US\$2,454,977, with the net proceeds to be redeployed into the target market.

Fund update

Post month-end, on 2 December 2014, the Responsible Entity, on behalf of the Fund, announced the lodgement of a prospectus with the Australian Securities & Investments Commission (ASIC) for an offer of unsecured note obligations at \$100 each (URF Notes).

The URF Notes carry a fixed annual interest rate of 7.75% per annum, payable quarterly, and have a maturity of five years. The offer is for a minimum of \$50 million to \$100 million with the ability to accept oversubscriptions of up to \$50 million. A priority offer of a minimum of \$50 million is being made to Unitholders in URF.

Proceeds of the issue of URF Notes are primarily intended to be invested in the renovation of the Fund's portfolio assets and for working capital purposes.

*Source: Dixon Advisory & Superannuation Services Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.



Freestanding and multi-dwelling properties (URF share)

| | # of Properties | # of Units | Acquisition Cost ¹ |
|-----------------------------------|-----------------|--------------|-------------------------------|
| Freestanding | 541 | 1,119 | US \$318m |
| Multi-dwelling² | 27 | 931 | US \$94m |
| Total | 568 | 2,050 | US \$412m |

Notes:

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 Buildings held across 29 titles. Units include 8 commercial units.

ADDRESS: 250 WEST 139TH STREET, MANHATTAN, NY

REGION: HARLEM



PROPERTY DESCRIPTION:

- 1-family attached on 1 side
- Apt 1 : 4 bed/4.5 bath
- Approximate land size 1,998 sq ft
- Walk Score®: 97
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 2 November 2014

Total Acquisition Cost: US \$1,944,689

Est. Monthly Rents:
- Apt 1 US \$12,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

Located on historic Striver's Row, this 20' wide rowhouse features many of the highly coveted period details that are synonymous with Harlem townhomes, including original fireplaces, mouldings, and mirrors. The property is detached on one side and has multiple side windows, allowing for ample light to flow through the 4,500 square foot interior. Additionally, the property features an enclosed backyard patio and space for private parking, a rare New York City amenity.

LOCATION:

