



**US Masters
Residential
Property Fund**



US MASTERS RESIDENTIAL PROPERTY FUND UPDATE

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Agenda

1 Seminar overview

2 The big picture

3 The rental market

4 Evolution of the Fund

5 Vision for the Fund

Seminar overview



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Key conference speakers



Rebecca Symes

Head of Legal &
Government Relations



Daniel Bailey

CEO, Dixon Projects



Laura Mooney

Associate Director



Kirk Mitchell

Head Architect,
Dixon Projects



Priscilla Porter

Director, Property
Management



Steffen Ringelmann

Head of Interior Design,
Dixon Projects

Key conference speakers



Steven Fulop

Mayor of Jersey City



Jonathan Sinex

Investment Manager,
US Select Private
Opportunities Fund

Matthew Eby

Co-Founder & Managing Partner,
Tengram Capital Partners

The big picture



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How did an Australian advisory firm land here?

Global outlook

Five years of falls

Overwhelming rental demand

No over development in NY



There is virtually no institutional competition in the New York metro townhouse rental market

Factors in investment strategy

- Solid economic base
- Deep, well-established housing stock
- Global compression of interest rates
- Defensive nature of asset class
- Global trend of foreigners investing in NYC real estate



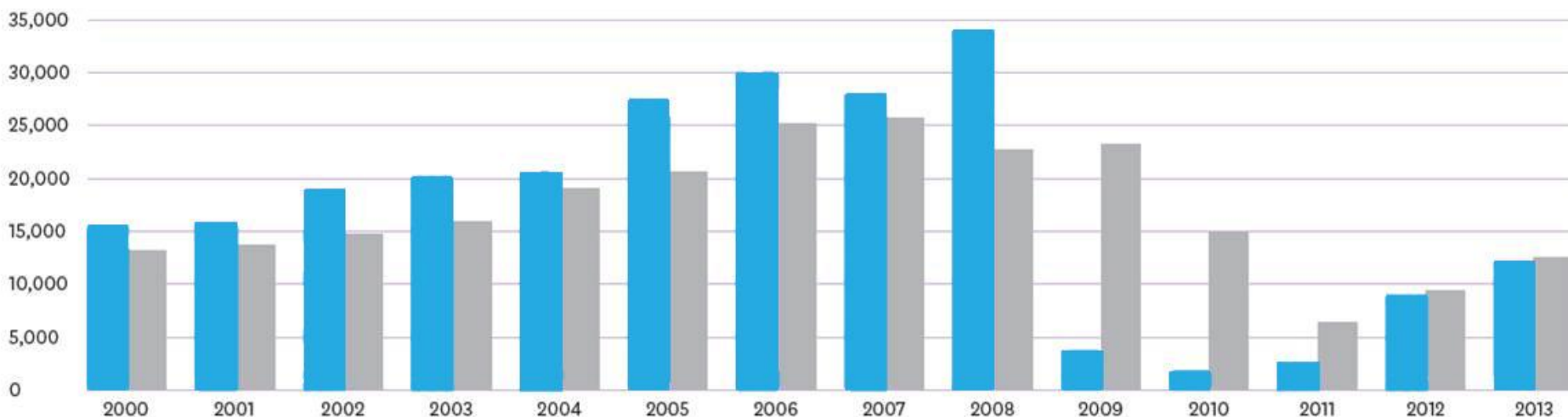
Compelling fundamentals

- Fastest growing US city, added as many people since 2010 as previous 10 years
- GDP (\$1tn+), equivalent to Australia
- Ranked most important global city in the world by Knight Frank & most competitive city in the world by EIU
- Creating jobs at record pace, record private sector jobs
- Projected to add 1m people by 2040
- Safest US big city, lowest homicide rate since 1963

Chronically low inventory, improving economy, and unyielding interest from foreign investors will continue to drive property

Identifying opportunity

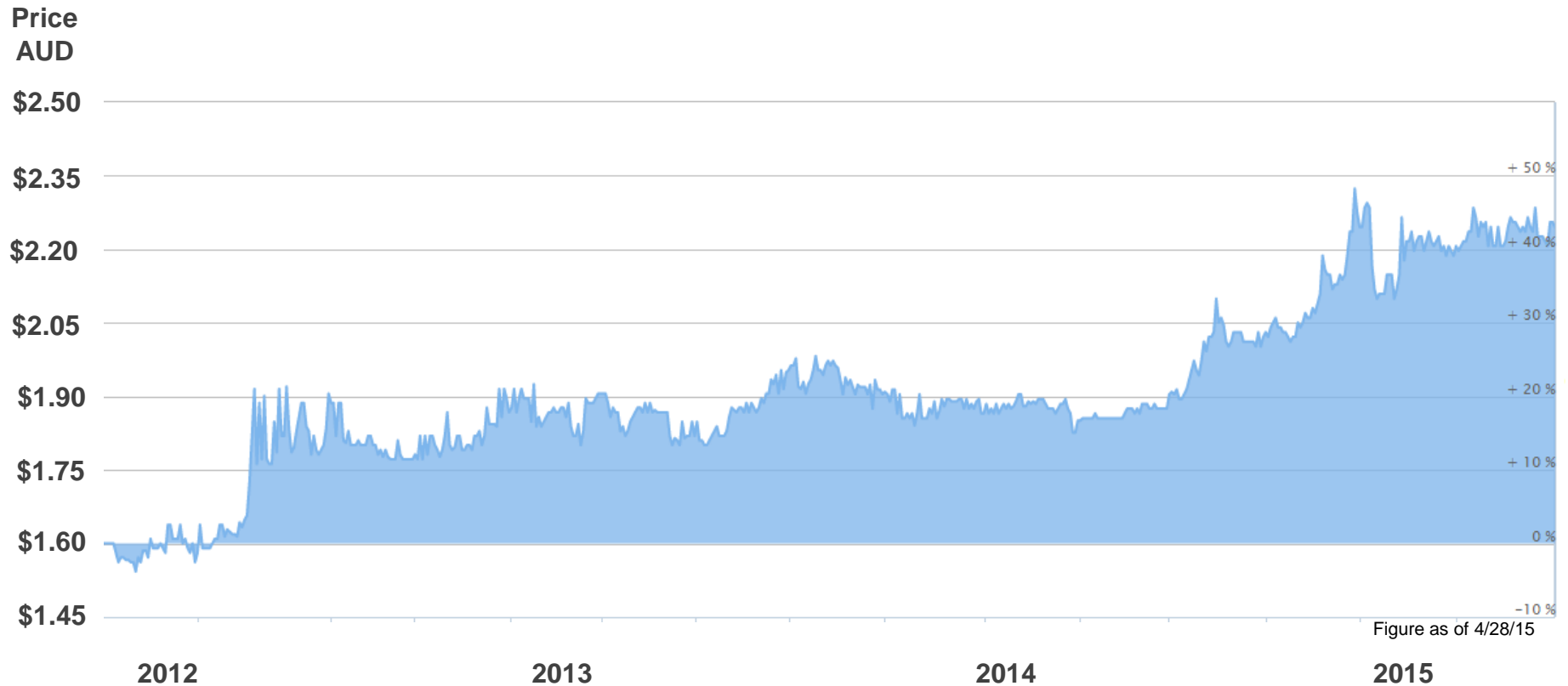
■ Units Authorized by New Residential Building Permits ■ Units Issued New Certificates of Occupancy



Sources: New York City Department of Buildings, New York City Department of City Planning, NYU Furman Center

Real estate development in NYC nearly ground to a halt during crisis; while recovering, still historically low

Strong share price performance



Annualised total unitholder returns since inception in excess of 14%

Total returns



Annualised total unitholder returns since inception in excess of 14%

Investment allocation

Area	State	No. of properties	No. of units	Value (US\$m)	% of portfolio
Downtown Jersey City	NJ	78	171	\$106.2	18%
Hoboken	NJ	13	20	\$24.6	4%
Weehawken	NJ	15	30	\$14.7	2%
Hudson County Workforce	NJ	315	654	\$105.0	17%
Brooklyn	NY	81	153	\$165.9	28%
Manhattan	NY	17	43	\$50.9	9%
Queens	NY	8	8	\$11.3	2%
Multi-family	NY/NJ	29	931	\$123.2	20%
TOTAL	NY/NJ	554	2010	\$601.8	100%

The rental market



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Why rent?

...for the luxury tenant

20 – 25% down-payment

Early in career

Corporate relocation

Business owner

New to the area

Hassle-free living



There is a deep market for high-end rentals

Record rents in townhomes

Downtown
Jersey City
US\$9,995



Jersey City
Heights,
US\$4,100



Hoboken
US\$11,995



Park Slope,
Brooklyn
US\$15,995



Crown
Heights,
Brooklyn
US\$10,000



Note: rental amounts are per month

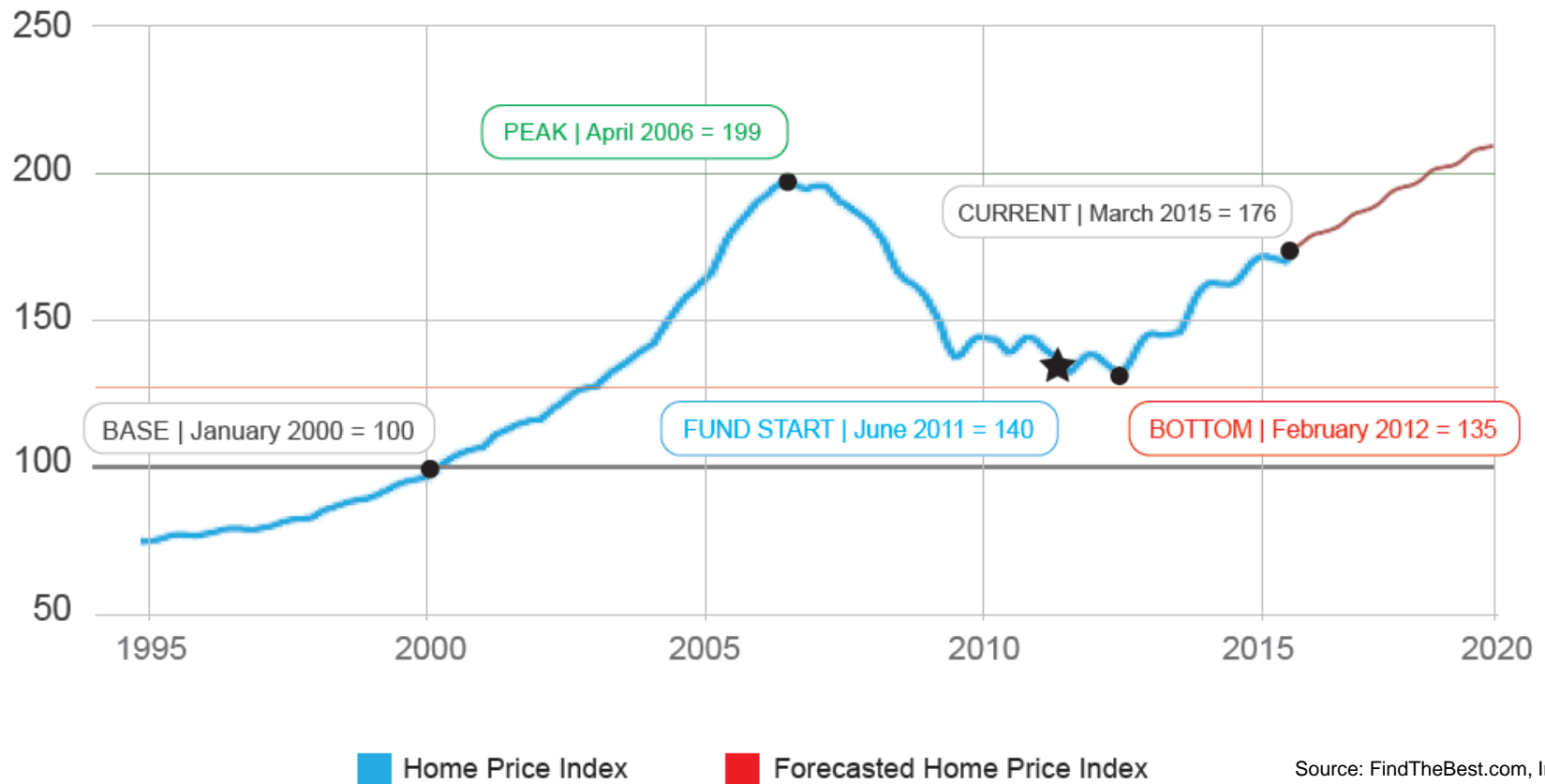
Evolution of the Fund



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Home price index timeline



‘HPI’ – a broad measure of the movement of single-family house prices in the United States

Where to start?

Focus on acquisitions

“Never count on making a good sale. Have the purchase price be so attractive that even a mediocre sale gives good results”

- Warren Buffett



First investments

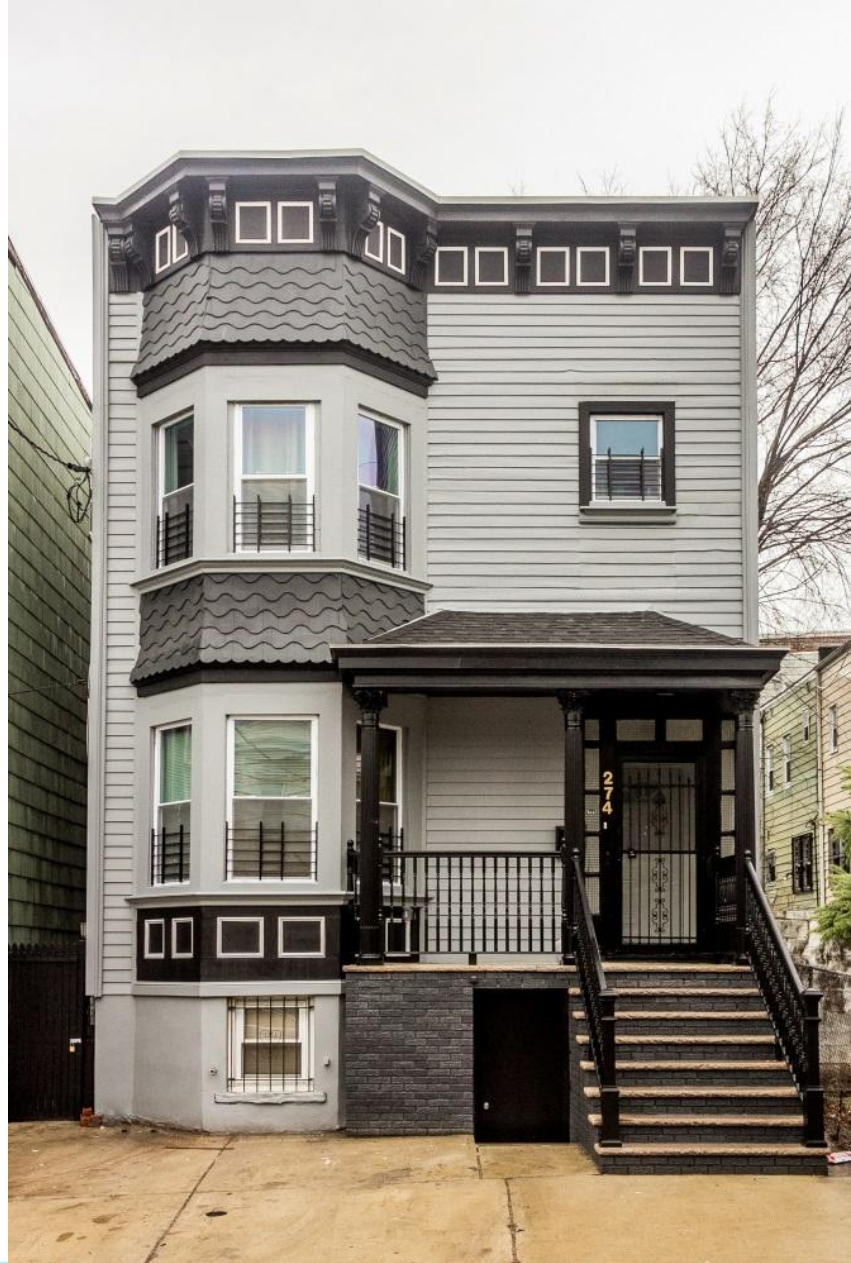
Greenville | Bayonne | West Bergen
| The Heights | Journal Square

Low acquisition costs

Rent quickly

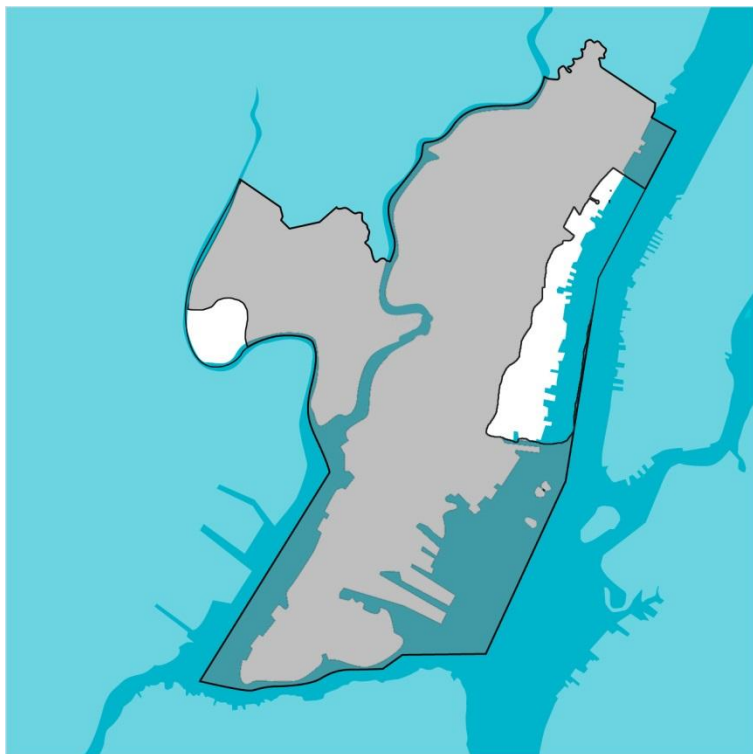
Yield well

Hudson County workforce



Hudson County workforce portfolio

High-yield properties in gentrifying areas



Location	Properties	Book value (US\$m)
Greenville	73	\$17.2
Bayonne	57	\$18.9
West Bergen	57	\$17.1
Jersey City Heights	53	\$25.4
Journal Square	34	\$12.6
Other	41	\$13.8
TOTAL	315	\$105.0

Multi-family joint ventures

Two opportunistic joint ventures

Attractive financing

Expedited use of capital

Immediately cash flowing



Multi-family portfolio

Additional exposure to Hudson County and BK rental markets

Multi-family portfolio	Buildings	No. of units	Ownership %	Value (US\$m)
Urban American Hudson County	13	400	67.5%	\$45.96
Excelsior Brooklyn	8	202	92.5%	\$44.00
Excelsior Hudson County	8	329	91.5%	\$33.24
TOTAL DIXON EXPOSURE	29	931	82.9%	\$123.2

Transition to premium NJ

Downtown Jersey City | Hoboken | Weehawken

Classic architecture

Exceptional location

Excellent neighborhoods



The Fund's purchasing in Downtown, JC has coincided with the development boom in the area

Hudson County premium portfolio

Classic architecture in stylish neighborhoods



Location	Properties	Book value (\$US m)
Downtown JC	78	\$106.2
Hoboken	13	\$24.6
Weehawken	16	\$14.7
TOTAL	107	\$145.5

Crossing the river

Brownstone Brooklyn | Harlem |
Queens | Lower Manhattan

‘Hyper-Gentrification’

Columbia expansion

Opportunistic acquisitions

**“...‘New Brooklyn’ has
become a global brand.”**
– New York Times



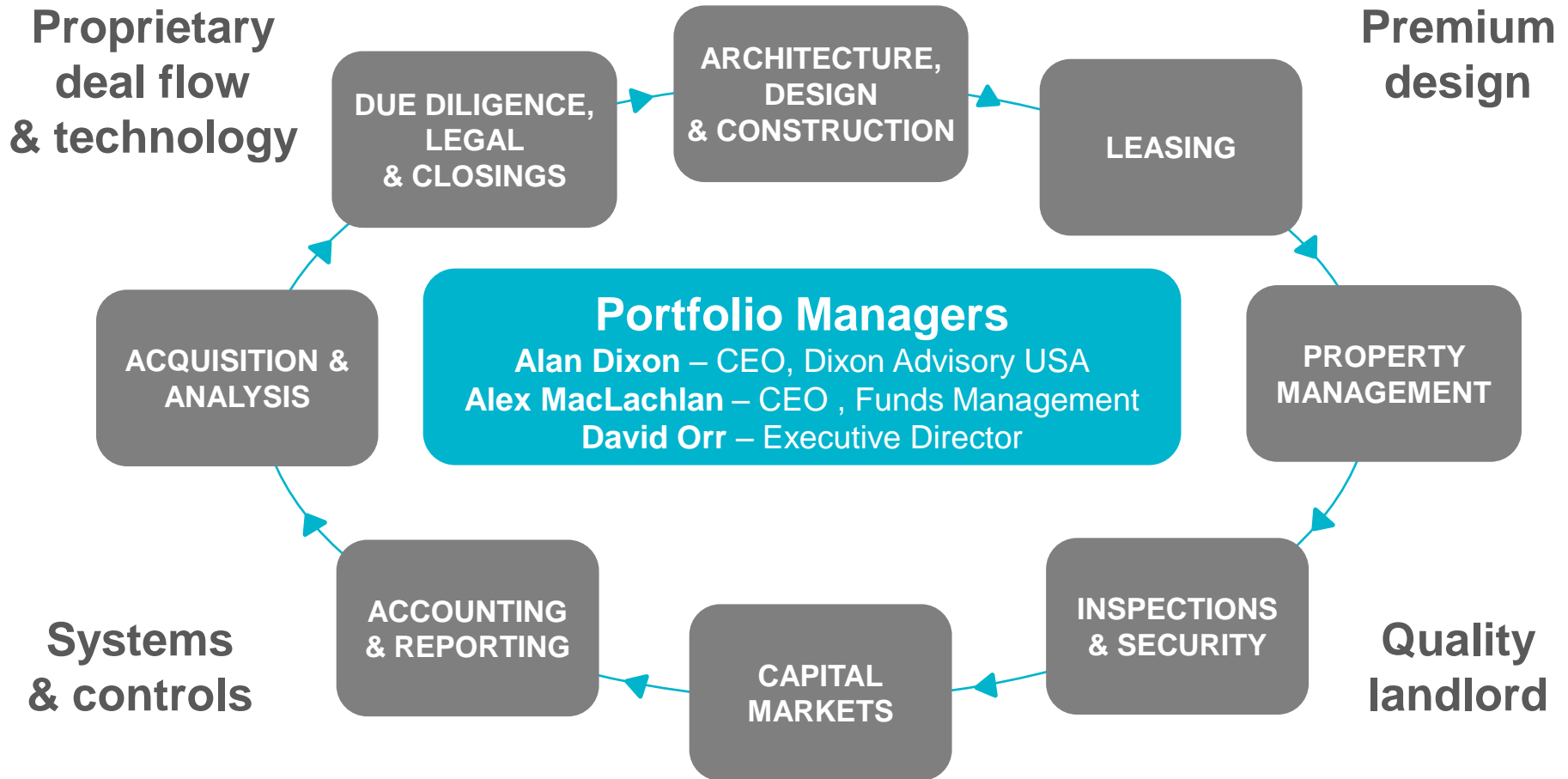
New York portfolio

Undervalued assets in rapidly gentrifying neighbourhoods



Location	Properties	Book value (\$USm)
Brooklyn	84	\$165.9
Manhattan [Harlem]	17	\$50.9
Queens	8	\$11.3
TOTAL	109	\$228.1

Complete lifecycle management



Vision for the Fund



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Positive drivers

Accelerating gentrification

Relative valuation/yield
compression

Massive capital flows

**“New York real estate is the new
Swiss bank account.”**
– Andrew Rice, New York Magazine



Summary

- Fund is uniquely well-placed to capture benefits from improving market
- Portfolio is solid and expanding judiciously
- Fund continues to create a premium product for the NYC metro area
- The entity is expanding to proactively capture the investment potential in the market place



Questions?

