

29 May 2015

Manager
ASX Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

US Masters Residential Property Fund (ASX: URF) (ARSN 150 256 161) – Change to responsible entity for the US Masters Residential Property Fund

Dixon Advisory & Superannuation Services Limited (ACN 103 071 665, AFS No. 231143) (**DASS**) proposes to retire as the responsible entity of the US Masters Residential Property Fund (**Fund**) and appoint Walsh & Company Investments Limited (ACN 152 367 649 AFS No. 410433) (**Walsh & Co**) as the replacement responsible entity.

Walsh & Co, a related body corporate of DASS, is the responsible entity of five other registered managed investment schemes. DASS, as responsible entity of the Fund, has decided the Fund should be operated by a dedicated responsible entity company that does not undertake other substantial activities.

DASS believes a dedicated responsible entity company will provide a number of benefits to the Fund's investors and will not materially change the way the Fund is managed.

Investors have been notified of the change today and have the opportunity to request a vote. A meeting of the Fund's investors is not required under relief given by the Australian Securities and Investments Commission.

More information about the process and intended timing for the change of responsible entity can be found in the attached notice to investors.

A further update on progress of this proposal will be provided to the market at a later date.

Yours sincerely



Daryl Dixon
Director



29 May 2015
Mr Example Investors
123 Main Street
Sydney NSW 2000

Dear Investor

Proposal to change the responsible entity of US Masters Residential Property Fund

Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (**DASS**) is the responsible entity of the US Masters Residential Property Fund (**Fund**). We are sending you this letter to inform you of our proposal to retire as responsible entity of the Fund and appoint another member of the Dixon Advisory Group, Walsh & Company Investments Limited (ACN 152 367 649) (**Walsh & Co**), as responsible entity.

DASS, as the current responsible entity of the Fund has decided that the Fund should be operated by a company that is dedicated to acting as responsible entity and does not undertake other substantive business activities.

We believe that appointing a dedicated responsible entity company as responsible entity of the Fund will provide a number of benefits to investors and will not lead to any material change in the way your investment in the Fund is managed nor will there be any change to the fees paid by the Fund to the responsible entity (see the enclosed Notice to Unitholders for more details).

We encourage you to read the enclosed information carefully to decide whether you wish to take action. You do not need to do anything if you have no objection to the proposal to appoint Walsh & Co as responsible entity of the Fund.

Background

Walsh & Co is currently the responsible entity of five other registered managed investment schemes, being, the Emerging Markets Masters Fund (ASX: EMF), the US Select Private Opportunities Fund I & II (ASX:USF) and (ASX:USG) and the Australian Property Opportunities Fund I & II (both unlisted).

It is intended that Walsh & Co's only substantive business activity will be to act as responsible entity of the Fund and other registered schemes. As Walsh & Co is also a member of the Dixon Advisory Group, it will have access to the same resources presently available to DASS for the operation and management of the Fund.

Enclosed information

The Australian Securities and Investments Commission (**ASIC**) has allowed DASS to retire as responsible entity of the Fund and appoint Walsh & Co in its place without holding a meeting of the Fund's investors, provided DASS notifies investors in the Fund of the proposal and gives them the opportunity to request a vote on the change of responsible entity.

This letter encloses a notice from DASS which contains important information about DASS's proposed retirement and Walsh & Co's proposed appointment to the role of responsible entity of the Fund. You have the opportunity to request that Walsh & Co's appointment as responsible entity be approved by a vote of investors in the Fund. You can request a vote by completing the enclosed "Request for Vote Form".

The Board of DASS believes that the proposed change of responsible entity is in the best interests of the Fund and accordingly recommends that you do not need to submit a request for vote form.

If you have any questions, please contact us on 1300 883 158 or, for further information, you can also visit our website www.usmastersresidential.com.au.

I would like to thank you for your continued support and look forward to a successful year for the Fund.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. A. Dixon".

Daryl Dixon
Director

Notice to Unitholders
Proposed Change of Responsible Entity

1. Why am I receiving this notice

Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (**DASS, we, us**) is proposing to retire as responsible entity (**RE**) of the US Masters Residential Property Fund (**Fund**) and appoint Walsh & Company Investments Limited (ACN 152 367 649) (**Walsh & Co**) as RE in its place. Walsh & Co has consented in writing to act as the RE of the Fund. DASS and Walsh & Co are both subsidiaries of Dixon Advisory Group Limited (ACN 080 207 076) (**DAG**). A reference in this notice to the Dixon Advisory Group means DAG and its subsidiaries.

We are required to give you a notice of this proposed appointment. The proposed change of RE for the Fund is being made in accordance with the Corporations Act 2001 (*Cth*) as amended by ASIC relief dated 2 April 2015 and the terms of the Fund's constitution. We are also required to give unitholders in the Fund an opportunity to request that the proposed appointment of Walsh & Co as RE be approved by a vote of unitholders.

You do not need to do anything, if you have no objection to the proposed appointment of Walsh & Co as the new RE of the Fund.

DASS believes that the change of RE will be in your best interests as a unitholder of the Fund and accordingly recommends that you do not respond to this notice. This notice sets out the reasons for DASS's belief.

2. Will there be any differences in the day-to-day management of the Fund?

We do not believe that the proposed appointment of Walsh & Co as RE of the Fund will lead to any material change in the way that your investment in the Fund is managed. Walsh & Co, like us, is a member of the Dixon Advisory Group and will have access to the same resources of the Dixon Advisory Group as are presently utilised by us in managing the Fund. Walsh & Co holds an Australian financial services licence authorising it to operate the Fund as responsible entity and to provide all other financial services that it expects to need to provide in connection with the operation of the Fund.

We are satisfied that Walsh & Co will:

- (a) Use the same individuals in the day-to-day operations of the Fund that were used by DASS;
- (b) Utilise the same compliance systems, technology and accounting functions as used by DASS;
- (c) Not seek to change the substantive terms of the investment management arrangements of the Fund as a consequence of the change of RE. It is proposed that the identity of the entity within the Dixon Advisory Group that provides investments management services to the Fund will change on the same date as the date of the change of RE. Further details of this change are set out below;

- (d) Not seek to vary any fees charged to the Fund as a consequence of the change of the responsible entity;
- (e) Continue to meet its net tangible asset and other financial requirements under its AFS licence, the Act and ASIC policy;
- (f) Continue to meet its insurance requirements under the Act and ASIC policy by continuing to be covered by the same Dixon Advisory Group policy that covers DASS;
- (g) Meet its obligations in relation to the engagement and monitoring of service providers to the Fund by using the same procedures for engagement and monitoring as has been used by DASS;
- (h) Meet its obligations in relation to compliance with the law by using the same reporting lines and procedures and compliance personnel and systems as have been used by DASS; and
- (i) Handle any complaints from, and disputes with, unitholders in accordance with the same dispute resolution and complaints handling policies as has been used by DASS. Both Walsh & Co and DASS are members of the same external dispute resolution service, being, the Credit & Investments Ombudsman Limited (formerly called the Credit Ombudsman Service Limited).

The change of RE will not result in a change of fees for the Fund.

The proposed change will not change the legal rights as investors in the Fund. You continue to have the same rights under the Fund's constitution and under the Corporations Act. In particular the Corporations Act, in sections 601FS and 601FT, make it clear that the rights and obligations of a former responsible entity (in this case DASS) in relation to the Fund generally become those of the new responsible entity (in this case Walsh & Co).

Management arrangements

On the date that the change of RE becomes effective (which is expected to be on or about 22 June 2015), the manager of the assets of the Fund and the Fund's underlying primary investment, the US Masters Residential Property (USA) Fund (**US REIT**), is to change from DASS to URF Investment Management Pty Limited (ACN 600 188 805) (**URF IM**). URF IM is also a member of the Dixon Advisory Group and, accordingly, is a related party of DASS and Walsh & Co. URF IM will utilise the same resources of the Dixon Advisory Group as are available to DASS to manage the Fund and US REIT.

No other changes to the management arrangements of the Fund are contemplated. In particular, the investment structure and investment strategy will not be affected by the change of RE to Walsh & Co and the change of manager to URF IM. The existing team of investment professionals will continue to manage the Fund's investments.

Custody arrangement

There will be no changes to the custody arrangements of the Fund as a result of the proposed change of RE.

Distribution of Fund unitholders

There will be no changes to the income and capital distribution arrangements for the Fund as a result of the proposed change of RE.

Interest payments to URF Notholders

There will be no changes to the interest payments or other terms of the trust deed for URF Notholders as a result of the proposed change of RE.

Directors

The members of the board of DASS are; Daryl Dixon, Max Walsh, Alan Dixon, Tristan O'Connell, Chris Brown and Alex MacLachlan.

The members of the Board of Walsh & Co are; Alex MacLachlan, Tristan O'Connell and Tom Kline.

Two of the Directors, Alex MacLachlan and Tristan O'Connell, are on the Board of both DASS and Walsh & Co. They, together with Tom Kline, will take on the role of the Fund's oversight.

It is important to note that the Fund's advisory board will not change.

Information about each of the Directors of Walsh & Co is set out below.

Alex MacLachlan - Chairman BA (Cornell), MBA (Wharton)

Alex MacLachlan joined Dixon Advisory in 2008 to lead the then newly formed Funds Management division. Alex focused the efforts of the Funds Management division on providing Dixon Advisory clients with access to asset classes and investment opportunities that would normally only be available to institutional investors. From funds under management of under \$100 million at the time of his start, Alex has grown the Funds Management division to approximately \$2 billion of funds under management today, with investments across residential and commercial property, fixed income, private equity, and listed equities and commodities.

Prior to joining Dixon Advisory, Alex was an investment banker at UBS, where he rose to Head of Energy for Australasia. During his tenure in investment banking, Alex worked on more than \$100 billion in mergers and acquisitions and capital markets transactions, advising some of the world's leading companies.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.

Tristan O'Connell - Director BCom (ANU) CPA

Tristan O'Connell joined Dixon Advisory in 2005 after 10 years' experience in corporate financial and management roles within the wholesale financial markets industry. He is currently a director of the responsible entity for Emerging Markets Masters Fund, the US Select Private Opportunities

Fund I & II and the Australian Property Opportunities Fund I & II and is also the Company's representative on the Compliance Committees of those funds.

As Chief Financial Officer of Dixon Advisory Group Ltd Tristan is responsible for the financial management and control of that business.

Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is a Fellow of the Financial Services Institute of Australasia.

Tom Kline – Director
BCom, LLB (Hons) (ANU)

Tom Kline is the Chief Operating Officer of the Funds Management division of Dixon Advisory. He works closely with the Dixon Advisory Investment Committee and Corporate Finance teams to deliver investment opportunities for Dixon Advisory clients. He is a director of Fort Street Real Estate Capital, Chairman of Australian Masters Yield Fund No 4 Limited and Australian Masters Yield Fund No 5 Limited, and a director of the responsible entity for Australian Properties Opportunity Fund I & II, Emerging Markets Masters Fund and US Select Private Opportunities Fund I & II.

Before joining Dixon Advisory, Tom worked at UBS AG in Sydney. During his time at UBS, he was a member of the Infrastructure and Utilities team and advised on a wide range of public and private M&A and capital market transactions. Prior to joining UBS AG, Tom worked at Deloitte in the Corporate Finance division, working in the Transaction Services, Business Modelling and Valuation Teams.

Tom has a Bachelor of Commerce and Bachelor of Laws (with honours) from Australian National University.

Compliance committee membership/compliance plan auditor

The Compliance Plan for the Fund and the members of the Compliance Committee for the Fund will remain the same if Walsh & Co is appointed as RE of the Fund.

The compliance plan auditor for the Fund, DFK Laurence Varney, will remain the same if Walsh & Co is appointed as RE of the Fund.

3. Why is the responsible entity being changed?

Historically the Dixon Advisory Group has focussed on providing financial advisory and self managed super fund establishment and administration services. Since 2008 the Dixon Advisory Group has diversified into funds management activities and in 2011 DASS established and became the responsible entity for the Fund and after that the US Select Private Opportunities Fund (**USF**). In 2012 the Dixon Advisory Group acquired Walsh & Co, which is also an Australian Financial Services (**AFS**) Licensee with authorisations to act in the capacity as responsible entity. In April 2014 DASS retired and was replaced by Walsh & Co as responsible entity of USF. As mentioned earlier, Walsh & Co is the RE for USF and four additional registered schemes.

DASS provides a range of financial advisory and funds management services in addition to acting as responsible entity of the Fund, including retail financial advisory activities. It is proposed that, following the change of RE, Walsh & Co's only substantive business activity will be to act as the responsible entity of registered managed investment schemes and DASS will focus on its retail financial advisory activities.

DASS believes that the proposed appointment of Walsh & Co as responsible entity of the Fund is in the best interests of unitholders of the Fund.

Appointing a dedicated RE company as responsible entity of the Fund is expected to provide a number of benefits, including:

- Allowing Walsh & Co, as a dedicated RE, to focus on, and specialise in, the operation of the Fund and its other registered schemes;
- Providing a clear separation between the operation of the Fund and other registered schemes from the other business affairs of the Dixon Advisory Group;
- Reducing the possibility that liabilities incurred by the RE of the Fund that are not connected with the Fund will adversely affect the responsible entity's ability to operate the Fund; and
- Streamlining administration, financial resourcing and compliance functions to potentially deliver improved economies of scale.

4. Will the proposed appointment incur stamp duty or affect tax?

We do not believe that there will be any income or capital gains tax liability or stamp duty payable as a result of the proposed change of RE.

5. Approvals and consents

DASS as RE of the Fund has entered into contracts with third parties and other Dixon Advisory Group counterparties in connection with its operation of the Fund (e.g. the custodian and other service providers). DASS has identified all material consents and approvals from counterparties that are required in connection with the change of RE of the Fund and will obtain these before the change is effected.

6. What do I need to do?

If you have no objection to the proposed changes, you do not need to do anything.

If you would like the proposal of the change of RE of the Fund to be put to a vote of the Fund's unitholders, you should notify us by completing the attached "Request for Vote Form" and sending it to us at the address below to be received by us **by no later than 19 June 2015**.

Dixon Advisory & Superannuation Services Limited
Attention: Corporate Finance
Reply Paid 29
Crows Nest, NSW 1585

What happens after the notice is sent to unitholders?

If by 19 June 2015:

- 100 unitholders; or
- Unitholders holding at least 5% of the total value of interest in the Fund, who would be entitled to vote if the proposed change of RE for the Fund were put to a unitholder meeting,

request a vote on the proposed change of RE of the Fund, we will call a unitholders' meeting to consider a resolution to approve the appointment of Walsh & Co as RE of the Fund. If a vote is held, the appointment of Walsh & Co as RE of the Fund will only go ahead if at least 50% of the votes cast by Fund unitholders entitled to vote are voted in favour of the appointment. If a vote is held for the Fund and appointment is not approved by the required percentage of unitholders in the Fund, then the change of RE will not proceed and DASS will remain as RE of the Fund. If a vote is required for the Fund, a further notice will be sent to the Fund's unitholders.

If less than the requisite number of Fund unitholders ask for a vote by 19 June 2015, we will lodge a notice with ASIC asking it to alter the record of the Fund's registration to name Walsh & Co as the new RE of the Fund from that date. We are also required to lodge, with the notice, a certificate stating that we reasonably consider that the proposed change of RE for the Fund is in the best interests of unitholders in the Fund (with a summary of our reasons for why this is the case). ASIC will alter the record of registration to record the appointment of Walsh & Co as RE unless it believes that the appointment is not in the vest interests of Fund unitholders. Walsh & Co will become the new RE of the Fund on the date that ASIC alters the record of registration.

What happens if the change of RE does not occur?

If the change of RE does not occur, DASS will remain as RE of the Fund.

7. Who can I contact if I have further questions?

If you have any questions relating to this document, please call us on 1300 883 158.

If you would like a copy of the ASIC relief instrument, please call the above number or access a copy of it from our website www.usmastersresidential.com.au.

Current information about the proposed timing of the proposed retirement of DASS as RE of the Fund and the appointment of Walsh & Co and the manner in which the retirement and appointment will occur can be found on our website at: www.usmastersresidential.com.au

29 May 2015

Issued by Dixon Advisory & Superannuation Services Limited

ACN 103 071 665, AFSL 231 143



US Masters
Residential
Property Fund

Request a Vote Form

WE RECOMMEND THAT YOU DO NOT RETURN THIS FORM.

IF YOU HAVE NO OBJECTION TO THE PROPOSED CHANGES, YOU DO NOT NEED TO DO ANYTHING AND NEED NOT RETURN THIS FORM.

I/We request a vote on the appointment of Walsh & Company Investments Limited (ACN 152 367 649) as responsible entity of the US Masters Residential Property Fund (ARSN 150 256 161):

☐

Yes

☐

No

Name and address of unitholder(s):

.....
(Print Name)

.....

.....
(Address)

Signature(s) of unitholder(s) or authorised officers:

..... /...../.....
(Investor A or Company Director/Sole Director/Power of Attorney) (Date)

..... /...../.....
(Investor B or Company Director/Secretary) (Date)

Send the signed and completed form to:

Dixon Advisory & Superannuation Services Limited
Attention: Corporate Finance
Reply Paid 29
Crows Nest, NSW 1585

To be received by:

19 June 2015

Note: Please consider the time that it will take for this form to reach by post when sending this form to us.