

6 October 2015

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 30 September 2015

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions at 30 September 2015 was \$2.25* 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 at 30 September 2015 would be \$2.03* 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 select properties and generally reinvest the proceeds into the target market.

Fund update

The construction and leasing teams had another successful quarter. The construction team delivered US\$16.1 million of renovations, including 41 small scale renovations and 17 large scale renovations across 56 different properties. The leasing team signed 86 new leases and renewed 142 existing leases, representing a combined US\$6.9 million in annualised revenues, a 60% increase on US\$4.3 million of annualised new and renewal lease signings in the previous quarter.

At quarter end, occupied properties now represent 63% of the portfolio (by value), renovation/turnover properties represent 35% and vacancies represent 2%. The Fund expects the percentage of occupied properties to continue to increase and vacancies to remain low as properties are successfully delivered from the renovation pipeline and leased.

Property portfolio update

During the month, the Fund acquired six properties for a total acquisition cost of US\$5.9 million. Please find detailed descriptions of each property on the following pages.

*Source: Walsh & Company Investments 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.

ADDRESS: 306 8th Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/2 bath
- Approximate land size 833 sq ft
- Walk Score®: 96
- Transit Score®: 79

KEY STATISTICS:

Acquisition Date: 10 September 2015

Total Acquisition Cost: US \$966,648

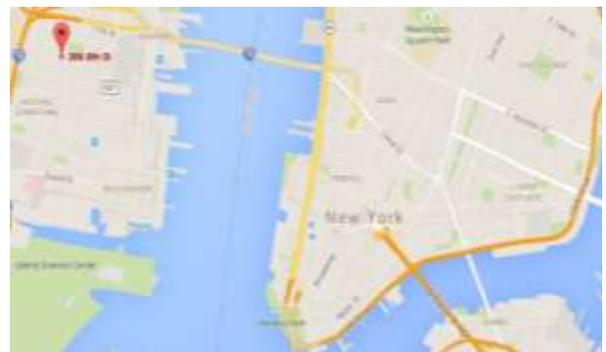
Est. Monthly Rents:
- Apt 1 US \$5,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This property is the latest addition to the Fund's sizeable portfolio of 8th Street townhomes. One short block to Hamilton Park, the location alone makes this purchase exciting. Already a one-family home with original details such as pocket doors and fireplaces, it was quickly evident that this home fit perfectly into the Fund's strategy.

LOCATION:



ADDRESS: 149 Coles Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/1.5 bath
- Approximate land size 833 sq ft
- Walk Score®: 95
- Transit Score®: 78

KEY STATISTICS:

Acquisition Date: 11 September 2015

Total Acquisition Cost: US \$1,168,621

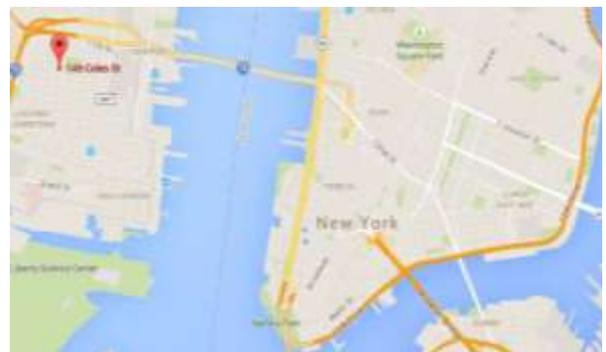
Est. Monthly Rents:
- Apt 1 US \$6,495

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- 149 Coles Street is around the corner from 306 8th Street (see previous page) and it too enjoys a close proximity to Hamilton Park. The home has been well maintained, with recent renovations to the kitchen, bathrooms and outdoor area. These modern finishes compliment the homes original detail, including hardwood floors, fireplaces, exposed brick, and ceiling work.

LOCATION:



ADDRESS: 244 Montgomery Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/2.5 bath
- Approximate land size 2,200 sq ft
- Walk Score®: 97
- Transit Score®: 82

KEY STATISTICS:

Acquisition Date: 11 September 2015

Total Acquisition Cost: US \$2,028,904

Est. Monthly Rents:

- Apt 1 US \$2,995
- Apt 2 US \$8,995

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- This 22-foot wide, attached, brick townhome in the Van Vorst neighbourhood of Downtown Jersey City is an exciting acquisition for the Fund. Key features of the home includes onsite parking, stunning crown molding, a large skylight and ample outdoor space complete with a backyard deck. Additionally, the home is a short walk to the Grove Street PATH station and Van Vorst Park.

LOCATION:



ADDRESS: 229 Bowers Street, Jersey City, NJ 07307

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 2-family partially attached
- Apt 1: 2 bed/1 bath
- Apt 2: 3 bed/1 bath
- Approximate land size 2,750 sq ft
- Walk Score®: 91
- Transit Score®: 53

KEY STATISTICS:

Acquisition Date: 17 September 2015

Total Acquisition Cost: US \$419,988

Est. Monthly Rents:

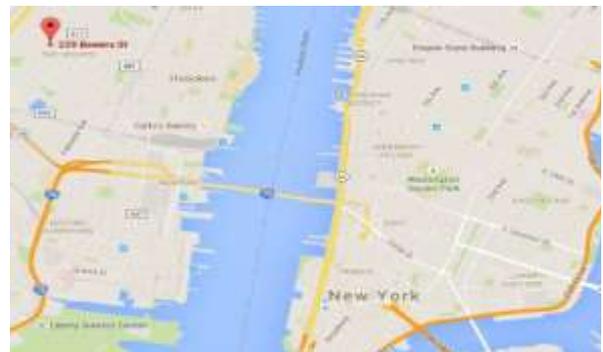
- Apt 1 US \$1,695
- Apt 2 US \$2,195

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- A well valued home located in Jersey City Heights, 229 Bowers Street comes complete with a parking spot. The home is in good condition, with only minor cosmetic renovations required. Rental in this area are in high demand, as the property is close to commercial amenities on JFK Boulevard and bus service throughout Jersey City on nearby Summit Avenue.

LOCATION:



ADDRESS: 511 Manila Avenue, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/2.5 bath
- Approximate land size 1,720 sq ft
- Walk Score®: 97

KEY STATISTICS:

Acquisition Date: 28 September 2015

Total Acquisition Cost: US \$836,515

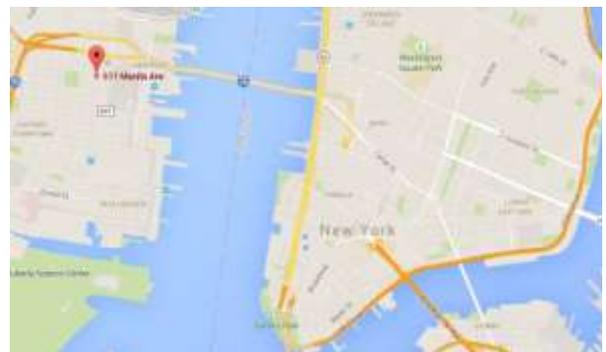
Est. Monthly Rents:
- Apt 1 US \$5,995

Est. Annual Net Yield: 4.2%

OTHER COMMENTS:

- There is a lot to love about this Downtown Jersey City home. It is located within walking distance to many of the areas most desirable attractions, including Hamilton Park, restaurants and bars on Newark Avenue, Newport Mall, and the PATH and Light Rail station at Newport. Adding to the allure of this home is the fact that it comes with three parking spaces, a luxury feature in parking-constrained Downtown Jersey City.

LOCATION:



ADDRESS: 47 Jefferson Avenue, Jersey City, NJ 07306

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/2 bath
- Approximate land size 1,237 sq ft
- Walk Score®: 84

KEY STATISTICS:

Acquisition Date: 29 September 2015

Total Acquisition Cost: US \$469,616

Est. Monthly Rents:
- Apt 1 US \$3,895

Est. Annual Net Yield: 4.3%

OTHER COMMENTS:

- Located in Jersey City Heights, this corner property features parking for two cars. The home receives abundant light through its extra side windows, and also has a backyard area for entertaining. Inside, the home was purchased in fair condition and requires little renovation. The home is one block from Palisade Avenue, providing bus service throughout Jersey City and to major transportation hubs such as the Exchange Place and Newport PATH stations.

LOCATION:

