

14 January 2016

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 31 December 2015

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 December 2015 was \$2.05* 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 31 December would be \$1.84* per unit.

On 18 December 2015, the Fund declared a distribution of \$0.05 per Ordinary Unit with a record date of 31 December 2015.

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.

The Fund is in the process of finalising its half-yearly property portfolio valuation exercise. The independent appraisal and property valuation will be included in the 31 December 2015 full year financial report. Accordingly, the NTA as at 31 December 2015 of \$2.05 does not take into account any potential changes to the property portfolio fair value that might arise from that revaluation exercise.

Property Portfolio Update

During the month, the Fund acquired five properties for a total acquisition cost of US\$6.6 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: 255 Manhattan Avenue, Brooklyn, NY 11211

REGION: East Williamsburg



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/2 bath
- Approximate land size 1,500 sq ft
- Walk Score®: 98
- Transit Score®: 90

KEY STATISTICS:

Acquisition Date: 3 December 2015

Total Acquisition Cost: US \$1,510,499

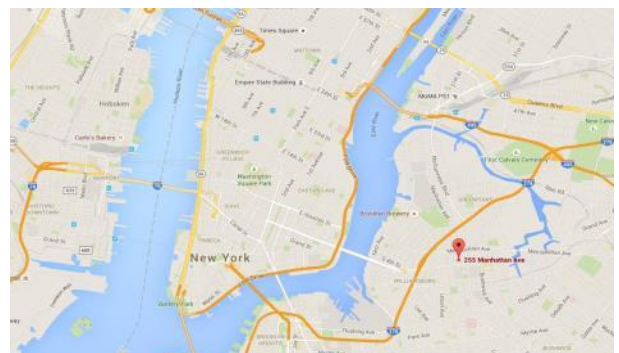
Est. Monthly Rents:
- Apt 1 US \$12,000

Est. Annual Net Yield: 5.0%

OTHER COMMENTS:

- 255 Manhattan Avenue is located in the up-and-coming East Williamsburg neighbourhood of Brooklyn. Many of New York's younger residents are drawn to this area for its artistic flair, along with a bevy of bars, cafes, and restaurants. The Fund currently owns 259 Manhattan Avenue, providing unique renovation and rental synergies. Untouched for many years, this home will benefit from the Fund's renovation expertise along with East Williamsburg's continued growth.

LOCATION:



ADDRESS: 32 West 119th Street, Manhattan, NY 10026

REGION: Harlem



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 3 bed/1.5 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 1 bed/1 bath
- Approximate land size 1,766 sq ft
- Walk Score®: 96
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 22 December 2015

Total Acquisition Cost: US \$2,143,387

Est. Monthly Rents:

- Apt 1	US \$7,449
- Apt 2	US \$4,895
- Apt 3	US \$3,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This home is located one block south of Marcus Garvey Park, and is part of Harlem's most desirable neighbourhood. Currently configured as a three-family residence, this home is located amongst a row of brownstones on a picturesque, tree-lined Harlem block. The home benefits from a plethora of public transportation options within a short walk, including express subway service that makes navigating throughout the city a breeze, although there is no shortage of local amenities given the home's Manhattan location.

LOCATION:



ADDRESS: 206 8th Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 2 bed/1 bath
- Apt 2: Studio
- Apt 3: 1 bed/1 bath
- Approximate land size 1,808 sq ft
- Walk Score®: 97
- Transit Score®: 82

KEY STATISTICS:

Acquisition Date: 22 December 2015

Total Acquisition Cost: US \$1,244,840

Est. Monthly Rents:

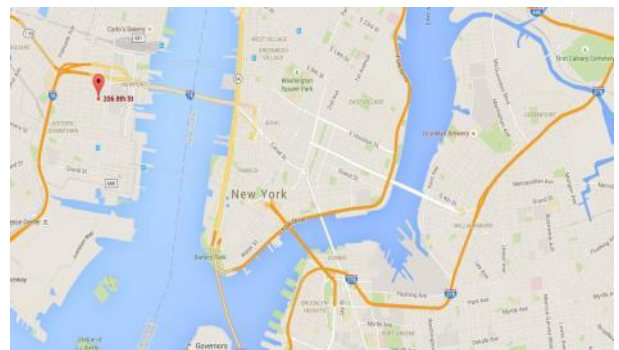
- Apt 1	US \$6,805
- Apt 2	US \$2,195
- Apt 3	US \$1,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This brick townhome is located between Hamilton Park and Newport Mall, providing ample indoor and outdoor entertainment options. The Fund already owns a number of properties on 8th Street, and this latest addition to the portfolio comes with many of the details common to Downtown Jersey City townhomes, including marble fireplaces, tin ceilings, and ornate exterior railings. Nearby transit includes PATH trains at Grove Street, and Light Rail service at Newport.

LOCATION:



ADDRESS: 5 Hampton Court Terrace, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 2 bed/1 bath
- Approximate land size 1,050 sq ft
- Walk Score®: 97
- Transit Score®: 80

KEY STATISTICS:

Acquisition Date: 22 December 2015

Total Acquisition Cost: US \$1,547,737

Est. Monthly Rents:

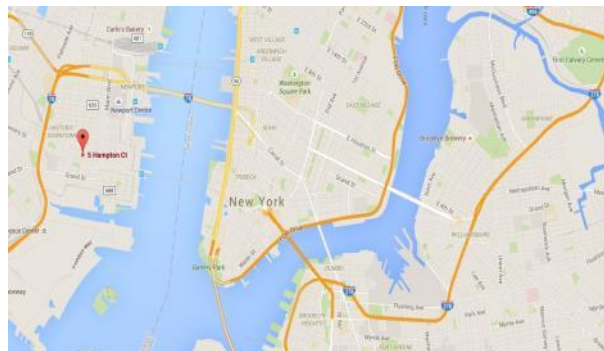
- Apt 1	US \$2,150
- Apt 2	US \$2,150
- Apt 3	US \$4,895

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- Hampton Court Terrace is one of Jersey City's most exclusive addresses, a unique row of seven Queen Anne Victorian Row Houses, four of which are now owned by the Fund. Similar to the other homes, this property features stunning exterior architectural detail and enjoys close proximity to Van Vorst Park, along with shopping and dining on Grove Street. This acquisition provides the Fund an opportunity to preserve a portion of one of Jersey City's most noted examples of architectural history.

LOCATION:



ADDRESS: 29 Prospect Street, Jersey City, NJ 07307

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 1-family detached
- Apt 1: 2 bed/2 bath
- Approximate land size 1,255 sq ft
- Walk Score®: 85
- Transit Score®: 78

KEY STATISTICS:

Acquisition Date: 30 December 2015

Total Acquisition Cost: US \$211,861

Est. Monthly Rents:
- Apt 1 US \$2,995

Est. Annual Net Yield: 4.8%

OTHER COMMENTS:

- Situated in the rapidly transforming neighbourhood of Jersey City Heights, this home provided the Fund the opportunity to acquire a property with parking at an attractive price point. Transportation options include bus service on nearby Palisade Avenue, or a short walk to the Light Rail on 2nd Street. The home is a short drive to the Journal Square and Downtown neighbourhoods of Jersey City, and should continue to enjoy expanding local amenities as the Jersey City Heights neighbourhoods continues to re-develop.

LOCATION:

