

10 August 2016

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 31 July 2016

NTA update

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 July 2016 was \$1.82* 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 July 2016 would be \$1.60 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.

The Fund is in the process of finalising its half year accounts, including an evaluation of its recently concluded independent property portfolio valuation exercise. Accordingly neither the unaudited 31 July 2016 monthly pre-tax NTA of \$1.82 per unit nor the unaudited 30 June 2016 monthly pre-tax NTA of \$1.89 per unit released on 12 July 2016 reflect the final results of the half year review. Based on an evaluation of the preliminary results received to date, Walsh & Company Investments Limited, in its capacity as Responsible Entity of the Fund, estimates the financial results for the period ending 30 June 2016 to reflect an increase in the previously released unaudited 30 June 2016 pre-tax NTA per unit in the range of 4% to 6%. This estimate is based on preliminary results only and may differ from the half year accounts reviewed by the Fund's auditor for the period ending 30 June 2016, which are anticipated to be released to the market prior to the end of August 2016.

Property Portfolio Update

During the month, the Fund acquired five properties for a total acquisition cost of US\$7.6 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: 328 York Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 3-family attached
- Apt 1: 2 bed/3 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 1 bed/1 bath
- Approximate land size 2,200 sq ft
- Walk Score®: 96
- Transit Score®: 80

KEY STATISTICS:

Acquisition Date: 6 July 2016

Total Acquisition Cost: US\$2,030,354

Est. Monthly Rents:

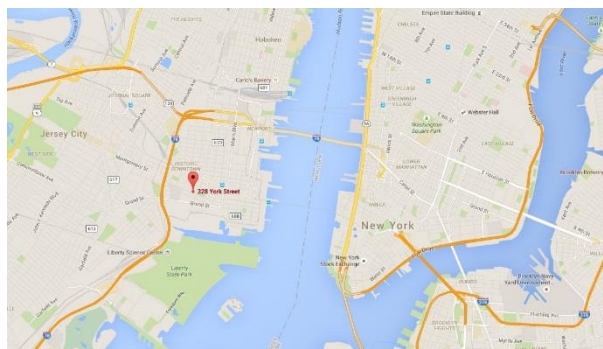
- Apt 1	US\$5,295
- Apt 2	US\$3,295
- Apt 3	US\$3,295

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- Built in 1861, this remarkable four-story brownstone, spanning 22 feet wide, is located just half a block from Van Vorst Park in Downtown Jersey City. Meticulously maintained and updated over the years, the interior boasts an abundance of original details to complement its gorgeous Italianate facade. With transportation to New York City available via a short walk to the PATH train at Grove Street, this is certainly an exciting opportunity for the Fund.

LOCATION:



ADDRESS: 193 Carlton Avenue, Brooklyn, NY 11205

REGION: Fort Greene



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/4 bath
- Approximate land size 2,100 sq ft
- Walk Score®: 98
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 12 July 2016

Total Acquisition Cost: US\$2,545,541

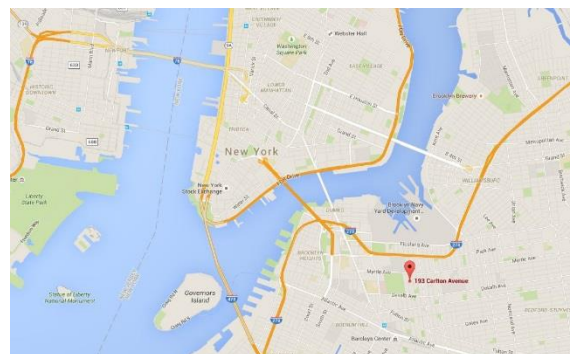
Est. Monthly Rents:
- Apt 1 US\$17,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- Known for its diverse restaurant scene and entertainment options, this highly desirable Brooklyn neighbourhood is the perfect location for the Fund to expand its Brooklyn portfolio. Once renovated, this property will be transformed back into its original brownstone facade with all the modern amenities one would expect from a luxurious single family residence. Endless transit options are available at nearby Atlantic Terminal.

LOCATION:



ADDRESS: 364 Putnam Avenue, Brooklyn, NY 11216

REGION: Bedford-Stuyvesant



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/3 bath
- Approximate land size 3,342 sq ft
- Walk Score®: 95
- Transit Score®: 97

KEY STATISTICS:

Acquisition Date:	14 July 2016
Total Acquisition Cost:	US\$1,832,543
Est. Monthly Rents:	
- Apt 1	US\$11,895
Est. Annual Net Yield:	4.1%

OTHER COMMENTS:

- Recognising the vital importance of private parking in Brooklyn, the Fund took full advantage of a rare opportunity to acquire an attractive brownstone complete with an attached parking garage. Located in a premier pocket of Bedford-Stuyvesant, the property is within walking distances to a myriad of local food and nightlife favourites. The A and C subway trains are both only a short walk away, providing quick transportation to Manhattan.

LOCATION:



ADDRESS: 826 Jefferson Avenue, Brooklyn, NY 11221

REGION: Bedford-Stuyvesant



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/3 bath
- Approximate land size 1,667 sq ft
- Walk Score®: 91
- Transit Score®: 94

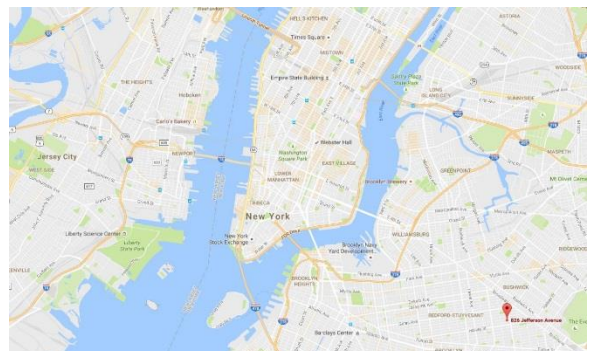
KEY STATISTICS:

Acquisition Date:	21 July 2016
Total Acquisition Cost:	US\$823,336
Est. Monthly Rents: - Apt 1	US\$6,995
Est. Annual Net Yield:	4.2%

OTHER COMMENTS:

- Situated on a quiet block in the Eastern reaches of the Bedford-Stuyvesant neighbourhood, this legal single family brick rowhome is a welcomed addition to the Fund's Bed-Stuy portfolio. The Fund secured the property at an attractive price-point through an off-market transaction. With a unique facade and blank slate interior, it is the perfect opportunity to renovate the home into something special. The property is just a short walk to the J train, providing access to lower Manhattan in under 30 minutes.

LOCATION:



ADDRESS: 31 Sherman Avenue, Jersey City, NJ 07307

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 2 bed/1 bath
- Apt 2: 2 bed/1 bath
- Approximate land size 2,285 sq ft
- Walk Score®: 93
- Transit Score®: 75

KEY STATISTICS:

Acquisition Date:	21 July 2016
Total Acquisition Cost:	US\$399,601
Est. Monthly Rents:	
- Apt 1	US\$1,695
- Apt 2	US\$1,995
Est. Annual Net Yield:	4.4%

OTHER COMMENTS:

- Utilising close broker relationships in the Heights section of Jersey City, the Fund was able to secure this property in an off-market deal at an extremely attractive price. This colonial style house was purchased in excellent condition and would only require minor improvements before being put onto the leasing market. Transportation options include bus services on the nearby Palisade Avenue, or a short walk to the Light Rail on 2nd Street. The home should enjoy expanding local amenities as the Jersey City Heights neighbourhood continues to re-develop.

LOCATION:

