

US Masters Residential Property Fund

(ARSN 150 256 161)

Notice of Extraordinary General Meeting

Notice is given that the Extraordinary General Meeting of members of US Masters Residential Property Fund (Fund or URF) will be held as follows:

Date:	Monday 19 September 2016
Time:	10.00am (AEST)
Venue:	Level 15, 100 Pacific Highway, North Sydney NSW 2060

Business

Resolution 1 – Ratification of Issue of Offer Units under the Offer

To consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

“That the issue of up to 43,935,577 Units to applicants under the Offer, on the terms and conditions as set out in the Explanatory Memorandum, is ratified and approved.”

Without limitation, Listing Rule 7.4 is relevant to this Resolution

Resolution 2 – Approval for Directors to Acquire Participation Units under the Offer

To consider, and if thought fit, to pass the following resolutions as separate ordinary resolutions:

- (a) *“That the issue of up to 1,000,000 Units to Mr Orange Pty Ltd, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (b) *“That the issue of up to 100,000 Units to Darmal Pty Ltd, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (c) *“That the issue of up to 25,000 Units to Tristan O’Connell and Angela O’Connell as trustees for The O’Connell Family Superannuation Fund, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (d) *“That the issue of up to 25,000 Units to Alandal Pty Ltd as trustee for Alandal Superannuation Fund, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*

- (e) *“That the issue of up to 20,000 Units to Ncatco Pty Ltd as trustee for Ncatco Investments Trust, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (f) *“That the issue of up to 7,500 Units to Patrick Broughton and Melinda Broughton as trustees for Melster Superfund #1, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (g) *“That the issue of up to 7,500 Units to Melinda E H Broughton, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (h) *“That the issue of up to 25,000 Units to Mr Maximilian Sean Walsh and Mrs Geraldine Margaret Walsh as trustees for MS & GM Walsh Superannuation Fund, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*
- (i) *“That the issue of up to 75,000 Units to CSMB Group Pty Ltd as trustee for CM Brown Family Trust, on the terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”*

Without limitation, Listing Rule 10.11 is relevant to these Resolutions.

Resolution 3 – Approval of Issue of Further Units Following Offer

To consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

“That the issue of up to 50,000,000 Units to the entities set out in the Explanatory Memorandum, on the same terms and conditions as set out in the Explanatory Memorandum, is authorised and approved.”

Without limitation, Listing Rule 7.1 is relevant to this resolution.

Notes

Voting Exclusion Statement:

The Fund will disregard any votes cast on:

- a) Resolution 1 by persons who participate in the Offer and their associates;
- b) Resolution 2(a) by Mr Orange Pty Ltd and its associates;
- c) Resolution 2(b) by Darmal Pty Ltd and its associates;
- d) Resolution 2(c) by Tristan O’Connell and Angela O’Connell as trustees for The O’Connell Family Superannuation Fund and their associates;



- e) Resolution 2(d) by Alandal Pty Ltd as trustee for Alandal Superannuation Fund and its associates;
- f) Resolution 2(e) by Ncatco Pty Ltd as trustee for Ncatco Investments Trust and its associates;
- g) Resolution 2(f) by Patrick Broughton and Melinda Broughton as trustees for Melster Superfund #1 and their associates;
- h) Resolution 2(g) by Melinda E H Broughton and her associates;
- i) Resolution 2(h) by Mr Maximilian Sean Walsh and Mrs Geraldine Margaret Walsh as trustees for MS & GM Walsh Superannuation Fund and their associates;
- j) Resolution 2(i) by CSMB Group Pty Ltd as trustee for CM Brown Family Trust and its associates; and
- k) Resolution 3 by persons who may participate in the issue of Further Units and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of Units, if the Resolution is passed, and their associates.

However, the Fund need not disregard a vote if it is cast by:

- a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Extraordinary General Meeting.

All Unitholders should read the Explanatory Memorandum carefully and in its entirety. Unitholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal advisor for assistance.

Proxies

Any Unitholder entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead.

A proxy need not be a Unitholder of the Fund.

If the Unitholder appoints two proxies, the Unitholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that which the Unitholder is entitled to, each proxy may exercise half of the Unitholders votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- a) lodged by posting them or delivering them by hand to the address specified below;
- b) received at the fax number specified below; or
- c) registered online at www.votingonline.com.au/urfegm2016

not later than 48 hours before the Meeting i.e. 10.00am (AEST) on 17 September 2016.

Address: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000

Fax number: +61 2 9290 9655

A form of proxy is provided with this Notice.



Entitlement to Vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Fund has determined that for the purposes of the Meeting all Units will be taken to be held by the persons who held them as registered holders at 7.00pm on 17 September 2016. Accordingly, Unit transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board



Hannah Chan
Secretary of the Responsible Entity
25 August 2016



US Masters Residential Property Fund

(ARSN 150 256 161)
Explanatory Memorandum

This Explanatory Memorandum relates to the Extraordinary General Meeting of the US Masters Residential Property Fund (**Fund or URF**) to be held at Level 15, 100 Pacific Highway, North Sydney NSW 2060 on Monday 19 September 2016 at 10.00am.

Resolution 1 - Ratification of Issue of Offer Units under the Offer

Resolution 1 relates to the issue of up to 43,935,577 Units (**Offer Units**) to applicants pursuant to an offer to existing Unitholders and other investors (**Offer**) in accordance with a product disclosure statement to be issued by the Responsible Entity of the Fund (**PDS**). The Offer Units have not been issued yet but will be issued before the Meeting. The Offer Units will be issued at a price of \$1.95 per Unit.

Listing Rule 7.1 of the ASX Listing Rules restricts the number of equity securities that a listed entity may issue in any 12 month period, without the approval of security holders, to 15% of the number of ordinary securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. In calculating the 15% limit, the entity is entitled to deduct any ordinary securities issued in the 12 month period that were issued with the approval of security holders for the purposes of Listing Rule 7.1. Under Listing Rule 7.4 of the ASX Listing Rules, an issue of securities without approval under Listing Rule 7.1 will be treated as having been made with security holder approval for the purposes of Listing Rule 7.1 if the original issue did not breach the 15% limit under Listing Rule 7.1 and security holders subsequently approve the issue.

The approval by Unitholders of Resolution 1 will mean that the Offer Units issued under the Offer will not be counted towards the calculation of the 15% limit. This will provide the Fund with flexibility in considering any necessary further fundraising and will enable the Fund to raise further funds at any time during the next 12 months by issuing up to the full 15% of its issued capital.

The Offer Units will rank equally with, and have the same terms as, existing Units. The persons to whom the Offer Units will be issued are persons applying under the Offer.

The proceeds of the issue of the Offer Units will be used by the Fund for the purpose of investing in a Maryland real estate investment trust controlled by the Fund called the US Masters Residential Property (USA) Fund (**US REIT**). The US REIT and wholly owned entities will use the net proceeds



of the Offer to fund URF's investment strategy including renovation of properties in the portfolio and acquisitions of new properties, consistent with the investment strategy of the Fund, and for general business and financing purposes.

Resolution 2 – Approval for Directors to Acquire Participation Units under the Offer

Each of Resolutions 2(a) to 2(i) refers to the proposed issue of up to 1,285,000 Units (**Participation Units**) to the related parties of the Fund named in the relevant Resolution pursuant to the Offer.

Listing Rule 10.11 requires the Responsible Entity to obtain the approval of Unitholders before issuing Units to a related party of the Fund. For these purposes, a “related party” includes a director of the Responsible Entity and a director of any entity that controls the Responsible Entity and entities controlled by them.

Accordingly, approving each of the Resolutions permits the persons named in the Resolutions, being directors of the Responsible Entity, an entity that controls the Responsible Entity, and their associated entities (**Participating Directors**), to participate in the Offer by acquiring further Units in the Fund up to the maximum set out for that director in the table below.

Participating Director	Applicant	Relationship of applicant to the Responsible Entity	Maximum Units
Alan Dixon	Mr Orange Pty Ltd	Alan Dixon, who is a director of Laver Place Pty Limited and Dixon Advisory Group Pty Limited, being entities that control the Responsible Entity, is a shareholder of the applicant.	1,000,000
Alan Dixon and Daryl Dixon	Darmal Pty Ltd	Alan Dixon, who is a director of Laver Place Pty Limited and Dixon Advisory Group Pty Limited is a shareholder of the applicant. Daryl Dixon, who is a director of Dixon Advisory Group Pty Limited, being an entity that controls the Responsible Entity and parent of Alan Dixon is a director and shareholder of the applicant. Katharine Dixon is the spouse of Daryl Dixon, a parent of Alan Dixon and a shareholder of the applicant.	100,000
Tristan	Tristan O’Connell and	One of the joint applicants is a	25,000



Participating Director	Applicant	Relationship of applicant to the Responsible Entity	Maximum Units
O'Connell	Angela O'Connell as trustees for The O'Connell Family Superannuation Fund	director of the Responsible Entity and a director of Dixon Advisory Group Pty Limited, being an entity that controls the Responsible Entity, and the other is the spouse of that director.	
Alex MacLachlan	Alandal Pty Ltd as trustee for Alandal Superannuation Fund	The applicant is controlled by Alex MacLachlan, who is a director of the Responsible Entity and Walsh & Company Group Pty Limited, being an entity that controls the Responsible Entity.	25,000
Nerida Cole	Ncatco Pty Ltd as trustee for Ncatco Investments Trust	The applicant is controlled by Nerida Cole, who is a director of Dixon Advisory Group Pty Limited, being an entity that controls the Responsible Entity.	20,000
Patrick Broughton	Patrick Broughton and Melinda Broughton as trustees for Melster Superfund #1	One of the joint applicants is controlled by Patrick Broughton, who is a director of Laver Place Pty Limited, being an entity that controls the Responsible Entity. The other joint applicant is a spouse of that director.	7,500
	Melinda E H Broughton	The applicant is the spouse of Patrick Broughton, who is a director of Laver Place Pty Limited, being an entity that controls the Responsible Entity.	7,500
Max Walsh	Mr Maximilian Sean Walsh and Mrs Geraldine Margaret Walsh as trustees for MS & GM Walsh Superannuation Fund	One of the joint applicants is Max Walsh, who is a director of Dixon Advisory Group Pty Limited, being an entity that controls the Responsible Entity. The other joint applicant is the spouse of that director.	25,000
Chris Brown	CSMB Group Pty Ltd as trustee for CM Brown	The applicant is controlled by the spouse of Chris Brown, who is a director of Laver Place Pty	75,000



Participating Director	Applicant	Relationship of applicant to the Responsible Entity	Maximum Units
	Family Trust	Limited and Dixon Advisory Group Pty Limited, being entities that control the Responsible Entity	

ASX Listing Rule 10.13.5 requires this Explanatory Memorandum to state the proposed issue price for Units to be issued. The Participation Units will be issued at the same issue price as Offer Units issued under the Offer, being \$1.95 per Unit. The Responsible Entity expects that the capital raising will not be dilutive to existing Unitholders' interests.

Subject to Unitholder approval of each of Resolutions 2(a) to 2(i), the Participating Director named in the relevant Resolution will participate in the acquisition of the Participation Units outlined in the table above on the same terms and conditions as Unitholders who participate in the Offer pursuant to the PDS. The Participation Units will also rank equally with, and have the same terms as, existing Units.

The proceeds of the issue of the Participation Units will be used by the Fund in the same manner as the capital raised pursuant to the Offer, being for the purpose of investing in the US REIT. The US REIT and wholly owned entities will use the net proceeds of the Offer to fund URF's investment strategy including renovation of properties in the portfolio and acquisitions of new properties, consistent with the investment strategy of the Fund, and for general business and financing purposes.

The issue and allotment of the relevant Participation Units will take place after the later of, the passage of the relevant Resolution and the issue of Units to participants under the Offer by the Responsible Entity, and in any event within one month of the date of this Meeting.

If any of Resolutions 2(a) to 2(i) is approved (meaning that approval is given under Listing Rule 10.11), approval is not required under Listing Rule 7.1 to the issue of the relevant Participation Units.

Resolution 3 – Approval of Issue of Further Units Following Offer

Resolution 3 refers to the proposed issue of up to 50,000,000 Units (**Further Units**) which requires Unitholder approval under Listing Rule 7.1.

The Fund has always actively managed its capital in the best interests of its Unitholders. Resolution 3 seeks to provide the flexibility for the Fund to continue to manage its capital efficiently in the best interests of Unitholders. The approval by Unitholders of Resolution 3 will mean that any Further Units issued will not be counted towards the calculation of the 15% limit.

There is no current intention or plan by the Fund to issue the Further Units for which approval is sought under Resolution 3, or to conduct any capital raising beyond the Offer. Unitholder approval is sought at this Meeting for administrative convenience and to avoid incurring additional costs of convening a separate general meeting to approve a further capital raising, should the Fund decide



to conduct a capital raising over the next 3 months. Under the Listing Rules, the Fund must issue the Further Units for which Listing Rule 7.1 approval is given within 3 months of the date of the Meeting, otherwise fresh Unitholder approval is required in order for the Further Units not to be counted towards the calculation of the 15% limit. Accordingly if Resolution 3 is approved, there is no guarantee that the Fund will issue some or all of the Units.

As at the date of this Notice, the Fund has 292,903,853 Units on issue. The number of Units on issue will increase between the date of this Notice and the date of the Meeting by the number of Units issued by the Fund pursuant to the Offer, being an amount of up to 43,935,577 Units.

Should the Fund decide to conduct a capital raising over the three month period after the Meeting, the Further Units as outlined in Resolution 3 will be issued subject to approval from the Board, and under an offer to subscribe for Units to be made under a product disclosure statement or another form of offer document, to be issued by the Fund either to retail clients or to investors who are exempt from the disclosure requirements of Division 2 of Part 7.9 of the Corporations Act (including wholesale clients as defined by Section 761G of the Corporations Act), identified by the Fund's placement manager. Further Units will not be issued to related parties of the Fund. From issue, the Further Units the subject of Resolution 3 will rank equally with, and have the same terms as, existing Units.

The issue price for these Units will be determined by the Board and will not be less than 80% of the volume weighted average market price for Units in the Fund calculated over the last five days on which sales in Units were recorded before the day on which the issue is made or, if there is a product disclosure statement or offer information statement relating to the issue, over the last five days on which sales in the Units were recorded before the date the product disclosure statement or offer information statement is signed.

The Board intends that the capital raising will not be dilutive to existing Unitholders' interests as the issue price per Unit will likely be set at, or above, the NAV value per Unit.

The proceeds of any capital raising will be utilised by the Fund in the same manner as the capital raised pursuant to the Offer, being for the purpose of investing in the US REIT. The US REIT and wholly owned entities will use the net proceeds of the Offer to fund URF's investment strategy including renovation of properties in the portfolio and acquisitions of new properties, consistent with the investment strategy of the Fund, and for general business and financing purposes.

The issue and allotment of these Further Units may take place progressively after the passage of Resolution 3 and in any event within three months of the date of this Meeting.

It should be noted that Unitholders who vote on Resolution 3 and whose votes are counted may not be eligible to participate in any capital raisings pursuant to the approval obtained for this Resolution (if passed).



Glossary

ASX	means ASX Limited (ACN 008 624 691) and, where the context requires, the market operated by it.
Board	means the board of the Responsible Entity of the Fund.
Corporations Act	means the Corporations Act 2001 (Cth).
Corporations Regulations	means Corporations Regulations 2001 (Cth)
Explanatory Memorandum	means this explanatory memorandum to the Notice.
Fund	means US Masters Residential Property Fund (ARSN 150 256 161).
Further Units	means up to 50,000,000 Units to be issued following the Meeting.
Listing Rules	means the listing rules of the ASX from time to time.
Meeting	means the extraordinary general meeting convened by this Notice.
Notice	means this notice of meeting.
Offer	means the offer of up to 43,935,577 Units to be undertaken by the Responsible Entity pursuant to the PDS.
Offer Units	means up to 43,935,577 Units issued pursuant to the Offer.
Participation Units	means up to 1,285,000 Units to be issued to related parties of the Fund pursuant to the Offer.
PDS	means the product disclosure statement to be issued by the Responsible Entity in respect of the offer of up to 43,935,577 Units and any supplementary or replacement product disclosure statement issued in respect of that offer.
Resolution	means a resolution set out in the Notice.
Responsible Entity	means Walsh & Company Investments Limited (ACN152 367 649).
Unit	means an ordinary Unit in the Fund, being an undivided share in the beneficial interest in the Fund.
Unitholder	means a person Registered as the holder of a Unit.

