

14 June 2016

US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NTA Update – 31 May 2016

NTA Update

The estimated unaudited net tangible asset value before withholding tax on unpaid distributions as at 31 May 2016 was \$2.04* 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 May 2016 would be \$1.81* 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.

Property Portfolio Update

During the month, the Fund acquired five properties for a total acquisition cost of US\$6.8 million. Please find detailed descriptions of each property on the following pages.

Fund Update

During the month, Dixon Advisory USA was honoured with the “Excellence in Preservation” Award at the Jersey City Landmarks Preservation Awards ceremony. This annual event honours historical preservation efforts in Jersey City through recent restoration, rehabilitation, or adaptive reuse, of a building, structure, or object which exemplifies a high regard for the resource’s historical integrity. Please see below for more details.

*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.

Dixon Advisory USA honoured with “Excellence in Preservation” Award

The Excellence in Preservation Award was presented to Dixon Advisory USA at Jersey City Landmark Conservancy’s 2016 Preservation Awards Ceremony, an annual event that recognises the recent restoration, rehabilitation or adaptive reuse of a building, structure or object that exemplifies a high regard for the resource’s historical and architectural integrity.

The Award honoured Dixon’s work on the Carriage House at 237B Montgomery Street. The Dixon team completed a full façade restoration of the cottage, stripping the existing stucco to reveal original brick and installing historically appropriate windows. During construction, the team discovered evidence of the original carriage house door opening, inspiring the reintroduction of the double door opening to the home. Now the most striking feature of the Carriage House, newly fabricated custom mahogany carriage doors have restored the house to its original charm and style.

Alan Dixon, CEO of Dixon Advisory USA, was thrilled to see the Architectural, Design and Project Management teams’ efforts highlighted at the ceremony alongside other esteemed industry leaders.

“At Dixon Advisory USA, we are extremely honoured to be recognised by the Jersey City Landmark Conservancy for the second time,” Mr. Dixon said. “I would like to congratulate our entire US team for its unparalleled commitment to restoring previously uninhabitable properties to their former glory while respecting their unique historical and architectural value.”

“We credit our continued success to our innovative strategy, our talented in-house teams, and our commitment to local communities.”

The awards were presented by Jersey City Landmarks Conservancy, a nonprofit organisation dedicated to preserving, protecting, and promoting the architectural, cultural, and environmental heritage of Jersey City.

ADDRESS: 309 York Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/2 bath
- Approximate land size 1,350 sq ft
- Walk Score®: 95
- Transit Score®: 80

KEY STATISTICS:

Acquisition Date: 9 May 2016

Total Acquisition Cost: US\$1,553,528

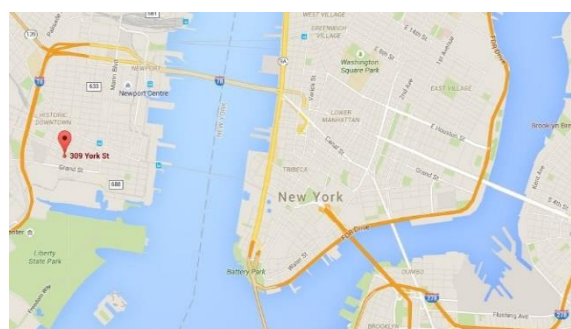
Est. Monthly Rents:
 - Apt 1 US\$2,995
 - Apt 2 US\$9,995

Est. Annual Net Yield: 4.0%

OTHER COMMENTS:

- This property is the latest addition to the Fund's sizeable portfolio of Van Vorst neighbourhood townhomes and conveniently located next door to the Fund's 311 York Street. Well maintained over the years, 309 York Street is ripe with interior original details. From the mantles to the original flooring, pocket doors to crown molding there is no shortage of details to admire. Additionally, at just half a block to Van Vorst Park and 1/4 mile to the PATH station at Grove Street, the location only adds to the excitement of this purchase.

LOCATION:



ADDRESS: 360 West 123rd Street, New York City, NY 10027

REGION: Harlem



PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/4 bath
- Approximate land size 1,616 sq ft
- Walk Score®: 99
- Transit Score®: 100

KEY STATISTICS:

Acquisition Date: 10 May 2016

Total Acquisition Cost: US\$1,432,668

Est. Monthly Rents:
- Apt 1 US\$9,995

Est. Annual Net Yield: 5.5%

OTHER COMMENTS:

- This home is situated in the shadow of prestigious Columbia University and less than half a block from community favourite, Morningside Park. Located amongst a row of picturesque brownstones, this home boasts plenty of original details. Once renovated, this home will feature both the best of its original Harlem Brownstone charm along with the finest luxuries of modern living. While there is no shortage of local amenities, the home will also benefit from close proximity to some of Manhattan's best transport options on 125th Street.

LOCATION:



ADDRESS: 93 Reservoir Avenue, Jersey City, NJ 07307

REGION: Jersey City Heights



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 2 bed/2 bath
- Apt 2: 3 bed/2 bath
- Approximate land size 2,500 sq ft
- Walk Score®: 89
- Transit Score®: 77

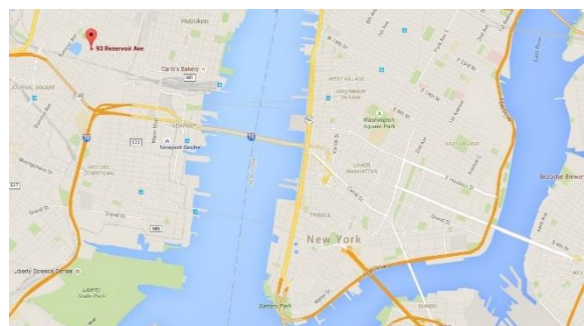
KEY STATISTICS:

| | |
|--------------------------------|-------------|
| Acquisition Date: | 11 May 2016 |
| Total Acquisition Cost: | US\$330,732 |
| Est. Monthly Rents: | |
| - Apt 1 | US\$2,095 |
| - Apt 2 | US\$2,295 |
| Est. Annual Net Yield: | 4.1% |

OTHER COMMENTS:

- Located in a very desirable area of the rapidly transforming Jersey City Heights, the Fund saw a great value in this property. By acquiring this home in a distressed sale, the Fund was able to secure a low purchase price to help maximize return. Situated on a full size lot, the property presents an interesting opportunity for the Fund to possibly develop its first new construction in the Heights, or simply renovate the existing home which features two car parking spots. Transportation options include bus service on nearby Central Avenue or a short walk to the the 2nd Street Lightrail.

LOCATION:



ADDRESS: 119 Wayne Street, Jersey City, NJ 07302

REGION: Downtown



PROPERTY DESCRIPTION:

- 4-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 1 bed/1 bath
- Apt 3: 1 bed/1 bath
- Apt 4: 1 bed/1 bath
- Approximate land size 1,534 sq ft
- Walk Score®: 98
- Transit Score®: 81

KEY STATISTICS:

Acquisition Date: 12 May 2016

Total Acquisition Cost: US\$1,675,461

Est. Monthly Rents:

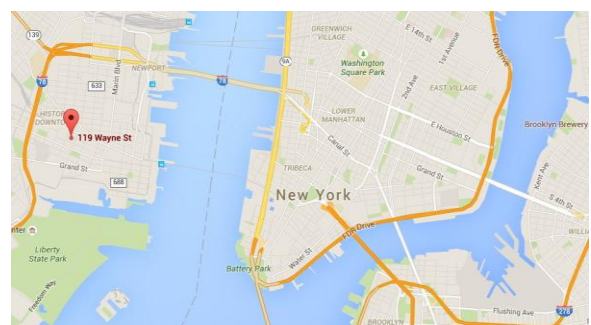
| | |
|---------|-----------|
| - Apt 1 | US\$2,395 |
| - Apt 2 | US\$2,395 |
| - Apt 3 | US\$2,395 |
| - Apt 4 | US\$2,395 |

Est. Annual Net Yield: 4.1%

OTHER COMMENTS:

- This classic Italianate style brownstone in the Van Vorst neighbourhood of Downtown Jersey City was an exciting acquisition and will provide unique renovation and rental synergies with the Fund's acquisition of the neighbouring property at 117 Wayne Street last month. Spanning over 19-feet-wide and four stories tall, this home features a grand parlor floor and all the original details one would expect.

LOCATION:



ADDRESS: 211 Powers Street, Brooklyn, NY 11211

REGION: East Williamsburg



PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 2 bed/1 bath
- Apt 2: 4 bed/2 bath
- Approximate land size 2,500 sq ft
- Walk Score®: 98
- Transit Score®: 86

KEY STATISTICS:

Acquisition Date: 17 May 2016

Total Acquisition Cost: US\$1,809,655

Est. Monthly Rents:

| | |
|---------|-----------|
| - Apt 1 | US\$3,995 |
| - Apt 2 | US\$6,995 |

Est. Annual Net Yield: 4.2%

OTHER COMMENTS:

- It is all about location for this two-family home in the emerging East Williamsburg neighbourhood of Brooklyn. Under a one minute walk to the Grand Street L Station, tenants can get to Lower Manhattan in just over 10 minutes. However, many of New York's younger residents are drawn to this immediate area for its artistic flair, along with a bevy of bars, cafes, and restaurants. Upon renovation, this home will compliment the Fund's growing presence in this neighbourhood with strong rental income.

LOCATION:

