

19 August 2016

US Masters Residential Property Fund (Fund)

ASX: URF

Capital Raising Launch

Overview:

- Unit purchase plan offer
- Placement of up to 43.9 million Units

Walsh & Company Investments Limited (ACN 152 367 649, AFS 410 433) (**Responsible Entity**), in its capacity as the Responsible Entity, is pleased to announce a capital raising (**Capital Raising**) for US Masters Residential Property Fund (ARSN 150 256 161) (**URF** or **Fund**). The Capital Raising will be conducted via a Unit Purchase Plan (**Plan**) which will be offered to eligible existing Unitholders and a placement (**Placement**), available to new and existing investors.

The Placement will comprise a placement of fully paid ordinary units in the Fund (**Units**) and will be offered to investors under a product disclosure statement. The Placement is for up to 43,935,577 Units to raise up to \$85.7 million.

The new Units to be issued under the Placement and the Plan will be priced at \$1.95 per Unit, will rank equally with existing Units on issue and are expected to be issued on 13 September 2016.

The net proceeds of the Plan and the Placement will be used to fund URF's investment strategy including renovations 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.

Alex MacLachlan, Chairman of the Fund's Responsible Entity, said "We believe that, as an active investor in the New York metropolitan area residential market, the Fund is well positioned to continue to take advantage of current market conditions and create value for Unitholders in the US housing market. The Fund employs an integrated business model, with a successful strategy of acquiring properties at attractive valuations, renovating the properties to high standards, and professionally leasing and managing the properties for rental income and long-term capital growth."

The Plan

The Plan offer opens on 22 August 2016 and will be offered to all Unitholders registered at 7.00pm AEST on 18 August 2016 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Unitholders**)¹.

The Plan provides Eligible Unitholders with the opportunity to acquire up to \$15,000 of new Units without paying any brokerage costs, commissions or other transaction costs. Participation in the Plan is entirely optional.

The offer price for each Unit will be \$1.95, which is a discount of 7.6% to the volume-weighted trading price of the Units during the 10 trading days on which sales were recorded immediately prior to the date of this announcement and is the same price at which Units are being offered under the Placement.

Full details of the Plan, including the Plan application form (**Application Form**) are available in the Plan Booklet which will be mailed to Eligible Unitholders on 23 August 2016. Eligible Unitholders who wish to participate in the Plan need to ensure their payment and Application Form is received by 5.00pm (AEST) on 2 September 2016.

The Placement

The Placement is being offered to investors under a product disclosure statement (**PDS**) to be lodged with the Australian Securities & Investments Commission on Monday 22 August 2016. The Placement is for up to 43,935,577 Units at \$1.95 per Unit (being the same application price as Units offered under the Plan) to raise up to \$85.7 million.

The Units issued under the Placement will be issued under the Fund's current 15% capacity under ASX Listing Rule 7.1.

Unitholder approval

Unitholder approval is not required for the issue of Units under the Placement or the Plan. However, the Responsible Entity, on behalf of the Fund, intends to convene a meeting of Unitholders, to be held after completion of the issue of Units under the Placement and the Plan, to:

- ratify the issue of Units under the Placement;
- approve the participation of certain related entities of URF in the Placement on the same terms as all prospective investors; and
- approve, under Listing Rule 7.1, the issue of up to an additional 50 million Units by the Fund in the following three months.

¹ Subject to the terms and conditions outlined in the Plan Booklet which will be despatched to Eligible Unitholders.

The ratification by Unitholders of the issue of Units under the Placement will mean that the Units issued under the Placement will not be counted towards the calculation of the 15% limit. This, together with the resolution to approve the issue of up to an additional 50 million Units, will provide the Fund with greater flexibility in considering any further fundraising and growth opportunities. The Capital Raising is not contingent on the approval of the above resolutions. However, Units will not be issued to related entities of URF under the Placement unless the relevant resolutions are approved.

Indicative Timetable

Expected date of Placement PDS	22 August 2016
Expected opening date of Placement and Plan	22 August 2016
Expected closing date of Placement and Plan	2 September 2016
Allotment of Units under Placement and Plan (other than to related entities of URF)	13 September 2016
Despatch of holding statements for Placement and Plan Units	16 September 2016
Extraordinary general meeting held	19 September 2016
Allotment of Units under Placement to related entities of URF (if resolutions approved)	20 September 2016
Trading of Units expected to commence for Placement and Plan Units (other than Placement Units to be issued to related entities of URF)	21 September 2016

Note: the dates are indicative only and may vary subject to the requirements of the Listing Rules and the Corporations Act. The Responsible Entity may vary dates and times of the Offer, including closing the offer early, without notice. Accordingly, investors are encouraged to submit their Applications as early as possible.

Placement - Key Offer Details

Application Price per Unit	\$1.95
ASX Ticker	URF
VWAP 10 days prior to the date of this announcement	\$2.11
Minimum Placement Application amount	\$2,000.70 (equating to 1,026 Units)
Maximum number of Placement Units to be issued	43,935,577
Total Units on issue if maximum number of Units are issued under Placement²	336,839,430
Last NAV (unaudited) per Unit reported by the Fund³	\$1.80
Estimated NAV (unaudited) per Unit of the Fund as at 18 August 2016	\$1.89

² Excluding Units issued under the Plan. Based on the number of Eligible Unitholders as at 18 August 2016 up to approximately 35,000,000 Units could be issued under the Plan.

³ As at 12 August 2016; Announced to the ASX on 17 August 2016. This NAV does not include any adjustment resulting from the half year review as disclosed in the ASX announcement dated 3 August 2016.



About US Masters Residential Property Fund

The Fund was established to seek to take advantage of the significant drop in home prices during the US housing collapse of 2006 to 2011 by investing in freestanding and multi-tenant houses in the New York metropolitan area, specifically in Brooklyn, Manhattan and Queens, New York, and Hudson County, New Jersey.

Since then, the Fund, through its controlled entities, has built a diversified portfolio of New York metropolitan area residential housing and apartments, consisting of 1,462 housing units across 587 freestanding homes and 13 apartment buildings (as at 31 July 2016). The Fund is currently the largest Australian-listed property trust with a primary strategy of investing in US residential property.

Enquiries

For more information, contact:

Alex MacLachlan, Walsh & Company Investments Limited 1300 454 801

Important Information

Each Unit in the Fund will be issued by Walsh & Company Investments Limited in its capacity as Responsible Entity for the Fund. The Offer is being made under a product disclosure statement (PDS). Copies of the PDS will be available by calling 1300 454 801 or at www.usmrpf.com.au. This announcement does not constitute an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of Units in the Fund in any jurisdiction, and neither this announcement, nor anything in it, will form the basis of any contract or commitment. An investment in Units of the Fund will only be available through a valid application form attached to the PDS or through the online application form. The PDS will be prepared and issued by the Walsh & Company Investments Limited as Responsible Entity for the Fund. Before making a decision to make or hold any investment you should consider the PDS in full and seek advice if necessary. This announcement may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs.

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