

14 September 2016

## **US Masters Residential Property Fund (Fund)**

**ASX Code: URF**

### **Investment and NTA Update – 31 August 2016**

#### **NTA update**

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 August 2016 was \$1.95\* per unit, incorporating the recent property revaluation finalised for the half-year accounts released in August.

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 August 2016 would be \$1.69 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\$7.4 million. Please find detailed descriptions of each property on the following pages.

#### **Capital raising update**

Following successful completion of the placement and unit purchase plan on 2 September 2016 with applications totalling \$102.9 million, 51,489,904 new units were allotted to applicants on 13 September 2016, with the majority of funds received converted to USD on allotment. The allotted units exclude those subject to unitholder approval at the Fund's EGM on 19 September 2016.

\*Source: Walsh & Company Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.

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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:** 257 Manhattan Avenue, Brooklyn NY 11211

**REGION:** Williamsburg



#### PROPERTY DESCRIPTION:

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

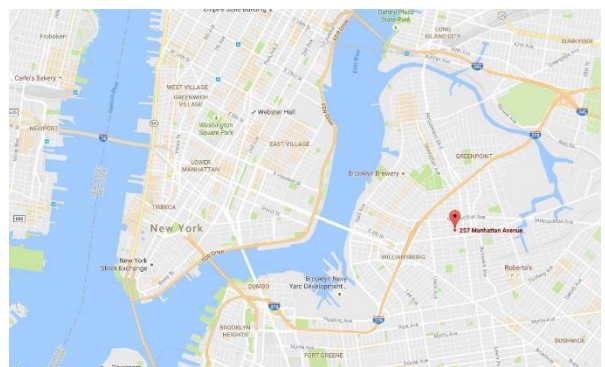
#### KEY STATISTICS:

<b>Acquisition Date:</b>	3 August 2016
<b>Total Acquisition Cost:</b>	US\$1,483,562
<b>Est. Monthly Rents:</b>	
- Apt 1	US\$5,995
- Apt 2	US\$2,995
<b>Est. Annual Net Yield:</b>	4.5%

#### OTHER COMMENTS:

- The acquisition of 257 Manhattan Avenue completed the Fund's goal of acquiring three contingent properties in the up-and-coming Williamsburg, East of the Brooklyn-Queens Expressway. The ownership of 255, 257 and 259 Manhattan Avenue provides an opportunity for the Fund to build something special on the combined 60-foot frontage. By combining market and construction expertise, the end product will be a highlight of the neighbourhood.

#### LOCATION:



**ADDRESS:** 221 West 137th Street, Manhattan 10030

**REGION:** Harlem



#### PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 4 bed/4 bath
- Approximate land size 1,799 sq ft
- Walk Score®: 98
- Transit Score®: 100

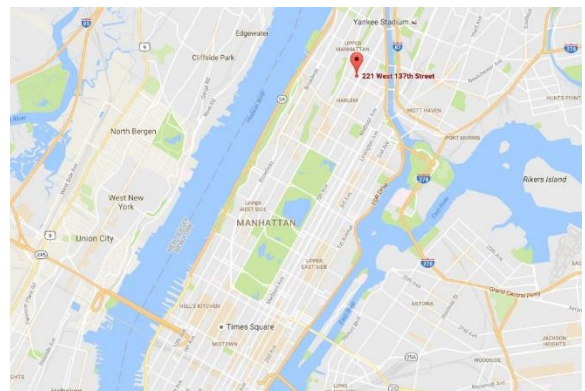
#### KEY STATISTICS:

<b>Acquisition Date:</b>	15 August 2016
<b>Total Acquisition Cost:</b>	US\$1,793,647
<b>Est. Monthly Rents:</b> - Apt 1	US\$16,995
<b>Est. Annual Net Yield:</b>	4.2%

#### OTHER COMMENTS:

- This home is located on one of the most picturesque blocks in Manhattan, exclusively comprised of gorgeous four-story brownstones. In addition to its uniform beauty, the block is rich in history; it was home to Dr. John Henrik Clarke, a recognised authority on Africa and African history, whom resided next door. Dr. Clarke is also the official namesake for this block. However, what truly sets this block apart from most others is the private parking accessible via a gated alley between West 137th and West 138th Streets. Upon renovation, this home will pair nicely with the Fund's focus on luxury single-family townhomes.

#### LOCATION:



**ADDRESS:** 224 Bainbridge Street, Brooklyn NY 11233

**REGION:** Bedford-Stuyvesant



#### PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 3 bed/3 bath
- Approximate land size 1,848 sq ft
- Walk Score®: 94
- Transit Score®: 90

#### KEY STATISTICS:

**Acquisition Date:** 25 August 2016

**Total Acquisition Cost:** US\$1,256,894

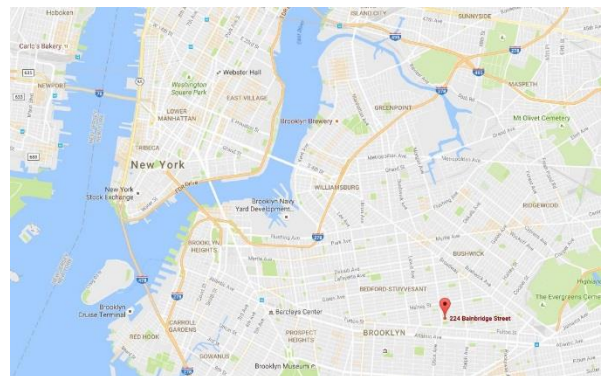
**Est. Monthly Rents:**  
- Apt 1 US\$9,995

**Est. Annual Net Yield:** 4.2%

#### OTHER COMMENTS:

- It's all about location with this classic three-story brownstone. Situated just around the corner from transportation on Fulton Avenue and restaurants on Malcom X Boulevard, there's plenty to get excited about in this area of southern Bedford-Stuyvesant. The Fund was able to secure this property at an attractive price, leaving sufficient room to complete the necessary renovation with a low risk of overcapitalising.

#### LOCATION:



**ADDRESS:** 172 Bainbridge Street, Brooklyn NY 11233

**REGION:** Bedford-Stuyvesant



#### PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 5 bed/2 bath
- Approximate land size 2,000 sq ft
- Walk Score®: 94
- Transit Score®: 91

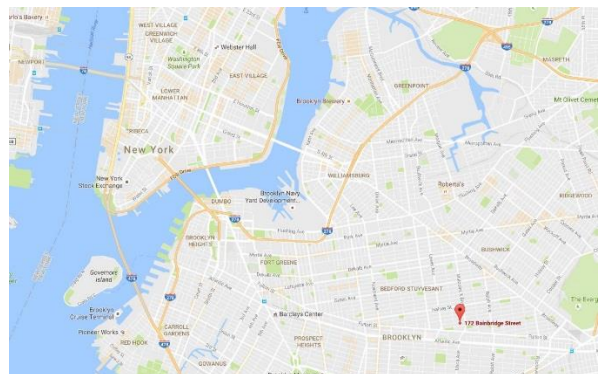
#### KEY STATISTICS:

<b>Acquisition Date:</b>	31 August 2016
<b>Total Acquisition Cost:</b>	US\$1,416,895
<b>Est. Monthly Rents:</b>	
- Apt 1	US\$10,695
<b>Est. Annual Net Yield:</b>	3.9%

#### OTHER COMMENTS:

- This acquisition was a special opportunity for the Fund to purchase two adjacent three-story brownstones, 172 and 174 Bainbridge Street. These properties are located on a beautiful landmarked block in the Stuyvesant Heights Historic District, the oldest historic district in the Bedford-Stuyvesant neighbourhood where the Fund has invested significantly. The Fund plans to leverage the contingent nature of the properties to provide unique renovation and rental synergies. Once completed, these homes will significantly add to the Fund's presence in this trendy Brooklyn neighbourhood.

#### LOCATION:



**ADDRESS:** 174 Bainbridge Street, Brooklyn NY 11233

**REGION:** Bedford-Stuyvesant



#### PROPERTY DESCRIPTION:

- 1-family attached
- Apt 1: 5 bed/2 bath
- Approximate land size 2,000 sq ft
- Walk Score®: 94
- Transit Score®: 91

#### KEY STATISTICS:

**Acquisition Date:** 31 August 2016

**Total Acquisition Cost:** US\$1,416,895

**Est. Monthly Rents:**  
- Apt 1 US\$10,695

**Est. Annual Net Yield:** 4.0%

#### OTHER COMMENTS:

- This acquisition was a special opportunity for the Fund to purchase two adjacent three-story brownstones, 172 and 174 Bainbridge Street. These properties are located on a beautiful landmarked block in the Stuyvesant Heights Historic District, the oldest historic district in the Bedford-Stuyvesant neighbourhood where the Fund has invested significantly. The Fund plans to leverage the contingent nature of the properties to provide unique renovation and rental synergies. Once completed, these homes will significantly add to the Fund's presence in this trendy Brooklyn neighbourhood.

#### LOCATION:

