

30 August 2011

NSX Code: URF
US Masters Residential Property Fund (Fund)
Tropical Storm Irene Update

On Sunday 28 August, Tropical Storm Irene (downgraded from a hurricane) reached the New York metropolitan region.

All properties owned by the Fund have now been inspected and assessed for damages.

Only minor damage to four properties was reported:

- small leaks were found at 120 Orient, 76 Boyd, and 109 Claremont
- some water was recorded in the basement of 203 Virginia

Repairs to the above properties are being addressed this week and all fall within management's normal allowances for annual repairs.

At this stage, management does not expect any material interference with the ongoing process of acquiring properties for the Fund; however, all properties with which terms have been agreed will be re-inspected before final settlement on the properties occurs.