

19 September 2011

NSX Code: URF
US Masters Residential Property Fund (Fund)
Property Purchasing Update 31 August 2011

Property portfolio update

During the month, the Fund inspected a total of 87 properties and received conditional acceptances for 37 properties, with an estimated combined acquisition cost of US\$7.25 million. Based on the pre-purchase due diligence undertaken, it is estimated that these 37 properties will achieve annualised net yields of 7.7% to 12.6%, with a weighted average annualised net yield of 10.0%.

The table below summarises the Fund's property acquisition activity for the month and since inception. Details of the properties purchased are provided on the following pages.

	# properties		Total acquisition costs (US\$ million) ¹		Estimated average property net yield (%p.a.) ²	
	Month	Inception	Month	Inception	Month	Inception
Conditional acceptances received³	37	62	\$7.25m	\$11.88m	10.0%	9.8%
Properties purchased	9	15	\$1.91m	\$3.08m	10.4%	10.4%

Note:

- 1 Total acquisition costs inclusive of all property related closing costs which includes attorney fees, title charges, survey costs, government recording and transfer charges and bulk sale compliance fees.
- 2 This yield does not necessarily reflect the distribution yield an investor is likely to receive on their investment. Estimated yields are based on assumptions made by the Responsible Entity and actual yields may differ from these estimates.
- 3 Conditional acceptances do not include those properties which have been accepted and subsequently closed.

The US Masters Residential Property Fund is the first Australian listed entity with the primary strategy of investing in the US residential property market. Its initial portfolio will comprise multi-family properties in the New York metropolitan area. The Fund is managed by Dixon Advisory & Superannuation Services Ltd.

Operations and staffing update

Marketing activities

The Fund has launched a highly effective advertising campaign for both its purchasing and leasing activities across its target investment areas, including high profile outdoor billboards, mass-transit advertising, and newspaper and radio advertisements.

The billboard below, located at the corner of Kennedy Boulevard and Route 139, is in one of the busiest intersections in Jersey City, seen by over 100,000 commuters each day.



Staffing update

The Manager of the Fund, Dixon Advisory, has significantly enhanced its local presence, adding several highly experienced and qualified real estate professionals to its team based in Exchange Place, Jersey City and reorganising the office structure to reflect the strong growth in the business.

Leasing and property management

Mr Desi Barrios, Director of Leasing & Development, is now responsible for all property evaluation, construction, management, and leasing activities. Mr Barrios has been purchasing, renovating, renting and selling investment properties in the New York Metropolitan area and other nearby areas for the past 12 years. Before a career in real estate, Mr Barrios had a career in financial management and the investment banking industry, holding positions in Goldman Sachs, Citibank and Solomon Smith Barney.

Ms Priscilla Lebron has been appointed Property & Office Manager, with responsibility for coordinating all leasing and property management functions and reporting to Mr Barrios. Ms Lebron has extensive local property management experience, recently managing over 1,200 units with a staff of 50 at Jack Parker Corporation in Queens, New York City.

Working with Priscilla will be Ms Cynthia Felder, Ms Jessica Pagan, and Ms Cristali Fernandez, who have joined the team as leasing coordinators and will be responsible for marketing rental properties, screening and evaluating prospective tenants, and coordinating property management activities.

Mr Eric Moore has joined the team as Property Evaluation and Development Associate. Mr Moore will assist Mr Barrios in evaluating properties and overseeing repair and construction activities on newly purchased properties.

Ms Shanniel Morrison has joined as receptionist and will provide office and administrative assistance, including managing the leasing and property purchase dedicated phone lines.

Purchasing

Mr Gerald Lucas has been named Chief Investment Consultant, reflecting his focus on sourcing, assessing, and executing all property purchases on behalf of the Fund. Mr Lucas has spent over a decade investing in US residential property markets, and his expertise focuses on the correct identification, analysis and negotiation for the acquisition and disposal of investment property. The consultancy agreement gives the Fund exclusive rights to Mr Lucas' services on an ongoing basis. The costs of the consultancy services will be borne by Dixon Advisory. As a licensed real estate agent, Mr Lucas is entitled to receive commissions in line with market practise.

Ms Lisa Gozza has joined as Legal Assistant, working closely with Gerald and providing support for all legal aspects of the property execution process. Ms Gozza has 15 years experience in closing property transactions.

Finance

Mr Michael Daw has been named Chief Operating Officer, reflecting his expanded role in managing various operational matters in the business. He will continue to have primary responsibility for all finance functions within the business, ensuring that the Fund's financial controls, reporting and management processes are of the highest standard. Prior to his current role, Mr Daw held senior finance positions with JP Morgan Chase Asset Management, Swiss Re, UBS Investment Bank in New York and, prior to that, with Commonwealth Bank of Australia, Ernst & Young and HSBC in Sydney.

Ms Maureen Lauster has joined as Financial Controller, reporting to Mr Daw. Ms Lauster is a Certified Public Accountant and began her career at Ernst & Young in Chicago. Ms Lauster has been appointed the second public officer of the US REIT to join Mr Daw in this responsibility.



From left to right: Jessica Pagan, Lisa Gozza, Eric Moore, Shanniel Morrison, Desi Barrios, Cynthia Felder, Mike Daw, Maureen Lauster, Gerald Lucas, Cristali Fernandez, Priscilla Lebron.

ADDRESS: 133 BOYD AVE, JERSEY CITY, NJ 07304

REGION: WEST BERGEN



PROPERTY DESCRIPTION:

- 2-family attached duplex
- Apt. 1: 3 bed/1 bath
- Apt. 2: 3 bed/1 bath
- Fully tiled bathrooms
- Hardwood floors
- Finished basement
- Approximate land size 209m²

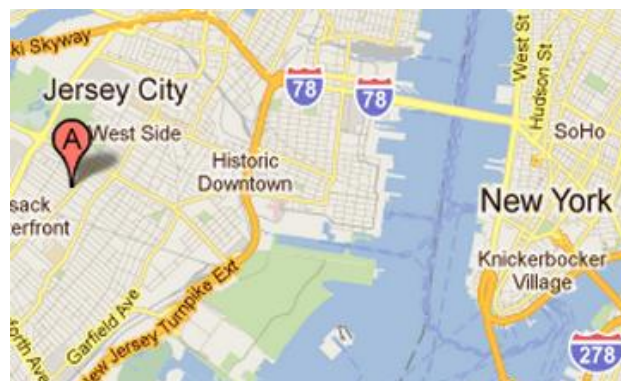
KEY STATISTICS:

Acquisition Date:	3 Aug 2011
Total Acquisition Cost:	US\$234,318
Est. Monthly Rents:	
- Apt 1	US\$1,200
- Apt 2	US\$1,200
Est. Annual Net Yield:	10.0%

OTHER COMMENTS:

- Less than ¼ mile from Hudson-Bergen light rail
- Less than 1 mile from Lincoln Park
- Less than 1 mile from Hudson Mall
- Walk Score®: 91

LOCATION:



ADDRESS: 109 CLAREMONT AVE, JERSEY CITY, NJ 07305

REGION: GREENVILLE



PROPERTY DESCRIPTION:

- 3-family detached triplex
- Apt. 1: 3 bed/1 bath
- Apt. 2: 3 bed/1 bath
- Apt. 3: 2 bed/1 bath
- Brand new full size appliances
- Ceramic tile kitchen and bath
- Brand new bathroom fixtures
- Approximate land size 255m²

KEY STATISTICS:

Acquisition Date:	5 Aug 2011
Total Acquisition Cost:	US\$245,456
Est. Monthly Rents:	
- Apt 1	US\$1,300
- Apt 2	US\$1,225
- Apt 3	US\$1,100
Est. Annual Net Yield:	12.0%

OTHER COMMENTS:

- Less than ½ mile from Hudson-Bergen light rail
- Less than ½ mile from 10 schools
- Less than ½ mile from Skinner, Audubon and Fulton Avenue Parks
- Walk Score®: 82

LOCATION:



ADDRESS: 66 GARDNER AVE, JERSEY CITY, NJ 07304

REGION: JOURNAL SQUARE



PROPERTY DESCRIPTION:

- 3-family attached triplex
- Apt. 1: 2 bed/1 bath
- Apt. 2: 2 bed/1 bath
- Apt. 3: 3 bed/1 bath
- Close to transportation
- Approximate land size 255m²

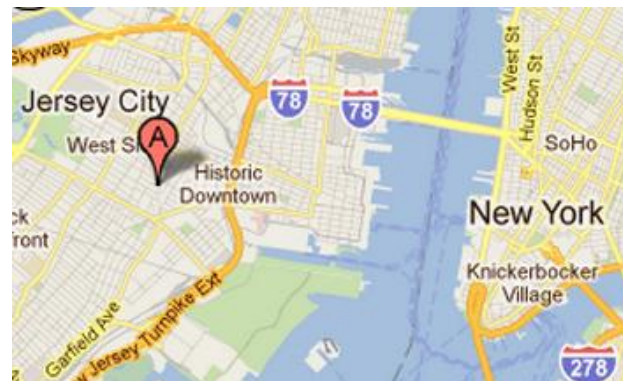
KEY STATISTICS:

Acquisition Date:	5 Aug 2011
Total Acquisition Cost:	US\$239,112
Est. Monthly Rents:	
- Apt 1	US\$988
- Apt 2	US\$900
- Apt 3	US\$1,200
Est. Annual Net Yield:	10.2%

OTHER COMMENTS:

- Less than ½ mile from 8 schools
- Less than ½ mile from Montgomery, Arlington and Lafayette Parks
- Walk Score®: 85

LOCATION:



ADDRESS: 2A DWIGHT STREET, JERSEY CITY, NJ 07305

REGION: GREENVILLE



PROPERTY DESCRIPTION:

- 1-family attached property
- 3 bed/2 bath
- Fully renovated
- Ceramic tiled kitchen
- Fully tiled bathrooms
- Patio with yard out back
- Approximate land size 75m²

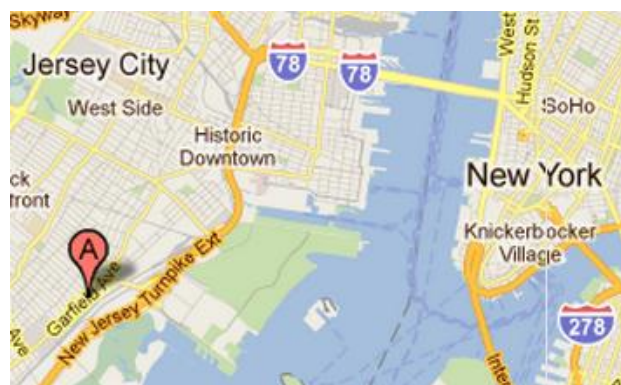
KEY STATISTICS:

Acquisition Date:	12 Aug 2011
Total Acquisition Cost:	US\$118,743
Est. Monthly Rent:	US\$1,600
Est. Annual Net Yield:	10.2%

OTHER COMMENTS:

- Less than ½ mile from 3 schools
- Less than ¼ mile from Hudson-Bergen light rail
- Less than ½ mile from 4 parks
- Walk Score®: 63

LOCATION:



ADDRESS: 76 BOYD AVE, JERSEY CITY, NJ 07304

REGION: WEST BERGEN



PROPERTY DESCRIPTION:

- 2-family detached duplex
- Apt. 1: 3 bed/1 bath
- Apt. 2: 3 bed/1 bath
- Brand new full appliances
- Large backyard
- Master bedroom with sun porch
- Approximate land size 337m²

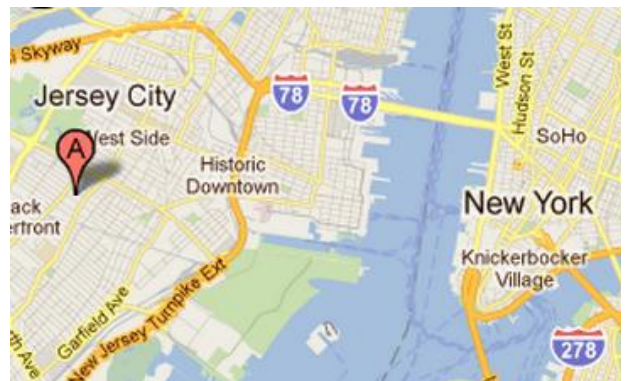
KEY STATISTICS:

Acquisition Date:	18 Aug 2011
Total Acquisition Cost:	US\$243,537
Est. Monthly Rents:	
- Apt 1	US\$1,250
- Apt 2	US\$1,300
Est. Annual Net Yield:	8.0%

OTHER COMMENTS:

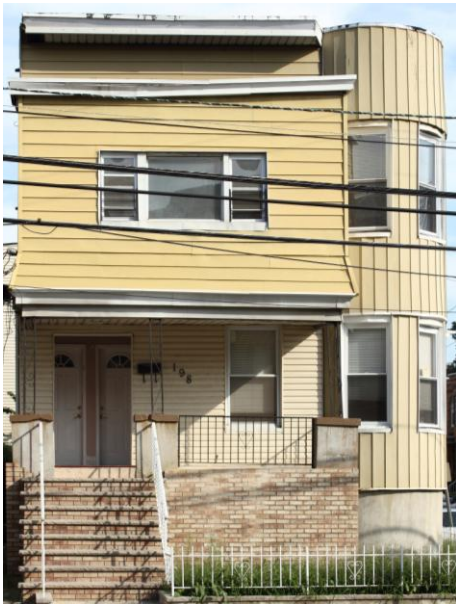
- Less than ¼ mile from Hudson-Bergen light rail
- Less than 1 mile from Lincoln Park
- Less than ½ mile from 8 schools
- Walk Score®: 89

LOCATION:



ADDRESS: 198 BERGEN AVE, JERSEY CITY, NJ 07305

REGION: GREENVILLE



PROPERTY DESCRIPTION:

- 3-family detached triplex
- Apt. 1: 2 bed/1 bath
- Apt. 2: 3 bed/1 bath
- Apt. 3: 3 bed/1 bath
- Brand new ceramic tiles in kitchen
- Spacious apartments
- Sun porch
- Approximate land size 188m²

KEY STATISTICS:

Acquisition Date:	22 Aug 2011
Total Acquisition Cost:	US\$245,650
Est. Monthly Rents:	
- Apt 1	US\$1,000
- Apt 2	US\$1,200
- Apt 3	US\$1,200
Est. Annual Net Yield:	14.1%

OTHER COMMENTS:

- Less than ½ mile from 11 schools – less than ¼ mile from New Jersey City University
- Less than ½ mile from Hudson-Bergen light rail
- Walk Score®: 83

LOCATION:



ADDRESS: 42 BARTHOLDI AVE, JERSEY CITY, NJ 07305

REGION: GREENVILLE



PROPERTY DESCRIPTION:

- 2-family detached duplex
- Apt. 1: 3 bed/1 bath
- Apt. 2: 3 bed/1 bath
- Approximate land size 202m²

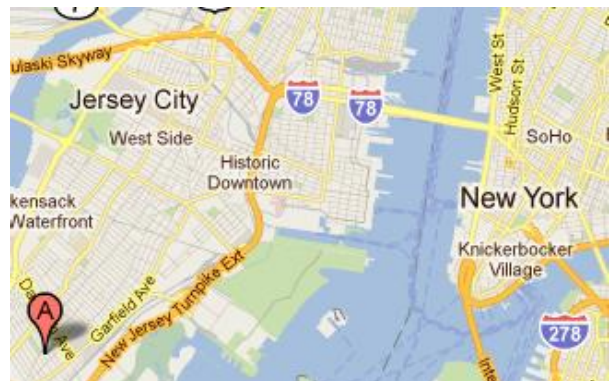
KEY STATISTICS:

Acquisition Date:	23 Aug 2011
Total Acquisition Cost:	US\$116,345
Est. Monthly Rents:	
- Apt 1	US\$1,200
- Apt 2	US\$1,250
Est. Annual Net Yield:	14.8%

OTHER COMMENTS:

- Less than ½ mile from Columbia, Ferns, McGovern and Mercer County Parks
- Less than ½ mile from 7 schools
- Walk Score®: 83

LOCATION:



ADDRESS: 69 BELMONT AVE, JERSEY CITY, NJ 07304

REGION: GREENVILLE



PROPERTY DESCRIPTION:

- 2-family attached duplex
- Apt. 1: 2 bed/1 bath
- Apt. 2: 5 bed/2 bath
- Fully tiled bathrooms
- Ceramic tiled kitchens
- Approximate land size 204m²

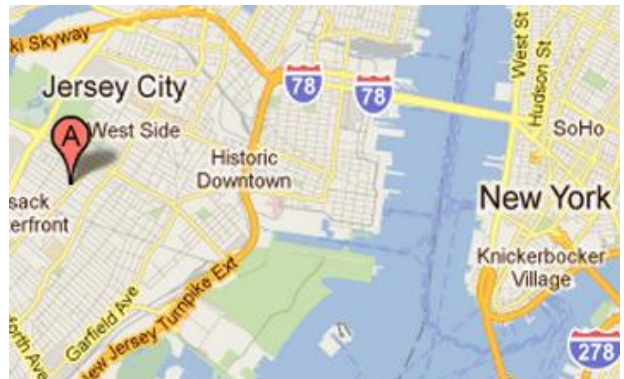
KEY STATISTICS:

Acquisition Date:	26 Aug 2011
Total Acquisition Cost:	US\$208,399
Est. Monthly Rents:	
- Apt 1	US\$950
- Apt 2	US\$1,400
Est. Annual Net Yield:	8.3%

OTHER COMMENTS:

- Walking distance to McGinley Square
- Less than ½ mile to 8 schools
- Less than 1 mile to Hudson-Bergen light rail
- Easy access to Journal Square and New York City
- Walk Score®: 88

LOCATION:



ADDRESS: 181 NEW YORK AVE, JERSEY CITY, NJ 07307

REGION: HEIGHTS



PROPERTY DESCRIPTION:

- 2-family attached duplex
- Apt. 1: 2 bed/1 bath
- Apt. 2: 4bed/1 bath
- Hardwood floors
- Stainless steel appliances
- Approximate land size 232m²

KEY STATISTICS:

Acquisition Date:	30 Aug 2011
Total Acquisition Cost:	US\$254,277
Est. Monthly Rents:	
- Apt 1	US\$1,300
- Apt 2	US\$1,700
Est. Annual Net Yield:	8.1%

OTHER COMMENTS:

- Less than ½ mile from 6 schools
- Less than ¼ mile from Hudson-Bergen light rail
- Less than ½ mile from 4 parks
- Walk Score®: 86

LOCATION:

