

**US Masters Residential Property Fund
(ARSN 150 256 161) (AFSL 231 143)**

**Dixon Advisory & Superannuation Services Limited
(ACN 103 071 665)
as responsible entity for the Fund**

Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (**Supplementary PDS**) intended to be read with the original PDS dated 24 October 2011 (**PDS**) relating to the offer of Units to raise up to \$140,000,000.

This Supplementary PDS is dated 8 November 2011 and was lodged with the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 1013H of the Corporations Act 2001 on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary PDS.

Pursuant to Section 1014C of the Corporations Act, the information set out below is taken to be included in the PDS. Terms defined in the PDS have the same meaning in this Supplementary PDS except where otherwise defined in this Supplementary PDS.

Important Information

This Supplementary PDS contains important information for you as a prospective investor in the Fund and requires your immediate attention. It is an important document and should be read together with the PDS prior to investing in the Fund.

An application has been made for the Units to be issued under the Offer to be quoted on the NSX. The fact that the Units may be quoted on the NSX is not to be taken as an indication of the merits of the Fund or the Units. If granted, quotation will commence as soon as practicable after holding statements are dispatched.

The PDS and Supplementary PDS have been prepared without taking account of your investment objectives, financial situation or needs. You should assess whether or not the Fund is appropriate for you and if you have any doubt as to the course of action you should take you should consult your financial adviser before making any investment decision.

Unless otherwise indicated references to \$ are references to the lawful currency of Australia.

If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

1. Minimum Distribution

The Responsible Entity intends to make minimum distributions equivalent to \$0.10 per Unit (**Minimum Distribution**) in respect of the calendar year ending 31 December 2012 (**Minimum Distribution Period**). This represents a 6.25% distribution yield on the initial public offer price of \$1.60 per Unit in the Minimum Distribution Period. For applicants under the PDS, the distribution as a percentage of the issue price will depend on the price at which Units are issued to applicants.

The Responsible Entity will also offer Unitholders the opportunity to participate in a Distribution Reinvestment Plan for the Minimum Distribution. The terms of the Distribution Reinvestment Plan, including the issue price under the plan, will be announced to the market during the course of calendar year 2012.

Until the Fund is fully invested, operating income will be principally derived from interest earned on cash deposits and cash equivalents and rental income received on properties acquired. As at 31 October 2011, the Fund has secured commitments to acquire 161 residential properties with a total upfront acquisition cost of US\$31.2 million (before fees to the Responsible Entity). See Section 2 for details. It is anticipated that funds raised under the PDS as well as existing cash will be invested within 12 months although it may take up to 24 months to identify the most attractive opportunities for investment. In view of this and the fact that interest rates are below the anticipated annualised rental yields, the Responsible Entity considers it appropriate to provide some certainty to investors regarding the payment of distributions in this investment phase.

Payment of the Minimum Distribution will be funded from operating income of the Fund and, to the extent there is insufficient operating income, from funds raised through the issue of additional Units under the Distribution Reinvestment Plan and distribution of capital. The income tax consequences of the Minimum Distribution for an investor in the Fund will depend on the characterisation of the distribution. See the Australian taxation opinion in Section 11.1 of the PDS for details of the tax consequences of a distribution of capital rather than net income on a unitholder who is an Australian resident for income tax purposes.

The Responsible Entity does not guarantee that the Fund will generate sufficient operating income to fund the Minimum Distribution. As a result, the Fund will ensure that minimum Australian dollar cash balances are held to fund the Minimum Distribution.

As the majority of the underlying assets of the Fund are currently, and are expected to continue to be denominated in US\$, the A\$ value of operating income and the extent to which any shortfall in operating income will be funded from distributions of capital will depend on the A\$/US\$ exchange rate.

Following the Minimum Distribution Period, in accordance with the policy outlined in the PDS, the Responsible Entity intends to distribute 100% of its operating income (which excludes unrealised gains and losses) and will consider distributing greater amounts. See Section 6.14 of the PDS for details. As a result, distributions beyond the Minimum Distribution Period may be higher or lower than those made during the Minimum Distribution Period.

2. Purchasing update

Since listing on NSX in June 2011, the Fund has been actively acquiring multi-family residential property in the New York metropolitan area. As at 31 October 2011, the Fund (through the US REIT) had successfully secured commitments (including closed properties and conditional contracts) to purchase 161 residential properties with a total upfront acquisition cost of US\$31.2 million (before fees to the Responsible Entity). This represents an increase of US\$6.9 million on the commitments secured by the Fund as at 3 October 2011 disclosed in the PDS.

Based on the pre-purchase due diligence undertaken and actual yields achieved on properties already acquired by the Fund, it is estimated that these 161 properties will achieve annualised net yields generally ranging from 8% to 12%. This does not necessarily reflect the distribution yield an investor is likely to receive on their investment.

The table below summarises the 55 residential properties successfully acquired as at 31 October 2011. To acquire the properties set out in the below table, the Fund incurred total upfront acquisition costs of US\$11.2 million (before fees to the Responsible Entity). Properties numbered 35 to 55

represent properties acquired subsequent to the date of the table provided in the Section 6.2 of the PDS.

Table 1: Successful Property Acquisitions Closed by the US REIT as at 31 October 2011

	Address	Date settled	Number of units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
1	203 Virginia Ave, Jersey City	13-Jul-11	2	250,000	4,207	254,207
2	363 Claremont Ave, Jersey City	14-Jul-11	2	165,000	4,086	169,086
3	120 Orient Ave, Jersey City	19-Jul-11	2	175,000	3,830	178,830
4	53 Conduct St, Jersey City	20-Jul-11	2	250,000	4,172	254,172
5	146 Stevens Ave, Jersey City	22-Jul-11	2	184,000	3,971	187,971
6	207 Fulton Ave, Jersey City	29-Jul-11	2	128,800	3,923	132,723
7	133 Boyd Ave, Jersey City	3-Aug-11	2	230,000	4,318	234,318
8	109 Claremont Ave, Jersey City	5-Aug-11	3	241,000	4,456	245,456
9	66 Gardner Ave, Jersey City	5-Aug-11	3	235,000	4,112	239,112
10	2A Dwight St, Jersey City	12-Aug-11	1	115,000	3,743	118,743
11	76 Boyd Ave, Jersey City	18-Aug-11	2	240,000	3,537	243,537
12	198 Bergen Ave, Jersey City	22-Aug-11	3	242,000	3,650	245,650
13	42 Bartholdi Ave, Jersey City	23-Aug-11	2	114,000	2,345	116,345
14	69 Belmont Ave, Jersey City	26-Aug-11	2	205,000	3,399	208,399
15	181 New York Ave, Jersey City	30-Aug-11	2	250,000	4,277	254,277
16	349 Ege Ave, Jersey City	6-Sep-11	2	188,000	3,932	191,932
17	314 Armstrong Ave, Jersey City	6-Sep-11	2	175,000	3,875	178,875
18	278 Winfield Ave, Jersey City	7-Sep-11	2	235,000	4,362	239,362
19	114 Clendenny Ave, Jersey City	7-Sep-11	2	228,000	4,165	232,165
20	42.5 Jewett Ave, Jersey City	9-Sep-11	2	167,000	3,494	170,494
21	66 Bidwell Ave, Jersey City	9-Sep-11	2	217,000	4,096	221,096
22	98 Clendenny Ave, Jersey City	9-Sep-11	2	192,000	3,942	195,942
23	202 Delaware Ave, Jersey City	12-Sep-11	2	125,000	3,873	128,873
24	112.5 Orient Ave, Jersey City	16-Sep-11	2	112,000	3,956	115,956
25	111 Winfield, Jersey City	16-Sep-11	2	162,000	3,974	165,974
26	89 Bostwick Ave, Jersey City	20-Sep-11	4	235,000	3,892	238,892
27	136A Clendenny Ave, Jersey City	20-Sep-11	2	225,000	3,363	228,363
28	211 Myrtle Ave, Jersey City	22-Sep-11	2	165,000	4,116	169,116
29	73 Warner Ave, Jersey City	26-Sep-11	2	185,000	3,345	188,345
30	268 Bergen Ave, Jersey City	27-Sep-11	2	184,900	4,290	189,190
31	185 Wegman Pkwy, Jersey City	30-Sep-11	3	218,000	4,995	222,995
32	17 Bergen Ave, Jersey City	30-Sep-11	2	155,000	4,289	159,289
33	16 Weldon St, Jersey City	30-Sep-11	4	199,000	5,450	204,450
34	65 Lexington Ave, Jersey City	3-Oct-11	2	250,000	6,041	256,041
35	167 Clinton Ave, Jersey City	5-Oct-11	2	235,000	5,590	240,590
36	150 Myrtle Ave, Jersey City	7-Oct-11	2	175,000	5,774	180,774
37	193 Dwight St, Jersey City	7-Oct-11	2	165,000	5,398	170,398

	Address	Date settled	Number of units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
38	26 Emory St, Jersey City	7-Oct-11	2	222,000	4,116	226,116
39	1532 Kennedy Blvd, Jersey City	7-Oct-11	2	225,000	6,093	231,093
40	121 Palisdale Ave, Jersey City	7-Oct-11	3	350,000	4,917	354,917
41	9 Bidwell Ave, Jersey City	7-Oct-11	3	195,000	5,334	200,334
42	130 Orient Ave, Jersey City	13-Oct-11	2	150,000	4,904	154,904
43	31 Van Nostrand Ave, Jersey City	13-Oct-11	2	170,000	5,271	175,271
44	203 Freeman Ave, Jersey City	14-Oct-11	2	195,000	5,685	200,685
45	226 Grant Ave, Jersey City	14-Oct-11	2	172,000	5,250	177,250
46	35 Rose Ave, Jersey City	18-Oct-11	2	170,000	5,085	175,085
47	136 Deklab Ave, Jersey City	18-Oct-11	2	262,500	6,331	268,831
48	10 Dwight St, Jersey City	20-Oct-11	2	150,000	5,278	155,278
49	6 Vreeland Terrace, Jersey City	21-Oct-11	2	135,000	4,975	139,975
50	60 Dwight St, Jersey City	24-Oct-11	2	159,000	4,853	163,853
51	479 Bergen Ave, Jersey City	27-Oct-11	2	190,000	5,867	195,867
52	366 Forrest St, Jersey City	28-Oct-11	4	215,000	6,914	221,914
53	213 Myrtle Ave, Jersey City	28-Oct-11	2	115,000	5,328	120,328
54	350 Danforth Ave, Jersey City	31-Oct-11	4	390,000	7,106	397,106
55	47 Audubon Ave, Jersey City	31-Oct-11	2	245,000	5,966	250,966
Total			123	10,928,200	253,514	11,181,714

Note: Closing costs include attorney fees, title charges, survey costs, government recording and transfer charges and bulk sale compliance fees.

In addition to the properties in the above table, 106 properties are subject to conditional contracts. There is no guarantee that the properties the subject of conditional contracts will be successfully acquired by the Fund. The Responsible Entity estimates that the properties subject to conditional contracts will, if completed, have a total upfront acquisition cost of US\$20.0 million (before fees to the Responsible Entity).

Further details on each property the Fund acquires are available to Unitholders via the monthly purchasing update released by the Fund to NSX, on or around the 15th day of each month.

3. Staffing update

The Responsible Entity has continued to enhance its local presence, recently adding several highly experienced and qualified finance and real estate professionals to its team based in Exchange Place, Jersey City.

(a) Purchasing

Ms Idelis Carrion has joined as Legal Assistant, working closely with Mr Gerald Lucas and Ms Lisa Gozza and providing support for all legal aspects of the property execution process. Ms Carrion has over 10 years experience in closing property transactions.

(b) Leasing and property management

Mr Ezequiel Ortiz has joined as Construction Project Manager, reporting to Mr Desi Barrios, and will focus on the management and co-ordination of the Fund's construction projects and repair works. Prior to taking this role, Mr Ortiz was principal of Atlas Real Estate Company, in charge of property management and development management for all properties acquired in Jersey City by Atlas. Mr Ortiz possesses a New Jersey Real Estate broker's and sales person license.

Atanasio Seferlis has joined as Construction Project Manager, reporting to Mr Desi Barrios, and will focus on the management and co-ordination of the Fund's various construction projects and repair works. Prior to taking this role, Mr Seferlis was a commercial real estate property manager for Levin Management Corporation and was responsible for overseeing inspection, maintenance and repair works to 8 shopping centres in New Jersey and Pennsylvania. Mr Seferlis has also previously been active in acquiring, renovating and selling multi-family residential properties in the New York metropolitan area and is an experienced tradesman.

(c) Finance and operations

Mr Adam Davis has joined the team as Director – Capital Markets. Mr Davis is an Australian currently living in the US and will have a primary focus on growing the Fund including securing debt financing for the US REIT. Mr Davis brings to this role extensive experience in property development and investment, in particular negotiating and structuring real estate debt and equity finance. Prior to taking this role, Mr Davis was most recently the Acquisition Manager for Grocon USA, the US arm of Australia's largest private development and construction firm. Before relocating to the US, Mr Davis was a Senior Manager with Gersh Investment Partners which focussed on joint venture investing and funding of property developments across all property asset classes in Australia. Mr Davis commenced his career at Ernst & Young and is a qualified Chartered Accountant in Australia. Mr Davis has a Masters of Science majoring in real estate finance and investment from New York University as well as a Bachelor of Commerce from Monash University.

Mr Phillip Lois has been named Chief Financial Officer and will have primary responsibility for all the finance functions within the business and ensuring that the Fund's financial controls, reporting and management processes are of the highest standard. Mr Lois joined Dixon Advisory in 2010 and has been working in the Funds Management and Property Advisory businesses since that time. Mr Lois played a key role in the execution of the Fund's initial public offering and has been heavily involved in the ongoing management of the Fund. Mr Lois will be relocating to work full time out of the Exchange Place office and will focus solely on the Fund. Prior to joining Dixon Advisory, Mr Lois was an investment banker at UBS AG in the natural resources sector, where he worked with many of Australia's and the world's leading natural resources companies, advising and executing on mergers and acquisitions and capital markets transactions. Mr Lois has a Bachelor of Commerce majoring in accounting and finance and Bachelor of Chemical Engineering from the University of Sydney.

Mr Michael Daw, Chief Operating Officer, has informed the Responsible Entity that he intends to step down from the Fund effective at the end of the calendar year 2011. Mr Daw was a founding executive of the Fund, being involved with the Fund since its inception and initial public offering. Mr Daw has contributed significant efforts to establishing and growing the Fund over that time and all members of the Responsible Entity wish to thank him for his hard work and dedication to the Fund. Mr Daw's responsibilities will be jointly assumed by Mr Phillip Lois, Chief Financial Officer, and Ms Maureen Lauster, Financial Controller.

4. Additional Information

4.1 Consent to be named

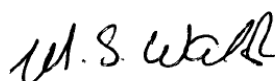
Each of Idelis Carrion, Ezequiel Ortiz, Atanasio Seferlis, Adam Davis, Phillip Lois and Michael Daw have given, and have not withdrawn as at the date of this Supplementary PDS, their consent to being named in this Supplementary PDS in the form and the context in which they are named. None of Idelis Carrion, Zeke Ortis, Atanasio Seferlis, Adam Davis, Phillip Lois or Michael Daw makes any statements in, or takes any responsibility for, any parts of the Supplementary PDS.

4.2 Directors' Authorisation

Each director of the Responsible Entity has given and has not, as at the date of this Supplementary PDS, withdrawn their consent to the content and lodgement of this Supplementary PDS with ASIC.



Daryl Dixon
Dixon Advisory & Superannuation Services Limited



Max Walsh
Dixon Advisory & Superannuation Services Limited