

16 May 2012

US Masters Residential Property Fund seeking to raise up to an additional \$100 million to fund growth

US Masters Residential Property Fund (NSX code: URF) is embarking on a new phase of growth at a time when market conditions for investing in US residential property remains attractive. To capitalise on this opportunity, the Fund has opened an Offer to raise up to an additional US\$50 million, with the right to receive oversubscriptions for a further \$50 million. Since its initial public offer in June 2011, the Fund had successfully secured property investments with total acquisition costs of US\$76.1 million (including closed properties and properties under conditional contracts). This represents 930 units, comprising US\$50.5 million of freestanding houses across 231 properties and a 67.5% interest in US\$38 million of multi-dwelling residences across 13 apartment complexes totalling 398 units through an exclusive joint venture. The Fund has acquired its overall portfolio at what it believes to be highly attractive valuations, with the average free standing house purchased for US\$219,000 or US\$95,000 per unit, and the average apartment unit acquired for US\$95,000. The properties are all located in Hudson County within close proximity to public transportation networks providing easy access to Manhattan and various public amenities.

Mr Alan Dixon, Managing Director of the Fund's Responsible Entity and Investment Manager, Dixon Advisory & Superannuation Services Ltd, said:

"Current conditions present a highly attractive opportunity to gain exposure to select US residential property markets especially at a time when property prices are at cyclical lows, rental demand remains strong and rents are increasing. This is particularly the case in the New York metropolitan area, where the Fund is initially targeting with a specific focus in Hudson County, New Jersey."

"Our Fund is the only Australian listed property trust with a primary strategy of investing in US residential property. Given the expertise that we have established and the success achieved to date, we believe this is an attractive opportunity for Australian investors."

To access greater broker coverage the Fund will apply for admission to the Official List of the Australian Securities Exchange (ASX). The ASX has given in principle waivers that would allow the Fund to achieve listing on the ASX. The Fund is confident that it will be granted admission to the ASX Official List and expects trading of new Units to commence on 20 July 2012.

The Fund expects to pay semi annual distributions to Unitholders and of a minimum 10c-per-unit for the calendar year ending 31 December 2012.

About the Capital Raising

Indicative Timetable

PDS date	15 May 2012
Offer closing date	12 June 2012
Offer allotment date	26 June 2012
Trading of units to commence	20 July 2012

Key Offer Details

Minimum application amount	\$2,000
Maximum value of units available (if no over-subscriptions are taken up)	\$50 million
Maximum value of units available (if all over-subscriptions are taken up)	\$100 million
Indicative Application price per unit ¹	\$1.63

Note 1. Assuming A\$/US\$ exchange rate does not vary from the opening date to 1 Business Day prior to Allotment Date. As at the date of the PDS the A\$/US\$ exchange rate was 0.997. (Source: Bloomberg based on the prior New York 5pm close).

About US Master Residential Property Fund

The Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises multi-family properties in the New York metropolitan area. The fund is managed by Dixon Advisory & Superannuation Services Ltd, which assists more than 15,000 Australian families by providing a comprehensive suite of services including financial advice, SMSF establishment and administration, investment advice, estate planning, property advisory, insurance services and funds management.

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