

12 November 2012

Turning point in US property market sparks new capital raising for US Masters Residential Property Fund

Amid an improvement in the US residential property market and growing confidence in the market by US institutional investors, the US Masters Residential Property Fund (ASX code: URF) (**Fund**) has embarked on a new phase of growth.

The Fund has opened an offer to raise up to an additional \$40 million, with the right to receive oversubscriptions for a further \$40 million.

Since the initial public offer in June 2011, the Fund has successfully secured a US\$165.4 million portfolio of properties comprising 430 freestanding houses and 15 multi-dwelling apartment complexes through two joint ventures. The properties are located in the New York metropolitan area, particularly Hudson County, New Jersey, and Brooklyn and Harlem, New York.

Alan Dixon, Managing Director of the Fund's Responsible Entity and Investment Manager, Dixon Advisory & Superannuation Services Limited, said that with the US residential property market at an important turning point and the strong Australian dollar, the time was right to grow the Fund further.

"Having recognised the opportunity presented by attractive property valuations, long-term returns, including long-term capital growth and attractive rental yields, and the strong Australian dollar, we are proud to have been an early mover in this market," Mr Dixon said.

"And now with signs of a recovery in US housing prices, we're in a leading position to take advantage of that recovery."

"When you hear reports that private equity giant Blackstone Group has spent more than US\$1 billion this year alone on foreclosed homes, and there is also big demand from other big private equity firms, it's confirmation that we're presenting an exciting opportunity for Australian investors and that there's plenty of scope to develop the Fund."

The Fund's portfolio currently consists of 1,476 units (individual dwellings) comprised of:

- US\$129.6 million of freestanding houses across 430 one-to-four family properties totalling 948 units
- a 67.5% interest in a joint venture with US\$37.8 million of multi-dwelling residences across 13 apartment complexes totalling 400 units
- a 90% interest in a second joint venture with US\$11.4 million of multi-dwelling residences across two apartment complexes totalling 128 units

Using quantitative modelling and local expertise, representatives of the Investment Manager of the Fund have inspected and evaluated more than 1,500 properties to secure 430 properties that meet the Fund's strict investment criteria. Key to the success of the Fund's property portfolio is the Investment Manager's operating business of 38 full-time real estate

professionals based in Exchange Place, New Jersey, who provide property evaluation and sourcing, construction, property management and leasing as well as legal, financial and administrative services. The Investment Manager's processes, technology and infrastructure are fully scalable and capable of rapidly expanding the portfolio to manage over 1,000 properties with very few additional resource requirements.

The Fund's Responsible Entity intends to make a \$0.10 per unit minimum distribution for both calendar years ending 31 December 2012 and 2013.

About the Capital Raising

Indicative Timetable

Opening Date	12 November 2012
Offer Closing Date	6 December 2012
Announcement of Offer Price	10 December 2012
Offer Allotment Date	11 December 2012

(Note: The dates are indicative only and may vary, subject to the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth).)

Key Offer Details

Minimum Application amount	\$2,000
Offer size (if no oversubscriptions are taken up)	\$40,000,000
Maximum Offer size (if all oversubscriptions are taken up, up to a maximum of 52,349,290 Units)	\$80,000,000

(Note: The Application Price for Units under the Offer will be the Volume Weighted Average Price (**VWAP**) per Unit sold on the ASX over the 10 trading days immediately prior to the Allotment Date. If calculated by reference to the VWAP per Unit sold on the ASX over the 10 trading days immediately prior to the date of this announcement, the application price would be \$1.57. The last reported net asset value of units was \$1.44 as at 2 November 2012, reported to the market through the ASX on 7 November 2012.)

About US Masters Residential Property Fund

The Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. It is focussed on giving investors a unique opportunity to gain exposure to a diversified, high quality portfolio of US-based residential property assets, providing attractive rental yields and potential for long-term capital growth. Its portfolio comprises 1-4 family properties and apartment complexes in the New York metropolitan area. The Fund is managed by Dixon Advisory & Superannuation Services Limited, one of Australia's leading independently owned financial advisory firms assisting more than 15,000 Australian families by providing a suite of services including SMSF accounting and administration, investment advice, financial advice, estate planning, property advisory, insurance services and funds management.

Media enquiries

Alan Deans, Last Word Corporate Communications 0427 490 992
 Mark Furness, Last Word Corporate Communications 0419 275 504
 Alex MacLachlan, Dixon Advisory 0402 274 074
 Alan Dixon, Dixon Advisory 0409 822 451