

US MASTERS RESIDENTIAL PROPERTY FUND
ABN 27 372 102 509

APPENDIX 4D – HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2013

(The previous corresponding period is the period from 1 January 2012 to 30 June 2012)

Results for announcement to the market

	Change from Previous period (\$)	Change from Previous period (%)	Half-year to 30 June 2013	Half-year to 30 June 2012
Revenue from ordinary activities	Up \$2,924,911	Up 148%	\$4,905,044	\$1,980,133
Profit/(loss) from ordinary activities before tax attributable to unitholders	Up \$14,574,826	Up 750%	\$12,630,841	(\$1,943,985)
Profit/(loss) from ordinary activities after tax attributable to unitholders	Up \$7,395,725	Up 350%	\$5,283,833	(\$2,111,892)
Net profit/(loss) for the period attributable to unitholders	Up \$7,395,725	Up 350%	\$5,283,833	(\$2,111,892)
Basic earnings/(loss) per Unit	Up 6 cents	Up 200%	3 cents	(3 cents)
Diluted earnings/(loss) per Unit	Up 6 cents	Up 200%	3 cents	(3 cents)

During the period, the Fund declared a distribution of 5 cents per share, which amounted to a total of \$10,390,892. The Record Date for determining entitlements to the distribution was 28 June 2013. The distribution is expected to be paid on 25 September 2013.

The Fund currently operates a Distribution Reinvestment Plan (DRP) under which Unitholders may elect to have all, or part, of their distribution reinvested in new units. To participate in the DRP, Unitholders should elect to participate before the Record Date.

Results for announcement to the market (continued)

Explanation of revenue

Revenue from ordinary activities of \$4,905,044 for the half-year ended 30 June 2013, consists entirely of the Group's investment activities and are made up as follows:

Property income	\$4,392,948
Interest income	\$ 167,801
Insurance proceeds	\$ 281,572
Other income	\$ <u>62,723</u>
Revenue from operating activities	\$4,905,044

	30 June 2013 \$/Unit	31 December 2012 \$/Unit
Net Tangible Assets per security <i>(After unrealised gains and adjustments for tax)</i>	\$1.64	\$1.44

This report is based on the Half-Year Financial Report which has been subject to review by the Auditors.

All documents comprise the information required by Listing Rule 4.2A.

Attachments forming part of Appendix 4D

Attachment 1 – Half-year financial report, including Directors' Report.

Significant features of operating performance

Operations over the half-year resulted in an operating profit after tax of \$5,283,833 (30 June 2012: loss of \$2,111,892). After taking into account the exchange difference on translation of foreign operations and the share of joint venture's reserve movements, the total comprehensive profit after tax was \$42,305,338 (30 June 2012: loss of \$3,371,999).

The Group operates solely in the business of investing in residential real estate assets in the United States of America. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker ("CODM") for the single identified operating segment are the amounts reflected in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

The Responsible Entity, which is the CODM for the purposes of assessing performance and determining the allocation of resources, operates and is domiciled in Australia.

Results for announcement to the market

(continued)

Other factors that affected results in the period or which are likely to affect results in the future

The principal activity of the Group during the course of the financial period was investing in the US residential property market. During the period, the Group expanded its target investment area to include Manhattan and Brooklyn. At balance date, the Group owned 10 properties in Manhattan (with a total cost of US\$25,244,117 (A\$27,625,429) including direct acquisition costs) and 40 properties in Brooklyn (with a total cost of US\$47,587,671 (A\$52,076,681) including direct acquisition costs). There were no significant changes in the nature of the Group's activities during the period.



Tristan O'Connell
Director
28 August 2013