

2 December 2014

US Masters Residential Property Fund
ASX Code: URF

URF announces URF Notes to be listed on ASX

Dixon Advisory & Superannuation Services Limited (**Responsible Entity**), as responsible entity for the US Masters Residential Property Fund (the **Fund** or **URF**), the only listed REIT investing exclusively in New York metropolitan area residential housing, is pleased to announce the lodgement of a prospectus with the Australian Securities & Investments Commission (ASIC) for an offer of unsecured notes (URF Notes).

The URF Notes carry a fixed annual interest rate of 7.75% per annum, payable quarterly, and have a maturity of five years.

The offer is for a minimum of \$50 million and up to \$100 million with the ability to accept oversubscriptions of up to \$50 million (**Offer**). A priority offer of a minimum of \$50 million is being made to Applicants who are Unitholders in URF at 7:00pm on the Closing Date of the URF Notes Offer. The Responsible Entity will apply for URF Notes to be listed on the ASX.

Alan Dixon, Managing Director and CEO, Dixon Advisory USA, said the launch of URF Notes comes at an exciting time for the Fund after the success of the busy Northern Hemisphere summer leasing season. "Since we launched the Fund in mid-2011, we have successfully executed on our strategy of investing in undervalued neighbourhoods that are experiencing rapid growth and gentrification, and we have now built an unmatched portfolio of high quality New York metropolitan area residential housing, with 2,050 housing units across the target investment area."

Proceeds of the issue of URF Notes are primarily intended to be invested in the renovation of the Fund's portfolio assets and for working capital purposes.

"The URF Notes will allow us to continue to invest in the portfolio while helping us to diversify and optimise our financing structure. We have an exceptional pipeline of renovations in the portfolio, where our award winning Architectural Design and Project Management teams can create significant value, and we continue to find attractive opportunities to acquire properties at or below replacement cost," said Mr. Dixon.

About URF Notes

URF Notes are unsecured debt obligations that rank behind secured debt and alongside other unsecured creditors of the Fund.

URF Notes provide investors with quarterly interest payments of 7.75% per annum. Interest payments are mandatory with the first interest payment scheduled for 31 March 2015.

URF Notes mature 5 years from the issue date, however may be redeemed by the issuer, from the 3rd anniversary of issue.

As URF intends that URF Notes will be listed on the ASX, investors will generally be able to buy and sell URF Notes on the ASX.



About the Offer

The Offer is scheduled to open on 10 December 2014 and the anticipated Closing Date of the Offer is 17 December 2014. The Responsible Entity will provide a minimum priority allocation of URF Notes to existing Unitholders of URF, on the Closing Date, of \$50 million.

The Responsible Entity reserves the right to close the Offer early and to scale back applications at its sole discretion.

The minimum investment in URF Notes is \$2,000 (20 URF Notes) and thereafter in multiples of \$500 (5 URF Notes).

Investors should read the Prospectus in full before deciding whether to invest in URF Notes. The full terms of URF Notes are provided in Annexure A of the Prospectus. Anyone wishing to invest in URF Notes will need to complete the Application Form attached to or accompanying the Prospectus.

For further information contact:
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The US Masters Residential Property Fund was the first Australian listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.