



**US Masters
Residential
Property Fund**



US MASTERS RESIDENTIAL PROPERTY FUND UPDATE

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The big picture



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How did an Australian advisory firm land here?

Global outlook

Five years of falls

Overwhelming rental demand

No over development in NY



There is virtually no institutional competition in the New York metro townhouse rental market



Factors in investment strategy

- Solid economic base
- Deep, well-established housing stock
- Global compression of interest rates
- Defensive nature of asset class
- Global trend of foreigners investing in NYC real estate



Compelling fundamentals

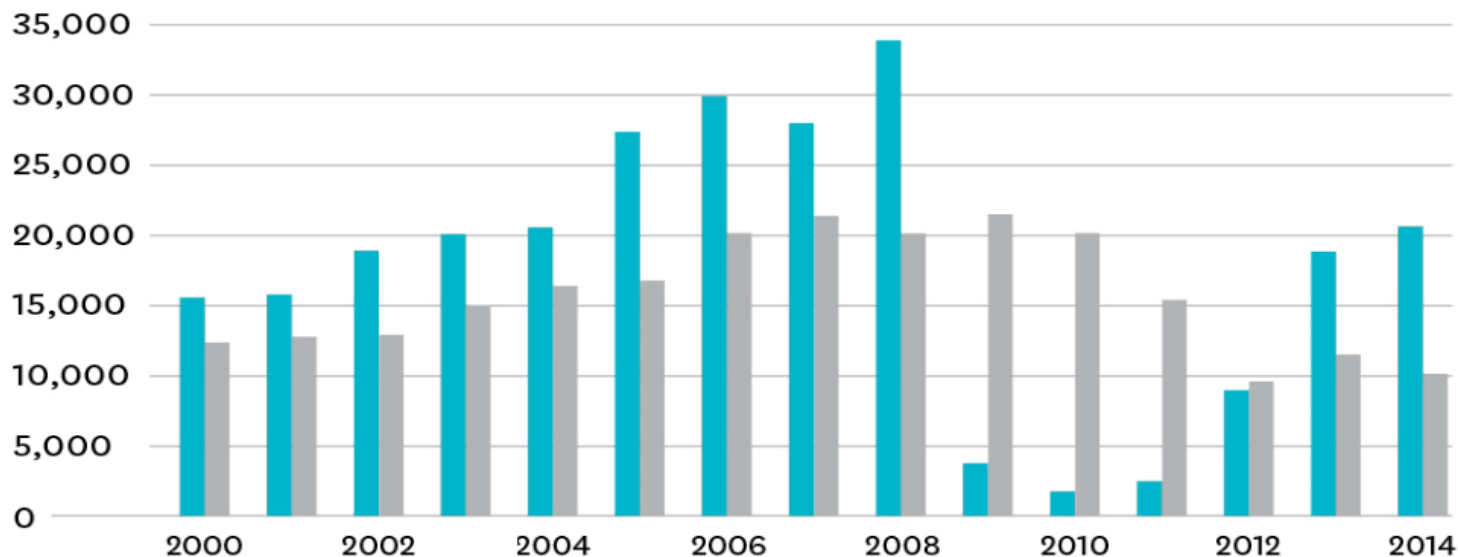
- Fastest growing US city, added as many people since 2010 as previous 10 years
- GDP (~\$1.3tn), almost equivalent to Australia
- Ranked most important global city in the world by Knight Frank & most competitive city in the world by The Economist
- Creating jobs at record pace, record private sector jobs
- Projected to add 1m people by 2040
- Safest US big city, lowest homicide rate since 1963

Chronically low inventory, improving economy, and unyielding interest from foreign investors will continue to drive property



Identifying opportunity

- Units Authorized by New Residential Building Permits
- Units Issued New Certificates of Occupancy



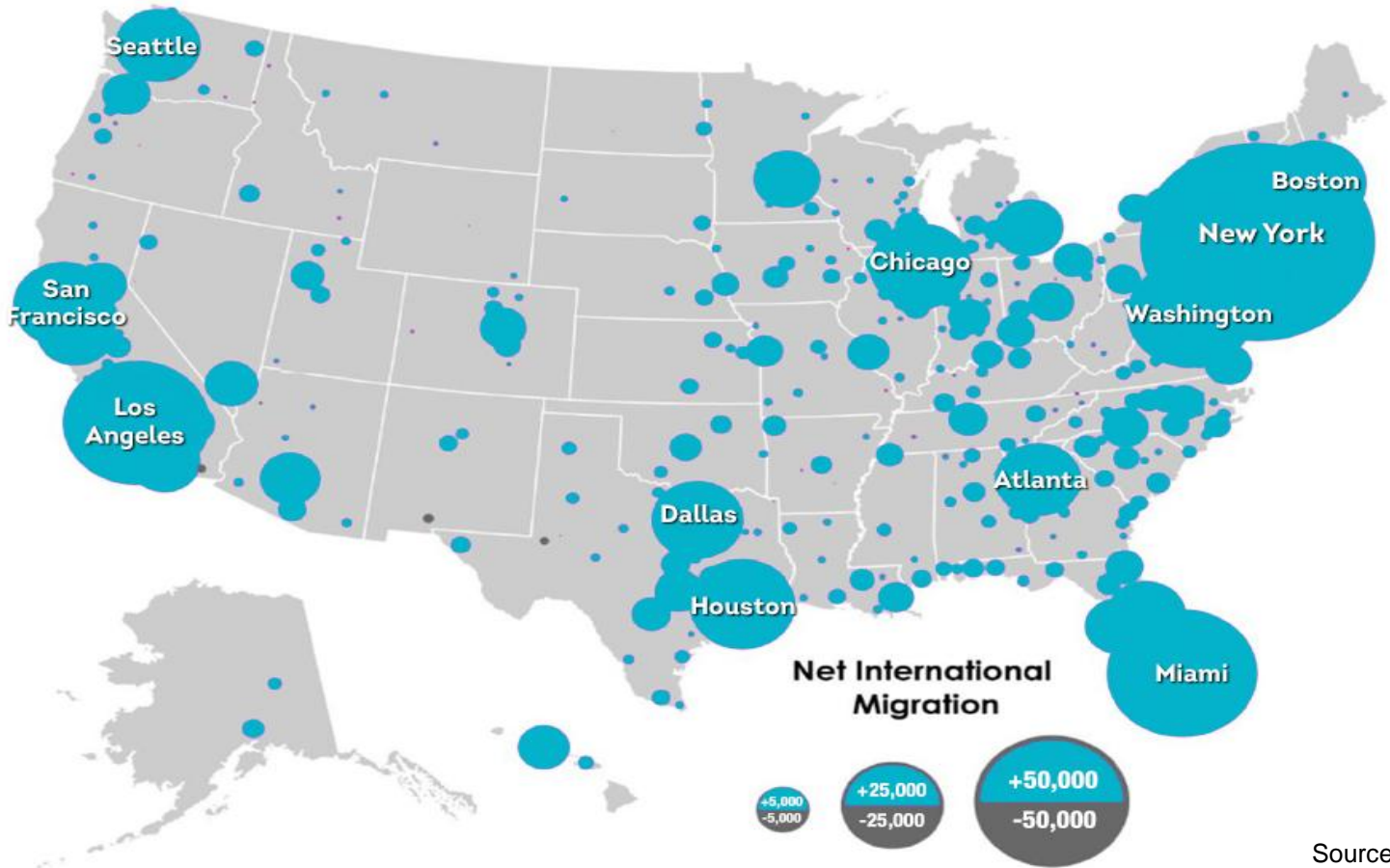
Source: Furman Center

Real estate development in NYC nearly ground to a halt during crisis; while recovering, still historically low



Incoming housing demand

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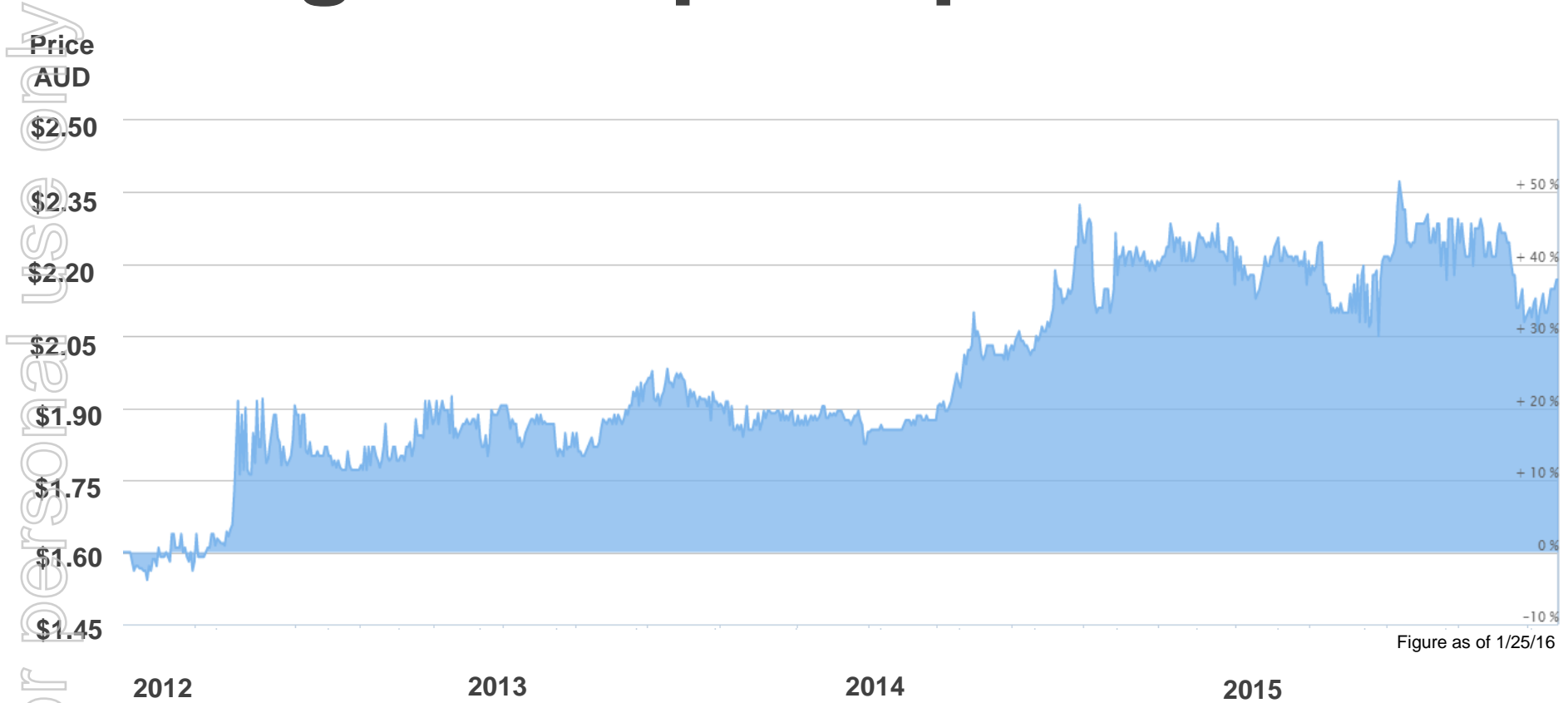


Source: Meyers Research

International migration to major cities in the United States has dramatically increased housing demand



Strong share price performance



Annualised total unitholder returns since inception of ~14%¹

¹ At 3 February 2016 based on URF unit price of \$2.08



Total returns



Annualised total unitholder returns since inception of ~14%¹

¹ At 3 February 2016 based on URF unit price of \$2.08



Investment allocation

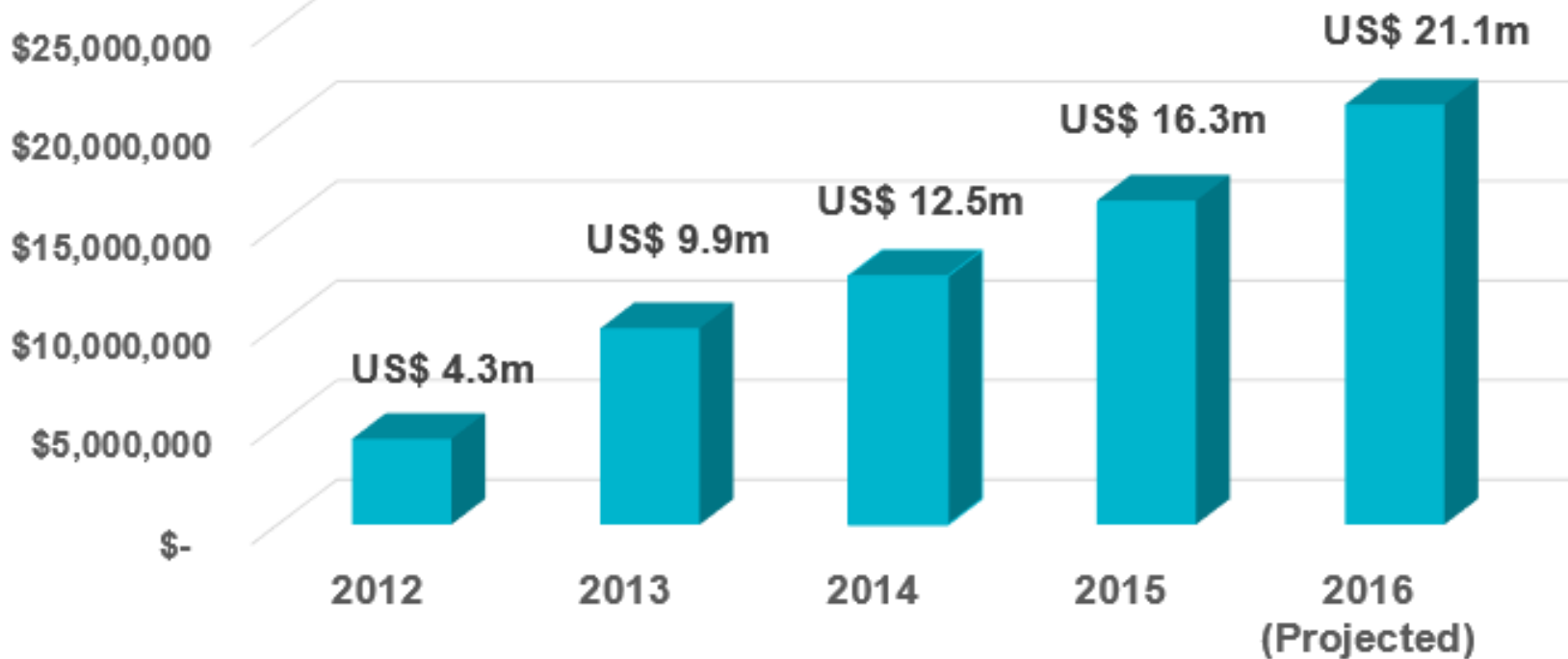
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Area	State	No. of properties	No. of units	Value (US\$m)	% of portfolio
Downtown Jersey City	NJ	93	170	\$149.4	20%
Hoboken	NJ	16	18	\$34.2	5%
Weehawken	NJ	16	26	\$19.3	3%
Hudson County Workforce	NJ	319	645	\$124.1	17%
Brooklyn	NY	94	134	\$222.4	30%
Manhattan	NY	19	27	\$66.5	9%
Queens	NY	8	9	\$12.6	2%
Multi-family	NY/NJ	26	921	\$114.7	15%
TOTAL	NY/NJ	591	1950	\$743.1	100%



Fund Income

Investment Property Rental Income



- 94 properties are currently in the construction pipeline
- The Group expects that upon completion and tenanting, these properties will contribute a further US\$11.4 million per annum of rental revenue



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The rental market



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Why rent?

...for the luxury tenant

20 – 25% down-payment

Early in career

Corporate relocation

Business owner

New to the area

Hassle-free living



There is a deep market for high-end rentals



Record rents in townhomes

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Downtown
Jersey City
US\$13,990



Jersey City
Heights
US\$4,500



Hoboken
US\$11,995



Fort
Greene,
Brooklyn
US\$13,495



Harlem,
Manhattan
US\$14,000



Note: rental amounts are per month



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Evolution of the Fund

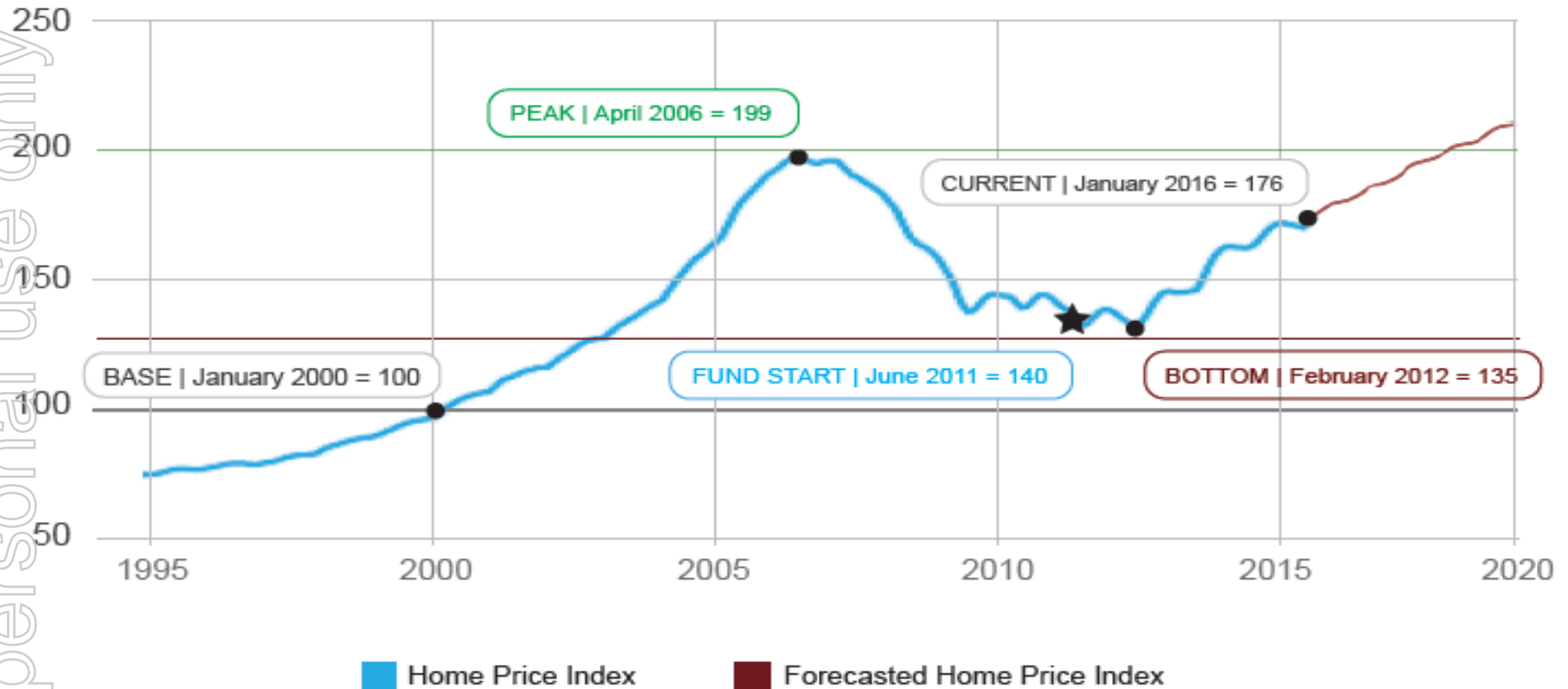


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Home price index timeline

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Source: FindTheBest.com, Inc.

‘HPI’ – a broad measure of the movement of single-family house prices in the United States



Where to start?

Focus on acquisitions

“Never count on making a good sale. Have the purchase price be so attractive that even a mediocre sale gives good results”

- Warren Buffett



First investments

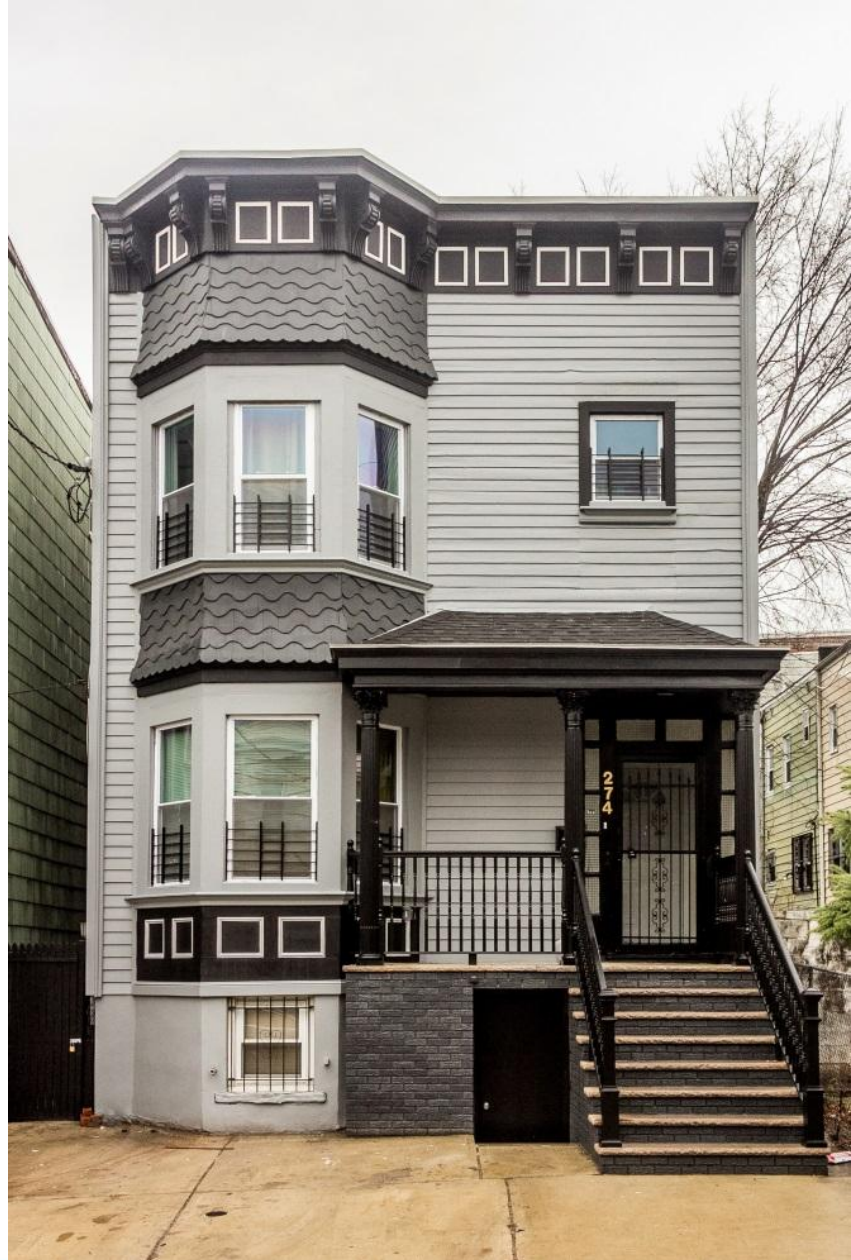
Greenville | Bayonne | West Bergen
| The Heights | Journal Square

Low acquisition costs

Rent quickly

Yield well

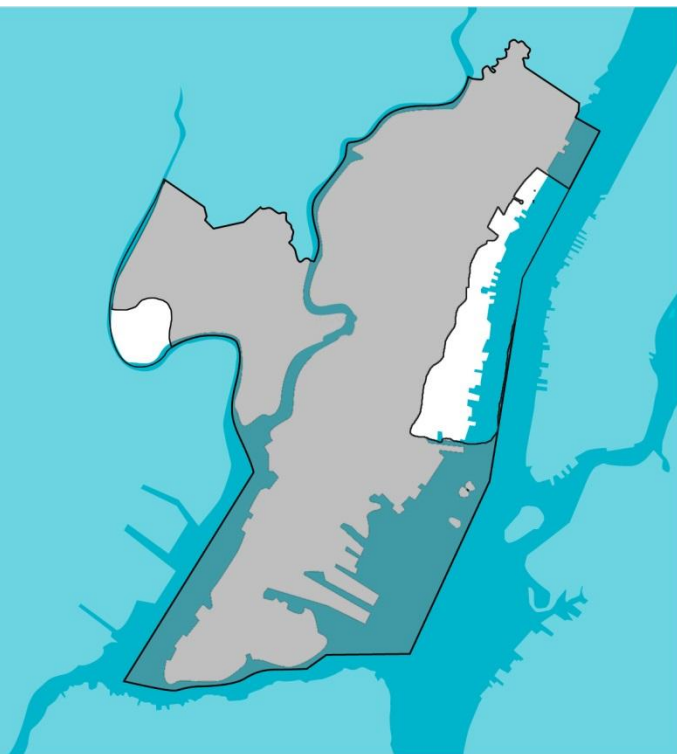
Hudson County workforce



Hudson County workforce portfolio

High-yield properties in gentrifying areas

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Location	Properties	Book value (US\$m)
Greenville	73	\$21.9
Bayonne	57	\$19.5
West Bergen	57	\$19.2
Jersey City Heights	58	\$32.0
Journal Square	34	\$14.6
Other	40	\$16.9
TOTAL	319	\$124.1



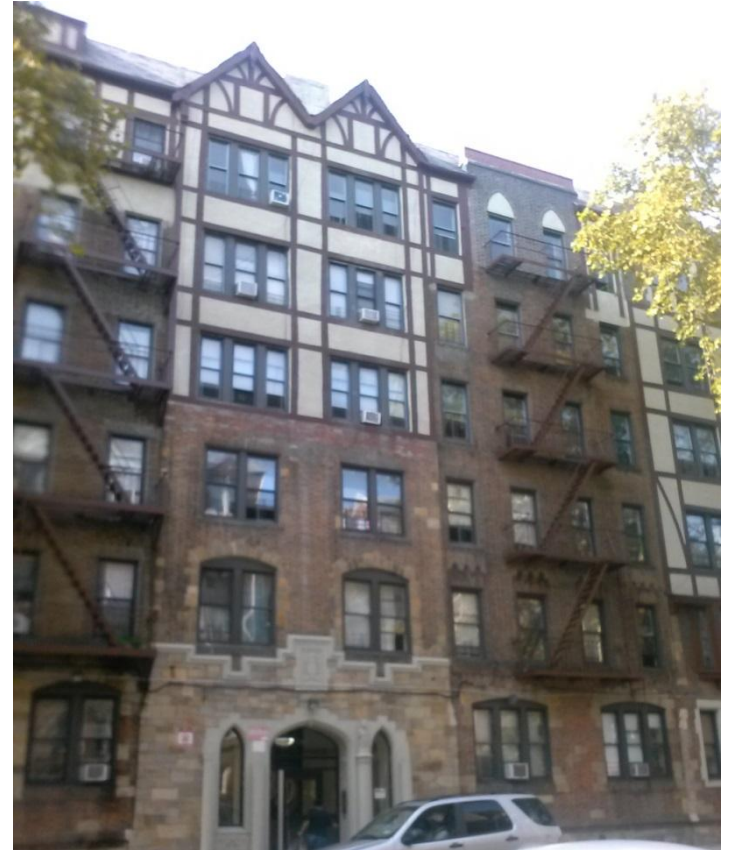
Multi-family joint ventures

Two opportunistic joint ventures

Attractive financing

Expedited use of capital

Immediately cash flowing



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Multi-family portfolio

Additional exposure to Hudson County and BK rental markets

Multi-family portfolio	Buildings	No. of units	Ownership %	Value (US\$m)
Urban American Hudson County	13	400	67.5%	\$33.5
Excelsior Brooklyn	5	194	92.5%	\$45.4
Excelsior Hudson County	8	327	91.5%	\$35.9
TOTAL DIXON EXPOSURE	26	921	82.9%	\$114.7



Transition to premium NJ

Downtown Jersey City | Hoboken | Weehawken

Classic architecture

Exceptional location

Excellent neighborhoods



The Fund's purchasing in Downtown, JC has coincided with the development boom in the area

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Hudson County premium portfolio

Classic architecture in stylish neighborhoods

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Location	Properties	Book value (\$US m)
Downtown JC	93	\$149.4
Hoboken	16	\$34.2
Weehawken	16	\$19.3
TOTAL	125	\$202.8



Crossing the river

Brownstone Brooklyn | Harlem |
Queens | Lower Manhattan

‘Hyper-Gentrification’

Columbia expansion

Opportunistic acquisitions

**“...‘New Brooklyn’ has
become a global brand.”**
– New York Times



New York portfolio

Undervalued assets in rapidly gentrifying neighbourhoods

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Location	Properties	Book value (\$USm)
Brooklyn	94	\$222.4
Manhattan	19	\$66.5
Queens	8	\$12.6
TOTAL	121	\$301.4



Complete lifecycle management

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Proprietary
deal flow
& technology

Premium
design

DUE DILIGENCE,
LEGAL
& CLOSINGS

ARCHITECTURE,
DESIGN
& CONSTRUCTION

LEASING

ACQUISITION &
ANALYSIS

Portfolio Managers
Alan Dixon – CEO, Dixon Advisory USA
Alex MacLachlan – CEO, Funds Management
David Orr – COO, Dixon Advisory USA

PROPERTY
MANAGEMENT

Systems
& controls

ACCOUNTING
& REPORTING

CAPITAL
MARKETS

INSPECTIONS
& SECURITY

Quality
landlord



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Vision for the Fund



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Positive drivers

Accelerating gentrification

Relative valuation/yield
compression

Massive capital flows

**“New York real estate is the new
Swiss bank account.”**
– Andrew Rice, New York Magazine



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Summary

- Fund is uniquely well-placed to capture benefits from improving market
- Portfolio is solid and expanding judiciously
- Fund continues to create a premium product for the NYC metro area
- The entity is expanding to proactively capture the investment potential in the market place



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Questions?

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