



US Masters
Residential
Property Fund

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Update and capital raising

Alan Dixon – CEO

David Orr – COO

Alex MacLachlan – Strategy

Disclaimer

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Agenda

- 1 The big picture
- 2 Portfolio review
- 3 Growth strategy and execution
- 4 Offer details

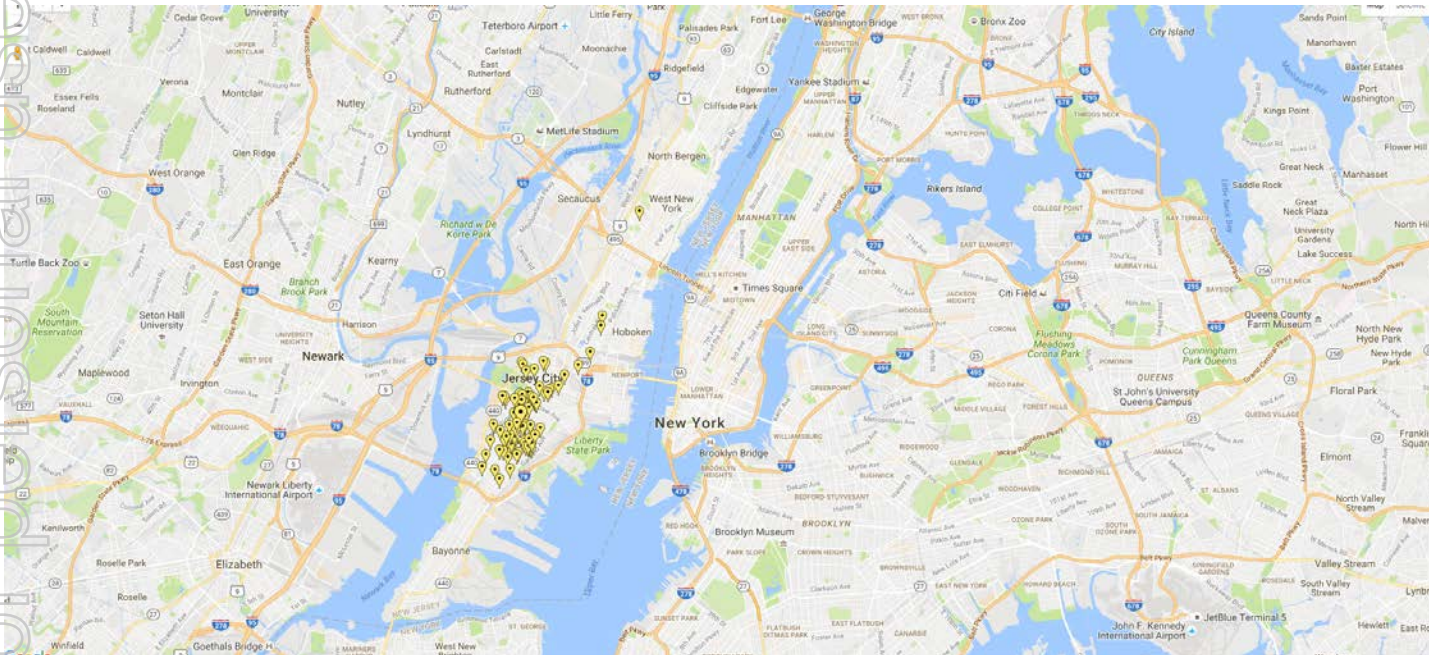
The big picture

Section 1

URF five years ago

First listed property trust focused on NYC properties

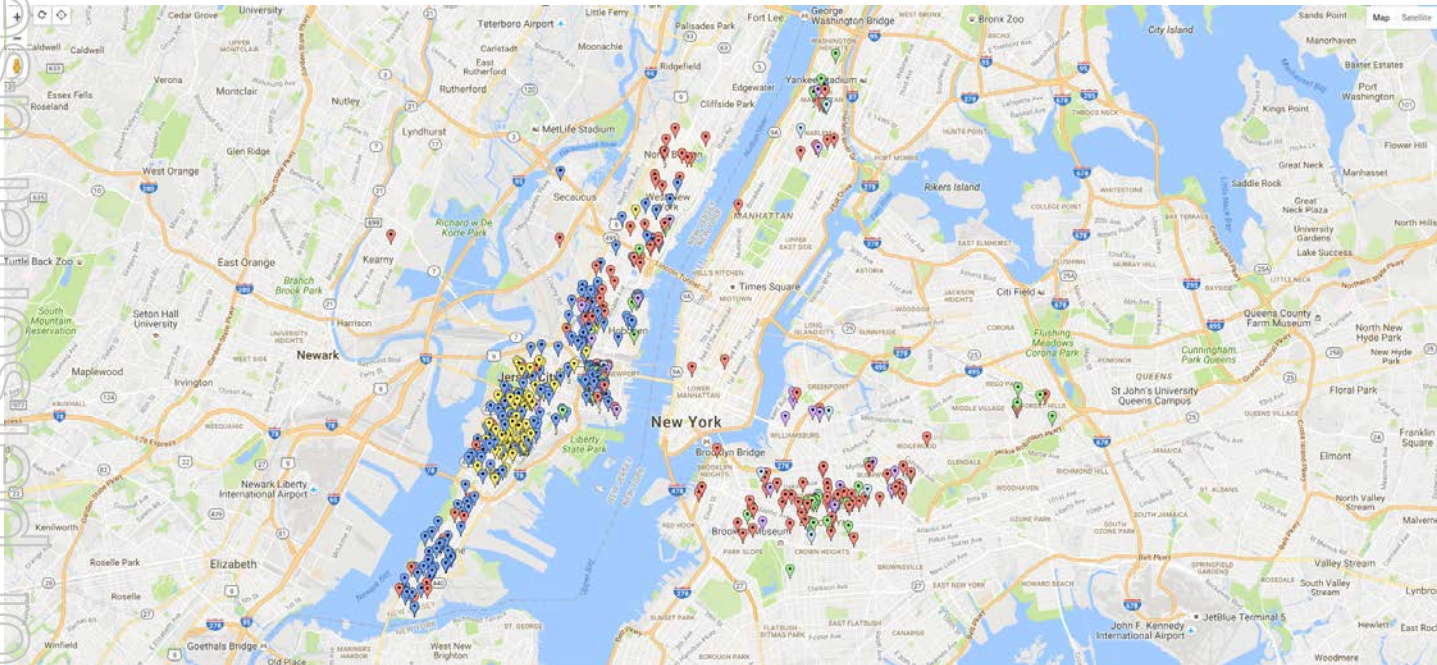
- c.\$70 million fund, mostly cash and handful of properties



URF today

Largest institutional owner of townhouses in NYC metro

- Over \$1 billion in total assets, \$600 million+ market cap, c.1,500 housing units

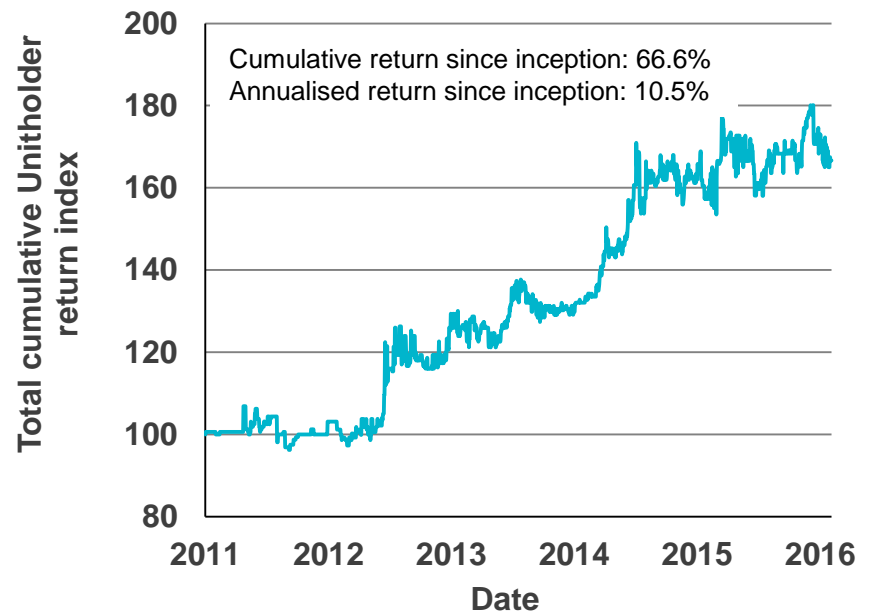


Positioned for continued growth

Multiple levers to create value for unitholders

- Proprietary deal flow and access to transactions
- Neighbourhood selection
- Value arbitrage; ability to convert properties to highest and best use
- Premium branding, driving rental income and growth
- Re-development upside
- Capital management/ portfolio management

URF total cumulative return



Source:
Note:

Bloomberg
Total Unitholder return to 31 July 2016 assuming reinvested distributions adjustment for the 2014 rights issue,

Investing in the community

- Committed to the betterment of local neighbourhoods and communities in which we operate
- Highlights capabilities of Architectural Design and Project Management teams
- Jersey City Landmarks Conservancy Awards
 - winner – Preservation Initiative Award for 2014 and Excellence in Preservation Award in 2016
- New York City Construction Awards
 - winner – 2015 Rising Star Award

“For Dixon’s mindful renovations of architecturally significant Jersey City properties, including many outside of the historic districts.” – Jersey City Landmarks Conservancy

Investment environment 2011

Launched at unique time

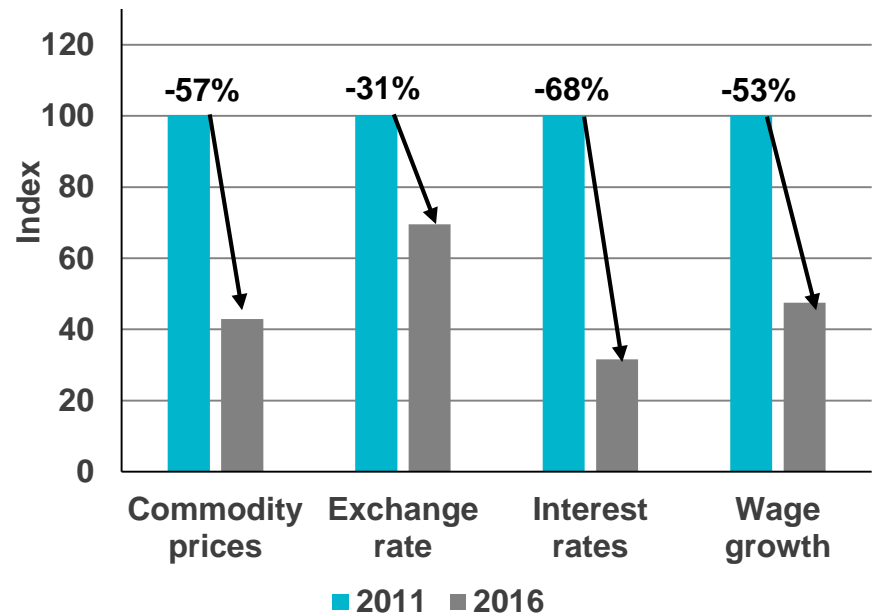
RBA commodity index reaches record high of 189.4 in July 2011; 81.2 as at July 2016

Australian dollar reaches record US\$1.10 in July 2011; currently c\$0.77

RBA cash rate hits 4.75% in October 2011; currently 1.50%

Australian wage growth 4.0% in 1Q11; 1.9% as at 1Q16

Changes since 2011



Source:

Bloomberg, Reserve Bank of Australia, Australian Bureau of Statistics

Investment environment 2016

Created a new listed asset class for Australian investors

What hasn't changed

- Australian dollar adjustment not complete
- US economy strongest of developed countries
- New York housing represents quality store of long term value

What has changed

- Eurozone, Japanese, Swiss, Nordic rates all negative
- Rise of populism
- Move towards fiscal stimulus

Portfolio review

Section 2

Investment focus

Fund has targeted four distinct investment markets

Workforce: middle income housing markets in Hudson County

Multi-family: apartment blocks, typically 20-100 units, in both NJ and NY

New Jersey premium: higher-end housing stock in select Hudson County markets

New York premium: higher-end housing stock and select neighbourhoods Brooklyn, Manhattan and Queens

First investments

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

Low acquisition costs

Rent quickly

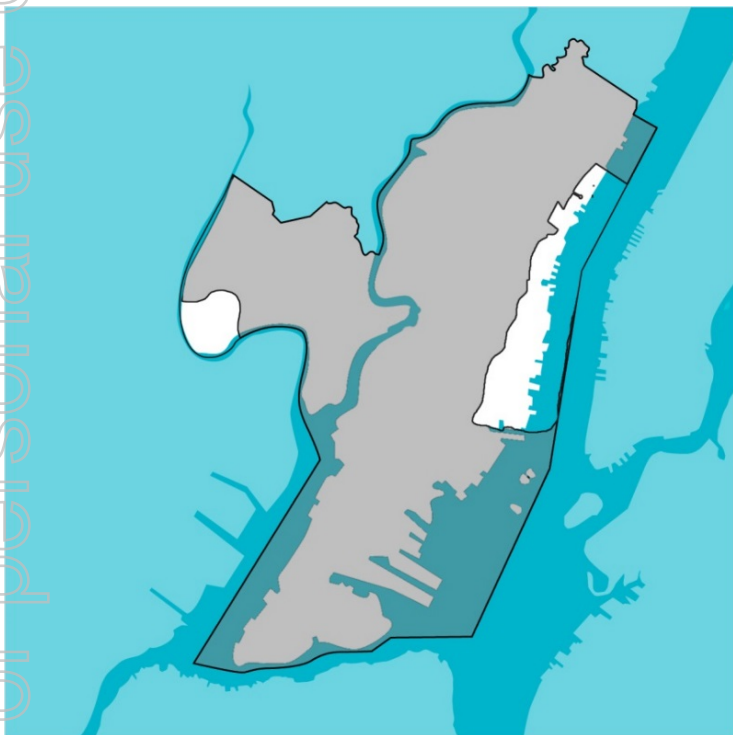
Yield well

Hudson County workforce

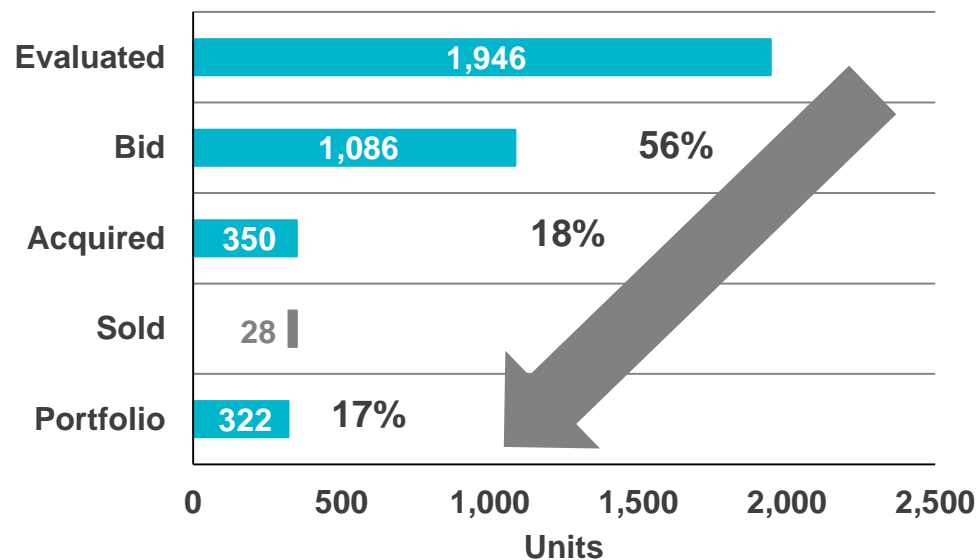


Hudson County workforce portfolio

High-yield properties in gentrifying areas



Thorough evaluation process; highly selective purchasing



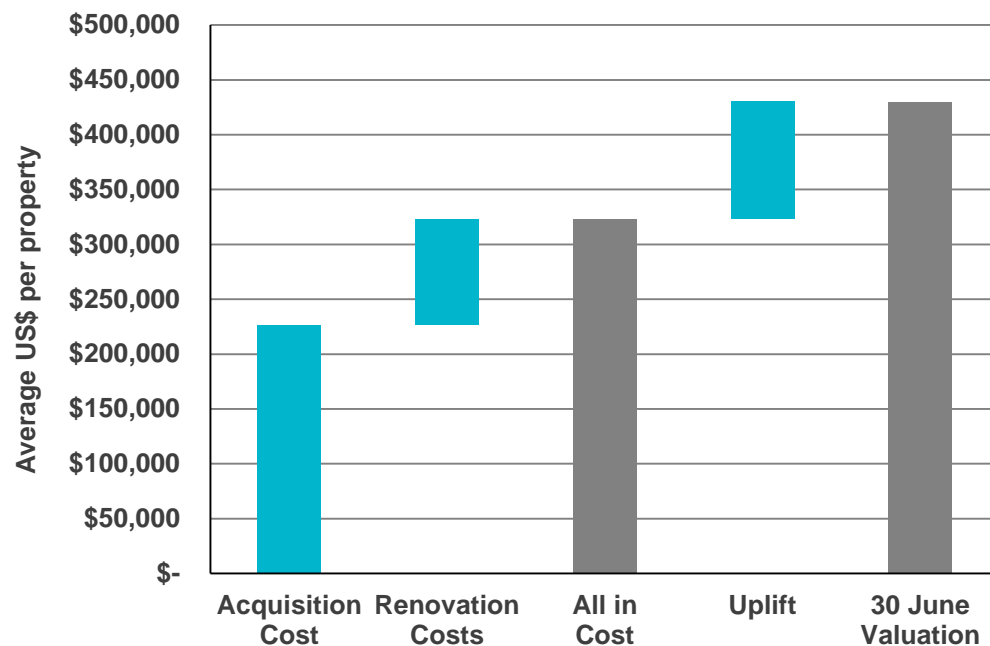
Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

Hudson County workforce portfolio

Significant scale built with low acquisition costs

Location	Properties	Book value (US\$m)
Greenville	73	\$24.2
Bayonne	57	\$22.4
West Bergen	57	\$21.1
Jersey City Heights	61	\$37.0
Journal Square	34	\$16.1
Other	40	\$17.7
TOTAL	322	\$138.5

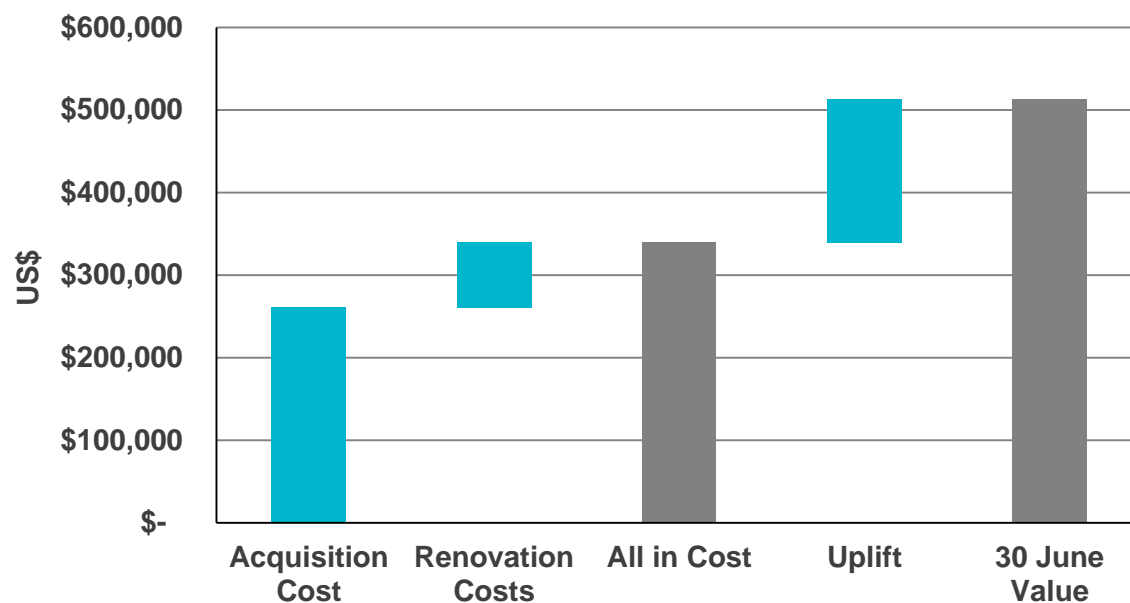
Average cost and value per property



Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

Case Study: 7 Spruce Street

High-yield opportunity in improving JC Heights neighbourhood



- Fair value uplift of US\$174,000 since 2013 acquisition
- Gross yield of 10.85% on total cost

Multi-family joint ventures

Strategy complements single family portfolio

Attractive financing

Expedited use of capital

Immediately cash flowing



Urban American JV

Fund's first entry into multi-family investments; Hudson County

Location	Buildings	Units	Fund Share	Purchase (US\$m)	Valuation (US\$m)
West New York	7	250	67.5%	\$23.5	\$35.2
Union City	5	119	67.5%	\$11.2	\$12.2
North Bergen	1	31	67.5%	\$2.9	\$2.3
Total	13	400	67.5%	\$37.6	\$49.6

- Average purchase price and renovation cost per unit US\$99,500
- Average current valuation per unit US\$124,025

Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding
The Fund's interest in the total value of the multi-family portfolio is US\$33.5 million

Case Study: Excelsior JV

Entry to Brooklyn multi-family; highly successful exit

Location	Buildings	Units	Fund Share	Purchase (US\$m)	Sale (US\$m)
Union City (NJ)	6	261	92.5%	\$23.6	\$29.3
West New York (NJ)	2	68	92.5%	\$7.9	\$10.0
Brooklyn (NY)	6	202	92.5%	\$40.8	\$54.7
Total	14	531	92.5%	\$72.3	\$94.0

- Average purchase price and renovation cost per unit US\$137,525
- Average sales price per unit US\$177,015

Note: The Fund's interest in the sale value of the multi-family portfolio was US\$86.6 million, less closing costs and promotional interest payments to Excelsior, where applicable. Figures may not add due to rounding

Premium New Jersey

Downtown Jersey City | Hoboken | Weehawken

Classic architecture

Exceptional location

Excellent neighborhoods

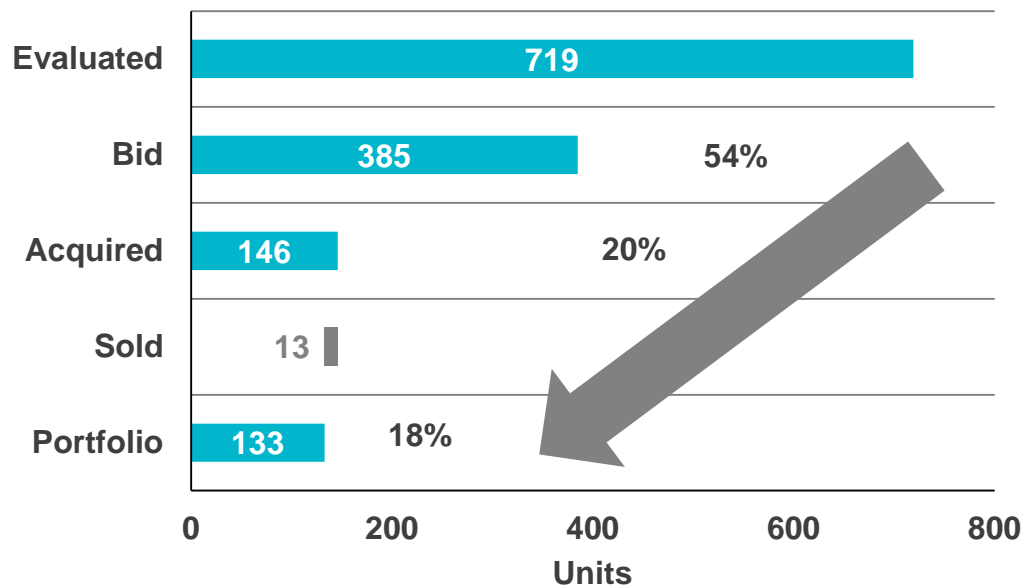


The Fund's purchasing in Downtown, JC has coincided with the development boom in the area

Hudson County premium portfolio



Lower volume of actively marketed properties; Fund maintains selective approach

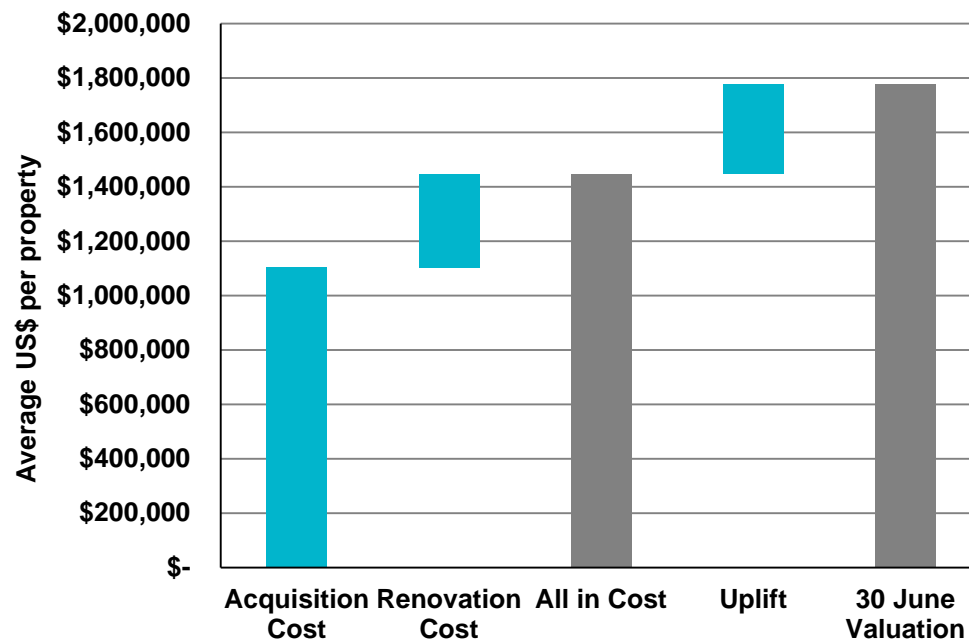


Hudson County premium portfolio

Premium portfolio at attractive valuations

Average cost and value per property

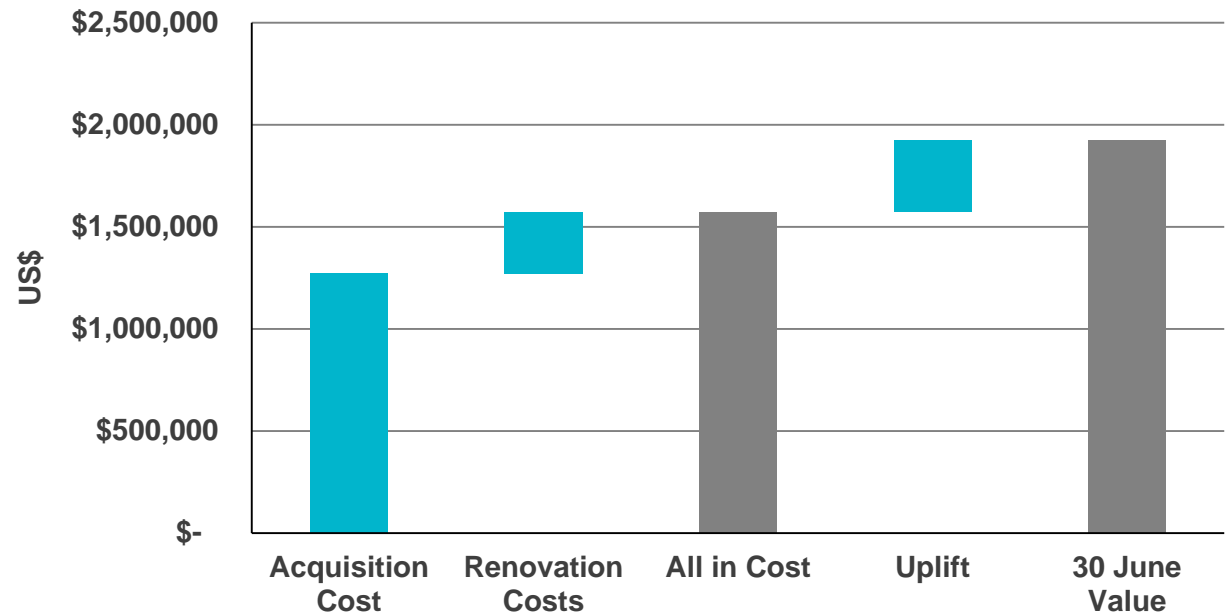
Location	Properties	Book value (\$USm)
Downtown JC	101	\$178.0
Hoboken	16	\$38.2
Weehawken	16	\$20.0
TOTAL	133	\$236.2



Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

Case Study: 22 West Hamilton Pl

Picturesque townhouse in Downtown JC's Hamilton Park section



- 30 June 2016 independent valuation of US\$1.925 million; 23% above acquisition and renovation costs
- Gross yield of 5.3% on total cost

Premium New York

Brownstone Brooklyn | Harlem | Queens | Lower Manhattan

Unreplaceable assets

Highly sought after locations

Opportunistic acquisitions

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

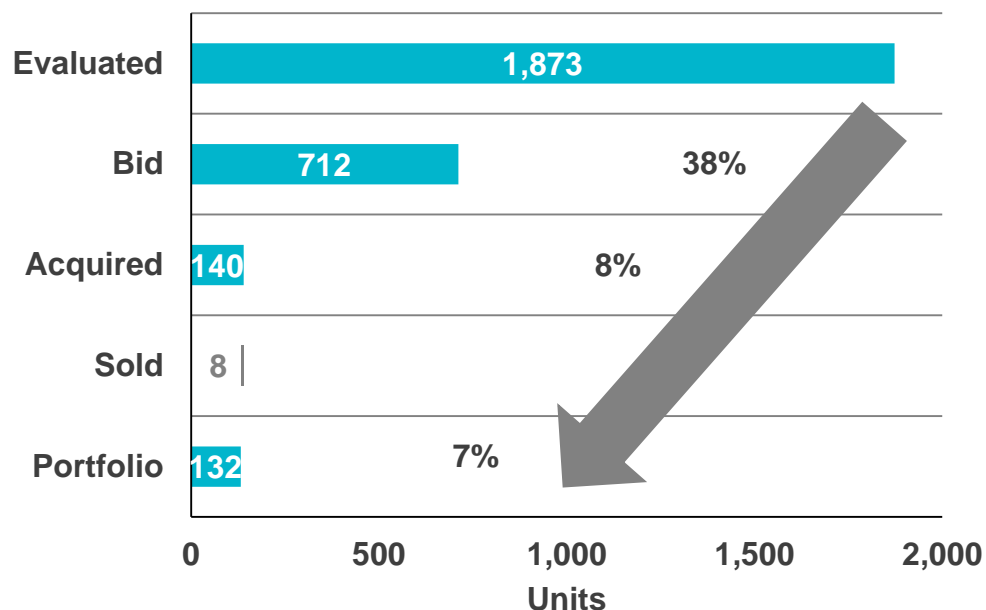
New York Times



New York portfolio

Undervalued assets in gentrifying neighbourhoods

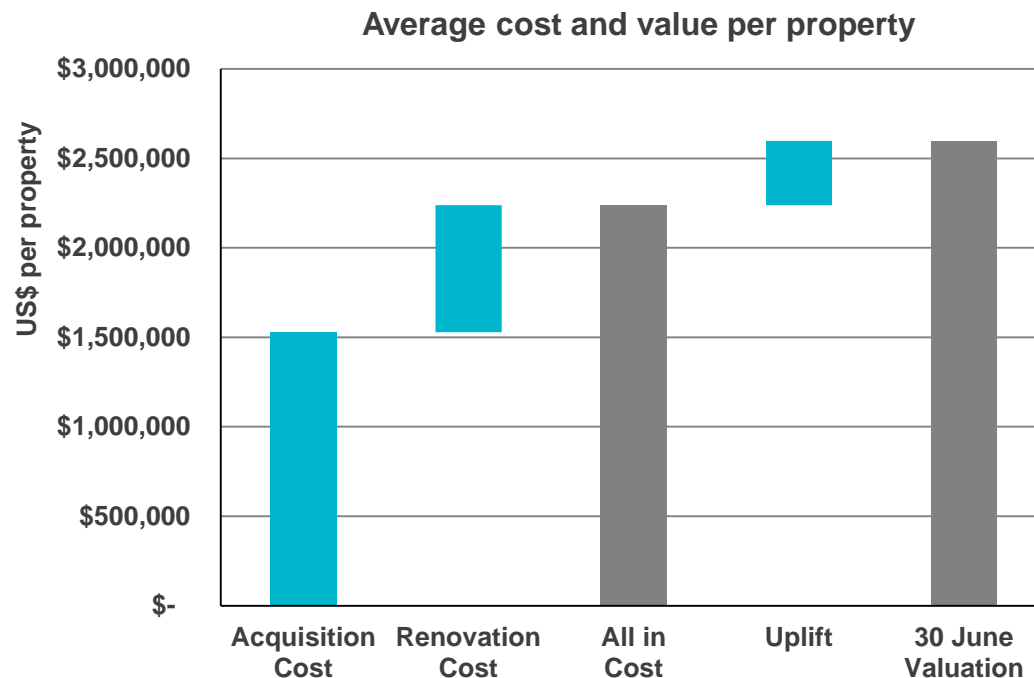
Wide array of properties evaluated across the three boroughs; lowest purchasing rate



New York portfolio

Core holdings of hard-to-find, prime New York properties

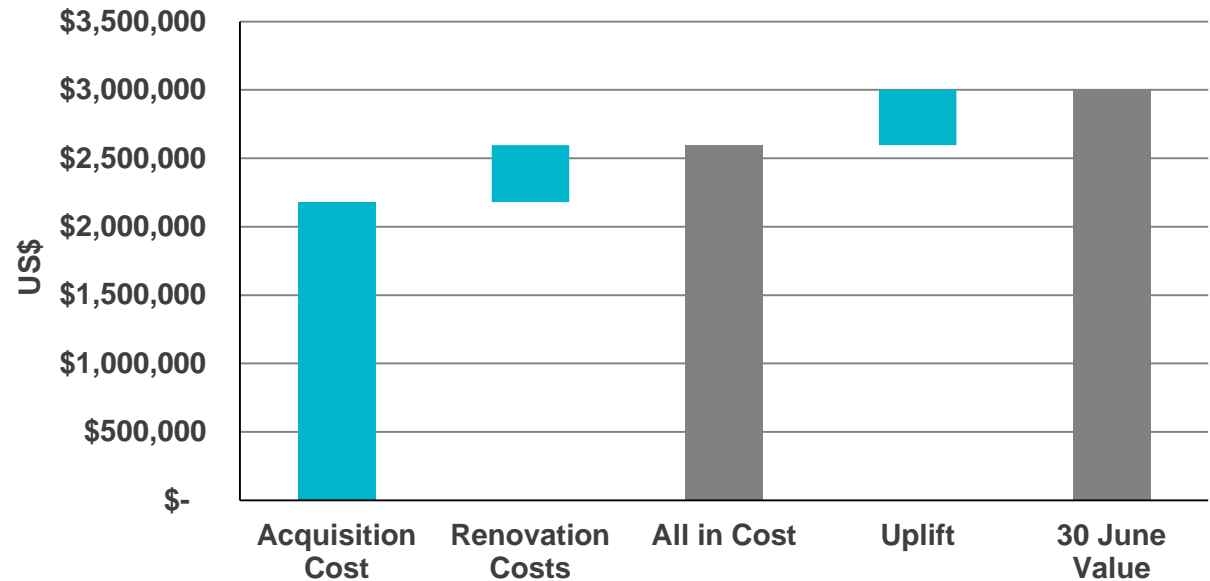
Location	Properties	Book value (\$USm)
Brooklyn	101	\$253.0
Manhattan	23	\$78.3
Queens	8	\$11.5
TOTAL	132	\$342.8



Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

Case Study: 196 Hancock Street

Beautiful townhouse in prime Bedford-Stuyvesant location



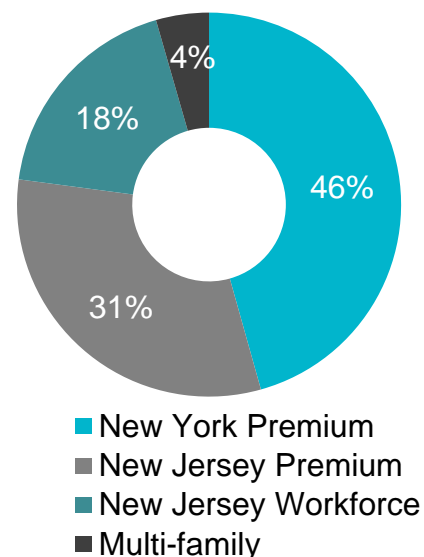
- 30 June independent valuation of US\$3.0m; 16% above acquisition and renovation costs
- Gross yield of 4.4% on total cost

Current portfolio – five years in the making

High-quality, unique, and diversified portfolio of New York metropolitan area residential housing

	Properties	Units	Value (US\$m)	Weighting (%)
New York Premium	132	178	\$342.8	46
New Jersey Premium	133	232	\$236.2	31
New Jersey Workforce	322	652	\$138.5	18
Multi-family	13	400	\$33.5	4
TOTAL		1,462	\$751.0	100

Property distribution by value



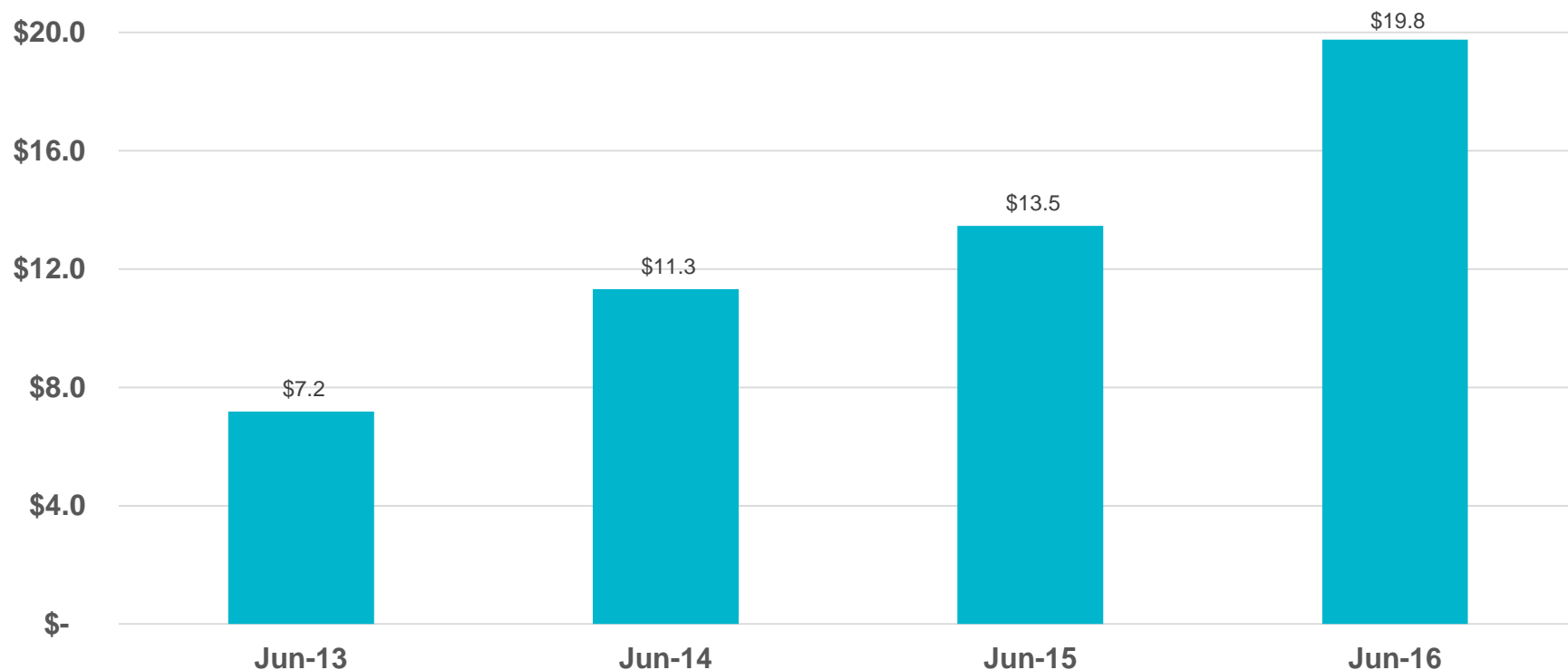
Note: Values reflective of property book values as at 31 July 2016 after revaluation for HY2016; figures may not add due to rounding

Progress since December 2014

Fund had continued to make excellent progress across acquisitions, renovations, leasing, and property management since December 2014

- 1,246 properties evaluated in target areas of investment
- 76 properties (6% of all evaluations) purchased
- 278 renovation projects completed representing US\$114.6 million of construction work
- Annualised rental income has increased from US\$13.0 million to US\$22.2 million

Investment Property Rental Income



- 12 months to 30 June 2016 gross revenue of US\$19.8m represented a 47% increase over 12 months to 30 June 2015 and a 75% increase over 12 months to 30 June 2014

Growth strategy and execution

Section 3

Expanding the portfolio

Fund continues to see excellent opportunities to continue to grow and make selective acquisitions

**Workforce:
Heights
Bergen Lafayette**

**Multi-family:
Opportunistic**

**New Jersey Premium:
Downtown Jersey City**

**New York Premium:
Harlem, Brooklyn**



Expanding the portfolio

Value accretive growth will benefit both existing and new unitholders

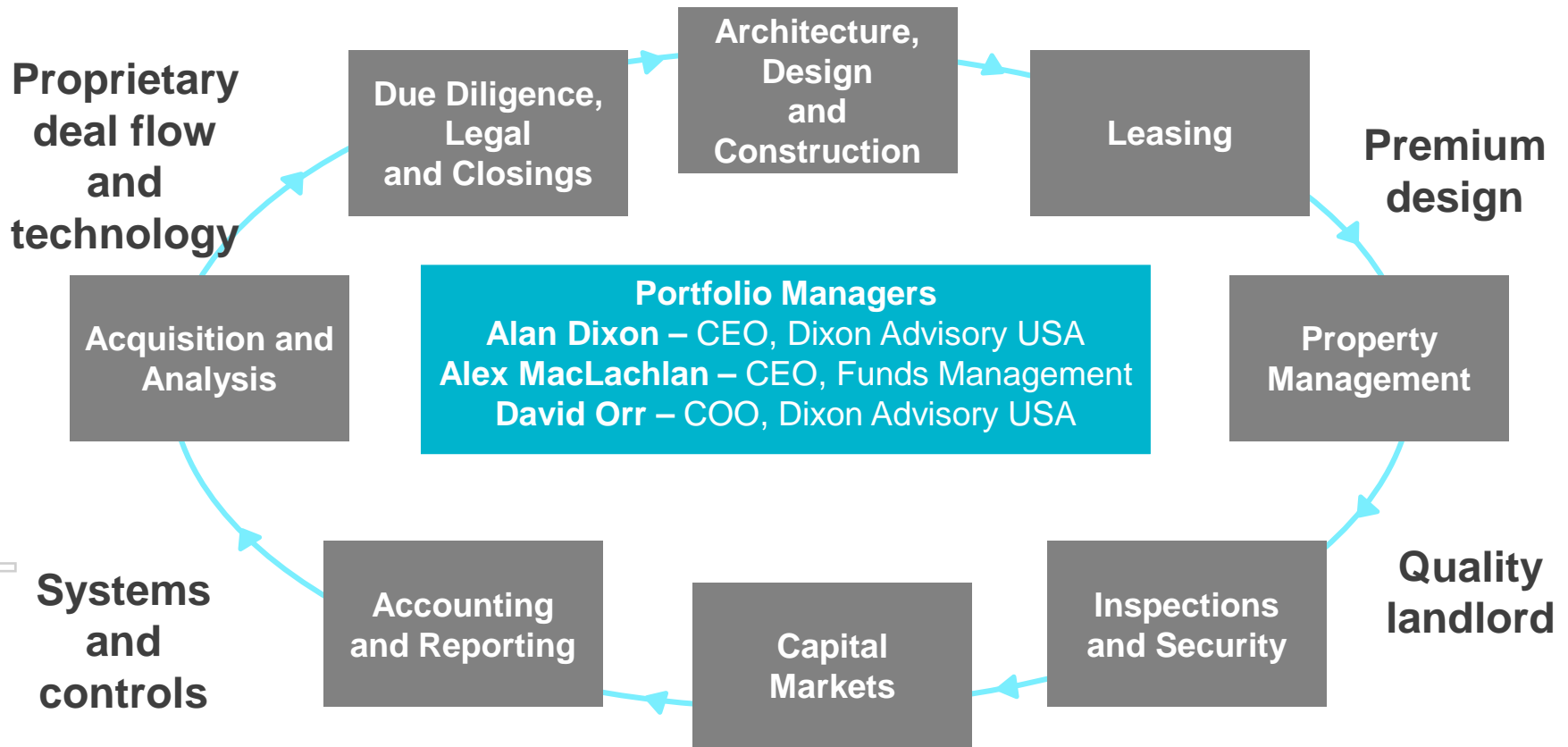
Benefits to existing investors

- Value accretive opportunities
- Increased scale and efficiency
- Increased liquidity and potential for index inclusion

Benefits to new investors

- Established, high quality, well diversified portfolio
- Access to fully integrated real estate investment platform
- Highly experienced, on-the-ground expert team

Creating value through lifecycle management



Acquisition process

Highly efficient and comprehensive process – opportunities can be turned around in 24 hours

Sourcing – strong network of contacts, around half of properties purchased in off-market, private deals

Screening – leads screened by acquisition and analysis team

Inspection – every prospect inspected in person by member of acquisition team, detailed report filed on-site and loaded into custom-built database

Evaluation – bottom-up valuation model built for every property, input from acquisition, analysis, leasing, construction, and legal teams

Investment committee – every property debated in committee, if passed, maximum allowable offer (MAO) approved

Negotiation and closing – ability to close quickly

Design and construction

Specialising in all aspects of high-end townhouse design and construction

Single subcontract

- tenants often in occupancy; roofing, boilers, façade, foundations

Cosmetic refurbishment

- in-house design, multiple contractors

Major renovation

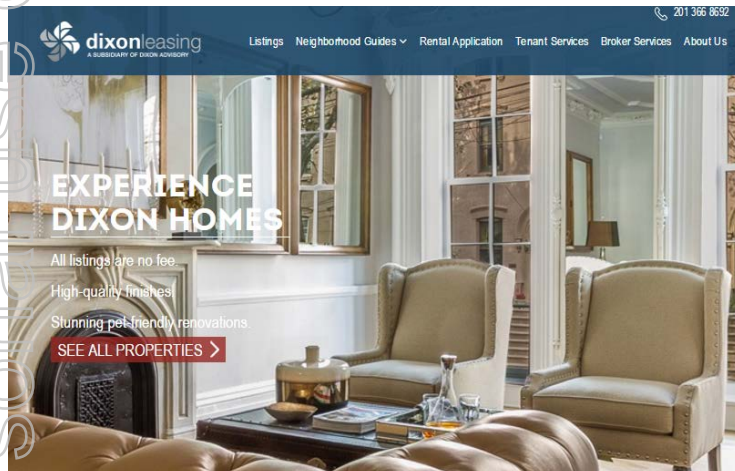
- same as cosmetic refurbishment but includes layout changes, plumbing, electrical, heating

Gut renovation

- all aspects of house brought to modern standards, top tier contractors

Leasing and management

Achieved record rents in most areas



dixonleasing
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EXPERIENCE DIXON HOMES

All listings are no fee.
High-quality finishes.
Stunning pet-friendly renovations.


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WHO IS DIXON


Dixon Leasing is the premier leasing company for no fee, pet-friendly luxury single- and multi-family townhomes in the New York Metropolitan area.

Our rentals come in a variety of price points in locations across Hudson County (NJ), Manhattan, and Brooklyn.

[Learn More](#)



10 POLHEMUS PLACE
Park Slope, 4 Bed | 4.5 Bath
\$18,315 (1 month free)
[Details >](#)



53 46TH STREET
Weehawken, 5 Bed | 3 Bath
\$5,290 (1 month free)
[Details >](#)



NO FEE + 1 MO FREE! 1 mo commission paid to cooperating broker.
4 Bed | 4.5 Bath | 3,905 SQFT

Gross Rent: \$19,980
Net Effective Rent: \$18,315 (1 month free on a 12-month lease)

[SCHEDULE A TOUR](#) OF THIS PROPERTY.

On a quiet tree-lined block lies an amazing one-family limestone mansion. The exterior of this home is as unique as it is eclectic, featuring stunning bay windows, an arched balcony, a pecked tile roof and an expansive roof terrace. Inside, you'll find original details abound, from meticulously restored woodwork and beautiful fireplace mantels to the breathtaking staircase.

Impeccably designed, this home delicately blends modern amenities with a timeless aesthetic. The kitchen boasts top-of-the-line stainless steel professional grade appliances including a Viking gas range, Wolf microwave, and second wall oven. Gorgeous white cabinetry seamlessly incorporates a pure white dishwasher and Sub-Zero refrigerator while massive slabs of the highest quality Carrara Italian Marble run the height of the wall and continues down to fashion gorgeous matching countertops. A wet-bar on the garden level boasts just as much beauty, and takes entertaining to the next level. Finished with identical marble and equipped with stainless steel appliances (including the most important, a wine cooler), this space was thoughtfully created to ensure you can host family and friends with ease. Also on this level, you'll discover one of two sets of washers and driers in this home and convenient access to the spacious backyard and patio.

Above, of unique lighting fixtures contribute to the character of this perfect home. From pendant lighting and lanterns, to formal chandeliers and sconces, each room features fixtures you're sure to fall in love with. Equally impressive are the elegant lights in the opulent master bath, complete with radiant heated flooring. A beautiful claw-foot soaking tub and separate rain shower make you feel as if you're in an extravagant spa without ever having to leave your home.

A desirable location in the heart of Park Slope, tucked between 7th & 8th Avenues, leaves you mere blocks from scenic Prospect Park and delectable dining options like al di la Trattoria and Blue Ribbon Brooklyn. The 2, 3, F & G trains are at your service for expedient commuting options, as well as the Atlantic Terminal. Explore everything that Park Slope has to offer, from the Barclays Center to the burgeoning retail scene on 7th Avenue.

WANT TO SEE EVEN MORE?

We have homes for rent in a variety of sizes, layouts, and price points. Neighborhoods include: Park Slope / Cobble Hill / Clinton Hill / Fort Greene / Bed Stuy / Bushwick / Williamsburg / Crown Heights / Harlem / Weehawken / Jersey City (and more!)

- 24/7 assistance
- Rent can be paid by credit card
- Pets allowed (Breed and weight restrictions apply, one-time fee varies by breed and weight)
- Best Applicant Policy

Viewings available 7 days a week, [make your appointment online](#) today, or call (201) 366-8688 to speak with an agent.



Renovation example

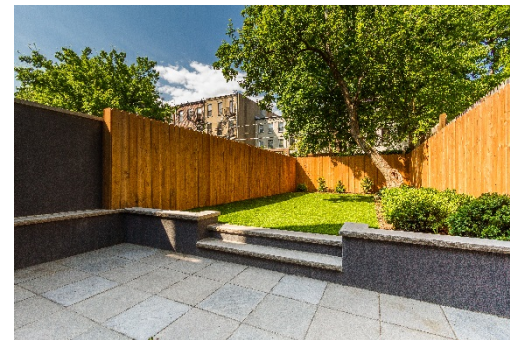
29 Lincoln Place, Park Slope, Brooklyn

Luxury renovation catering to high-end Park Slope market; recently rented for US\$17,990 p/m

In disrepair, far
below area
standard



Amenity-filled,
high-end
renovation



US Masters
Residential
Property Fund



Offer details

Section 4

Capital raising overview

Fund will undertake simultaneous unit placement and unit purchase plan at \$1.95 per Unit to fund further growth in the portfolio

Offer rationale: attractive market conditions, fund further acquisitions and renovations, and for general business purposes

Unit purchase plan (UPP)

- allows existing Unitholders to acquire up to \$15,000 of new units at 7.6% discount to 10 day VWAP prior to announcement on 19 August 2016, without paying any brokerage costs, commissions, or other transaction costs
- Participation in the Plan is entirely optional

Placement

- allows new and existing unitholders opportunity to acquire units at 7.6% discount to 10 day VWAP prior to announcement on 19 August 2016
- Up to 43.9 million Units

UPP and Placement non-dilutive to reported NAV as at 18 August 2016

UPP and placement details

	Unit Purchase Plan	Placement
Offer price	\$1.95 per Unit	\$1.95 per Unit
Discount to 10 day VWAP	7.6%	7.6%
Offer size	Up to \$15k per Unitholder	Up to 43.9m Units
Offer open	22 August 2016	22 August 2016
Offer close	2 September 2016	2 September 2016
Expected allotment	13 September 2016	13 September 2016

Note: 10 day VWAP prior to announcement on 19 August 2016

UPP and Placement details

	UPP	Placement
Offer costs*		
Structuring and arranging fee	Nil	1.5675%
Handling fee	Nil	1.5675%
Ongoing management and responsible entity fee*		
Investment management fee	1.24%	1.24%
Responsible entity fee	0.34%	0.34%

Note: Fees are inclusive of GST and net of RITC where applicable

*Payable by the Fund

Risks

Like all investments, an investment in the Fund carries risks which may result in the loss of income or principal invested. In addition to the general risks of investing, specific risks associated with investing in the Fund include, but are not limited to, property market risk, taxation risk and foreign exchange risk. For further information about the risks of investing in the product see Section 5 of the product disclosure statement.

Risk of the US residential property market	Concentrated geographic focus	Foreign exchange risk	Taxation risk
Macroeconomic risks	Stock market risks	Regulatory risk	Key personnel risk
Gearing risk	Interest rate risk	Counterparty risk	Poor investment performance
Liquidity risk	Litigation risk	Borrowing and deposit risk	Substantial uncommitted funds

Strategy and outlook

Uniquely placed to generate value by proactively capturing investment opportunities

Target best neighbourhoods and create unique product

Active portfolio and capital management

Evolution from alternative to mainstream asset class



US Focused Investment Conference

New York 2018

A showcase of our residential property investments in the New York metropolitan region and US private investments

Tuesday 22 May to Thursday 24 May 2018

- Hear expert insights into the US economy, US residential property and US private investment market

- \$995 per person, limited number of attendees, likely to sell out

- Held at the spectacular Maritime Parc in Jersey City on the waterfront of the Hudson River just minutes from downtown Manhattan

- Invitations to follow – registrations open from 1 October 2016

Questions?

Section 5

Capital structure

Appendix 1

Capital structure

Equity market capitalisation	A\$612m ¹	Approximately 10.5% ² p.a. total unitholder returns since inception
URF Notes	A\$150m	Interest rate 7.75% p.a.
URF Notes II	A\$90m	Interest rate 7.75% p.a.
Revolving facility	US\$131m across 3 facilities	Interest rate approximately 6% p.a.
Term financing	US\$79m across 9 facilities	Interest rate between 3.5% and 4.0% p.a.
Weighted average		6.44% p.a.

Notes:

¹
²

Market capitalisation as at 18 August 2016

As at 31 July 2016 assuming reinvestment of distributions and adjusted for rights issues

Fund seeks diversity of funding sources, maturities, and terms