

Distribution Reinvestment Plan Booklet

1. Summary of the Distribution Reinvestment Plan

1.1. Introduction

The Distribution Reinvestment Plan (**Plan**) offers Unitholders the opportunity to purchase additional units in US Masters Residential Property Fund (**Fund**) by reinvesting part or all of their periodic distributions.

Dixon Advisory & Superannuation Services Limited, the responsible entity of the Fund (**Responsible Entity**) considers it important that the Plan operates to the advantage of all Unitholders, not only those that participate in the Plan. Therefore, the Responsible Entity will only operate the Plan where it has formed the view that the benefits derived from the capital raised through the Plan will exceed the costs associated with the Plan.

Accordingly, under the terms of the Plan the Responsible Entity has the ability to:

- (a) determine the amount of capital that the Plan will raise by limiting the number of units in the Fund that can be issued under the Plan at each distribution;
- (b) suspend the Plan;
- (c) determine that the Plan will be underwritten.

The following sections outline the way the Plan works and should be read in conjunction with the Plan Rules (attached to this booklet as Annexure A). If you are interested in participating in the Plan you are encouraged to read the Plan Rules in full.

2. Eligibility to Participate

Participation in the Plan is optional and is open to all Unitholders resident in Australia or New Zealand.

The Plan is not registered under the securities laws of any other jurisdiction. Consequently, Unitholders of the Fund whose registered address is not in Australia or New Zealand may not participate in the Plan.

3. How to Participate

To participate, vary a previous election or terminate participation, a Unitholder must lodge a Distribution Election Notice with the Fund's registry. If a Unitholder has multiple unitholding accounts in the Fund, a separate Election Notice will be required for each account.

A Unitholder may have either full or partial participation in the Plan.

The Plan has no minimum participation requirement. In addition, Unitholders may vary or terminate their participation in the Plan at any time. The Responsible Entity may refuse any election.

A Distribution Election Notice may be lodged with the Fund's registry at any time. A Distribution Election Notice received before the date determined by the Responsible Entity as the last date to lodge Distribution Election Notice for a distribution period (**Notification Date**) will take effect for that and subsequent distribution periods. A Distribution Election Notice to participate, vary or terminate participation received after a Notification Date will apply only to subsequent distributions.

4. How the Plan Operates

For each distribution period, the Responsible Entity will announce to the ASX:

- (a) the amount of distributions;
- (b) the maximum number of fully paid units in the Fund which could be issued under the Plan (**Maximum DRP Amount**) (if applicable);
- (c) the price at which units will be issued under the Plan (**Subscription Price**) and the method by which the Subscription Price is determined;
- (d) the Record Date; and
- (e) Payment Date / Notification Date.

Following the end of each distribution period, the Responsible Entity will determine each Unitholder's net distribution entitlement. Should you cancel your participation in the Plan or sell all your units any reinvestment surplus will be paid to you at a later date.

5. Subscription Price

The Subscription Price will be a price determined in accordance with the Constitution.

Unitholders may at any time contact the Responsible Entity to ascertain the method by which the Subscription Price will be determined in respect of a distribution, the Maximum Reinvestment Amount and the Record Date.

6. Brokerage and Commission

Units acquired through the Plan will be issued free of brokerage and commission.

7. Plan Underwriting

Where the Responsible Entity considers it appropriate, the Responsible Entity may periodically have the Plan underwritten.

8. Ranking for Distributions

Units created through the Plan will rank equally in all respects with existing issued units from the date of issue.

9. Taxation

The Responsible Entity does not take any responsibility for the taxation liabilities of Unitholders and it is suggested that you obtain independent advice concerning your taxation position.

10. ASX Listing

Before allotment, the Responsible Entity will apply to have the units issued under the Plan quoted on the ASX.

Annexure A
Rules

US MASTERS RESIDENTIAL PROPERTY FUND

Distribution Re-Investment Plan

Rules

The following Rules contain the terms, provisions and conditions which apply in relation to the US Masters Residential Property Fund Distribution Re-Investment Plan (**Plan**).

1. Interpretation

(a) In these Rules:

ASX means the prescribed market operated by the ASX Ltd.

Constitution means the constitution of the Fund (as amended from time to time);

Discount means such percentage discount determined in accordance with the Constitution by the Directors from time to time to be applied in calculating the Subscription Price.

Directors means the directors of the Dixon Advisory & Superannuation Services Limited (ACN 103 071 665), the responsible entity of the Fund;

Distribution means a cash distribution or cash component of a distribution;

Eligible Member means a person registered as the holder of a Unit:

- (i) whose address as it appears in the register of members of the Fund, is situated (and, in the case of a Unit held jointly by 2 or more persons, all of whose addresses appearing in such register are situated) in Australia; or
- (ii) whose address as it appears in the register of members of the Fund, is situated (and, in the case of a Unit held jointly by 2 or more persons, 1 of whose addresses appearing in such register is situated) outside Australia and who has produced to the Fund such evidence as the Fund may require to satisfy the Fund that any necessary approvals of any governmental authority in relation to participation in the Plan have been obtained and that participation is not contrary to any applicable laws of Australia or any other relevant jurisdiction;

Fund means US Masters Residential Property Fund (ARSN 150 256 161);

Participant means an Eligible Member who has applied to participate in the Plan and whose application has been accepted by the Fund pursuant to Clause 3(a);

Plan Unit mean a Unit which is designated a Plan Unit pursuant to Clause 3(a);

Register means the register established and maintained pursuant to Clause 4;

Subscription Price means the price, determined in accordance with the Constitution, at which Units will be allotted pursuant to Clause 5(a)(v); and

Unit means an ordinary unit fully paid from time to time in the capital of the Fund.

(b) Subject to any express or implied contrary intention:

- (i) words importing the singular include the plural and vice versa;
- (ii) a gender includes all genders;

- (iii) words importing natural persons include corporations and vice versa; and
- (iv) references to Clauses are references to Clauses of these Rules.

2. Applications

- (a) No person other than an Eligible Member may apply to participate in the Plan.
- (b) Every Eligible Member who wishes to participate in the Plan must complete and lodge with the Responsible Entity an application form in such form as the Directors may approve from time to time (**Distribution Election Notice**). For each Distribution, the Responsible Entity will determine the date on which Distribution Election Notices must be lodged in order to be valid with respect to that Distribution (**Notification Date**).
- (c) Eligible Members may elect in their Distribution Election Notice to participate in the Plan in respect of:
 - (i) part only of the Units of which they are registered holders as at each record date for a Distribution including any Units allotted to them pursuant to the Plan in respect of those Units (**First Alternative**); or
 - (ii) all Units of which they are from time to time the registered holder as at each record date for a Distribution including any Units allotted to them pursuant to the Plan or otherwise and any Units acquired by them other than by allotment (**Second Alternative**),

and must nominate in their Distribution Election Notice which of the First or Second Alternatives they wish to apply in respect of their application. If Eligible Members nominate the First Alternative, they must specify the number of Units in respect of which they seek to participate in the Plan.

- (d) A cash Distribution will be paid to Eligible Members that:
 - (i) fails to nominate an Alternative or; or
 - (ii) nominates the First Alternative but fails to specify the number of Units in respect of which they wish to participate.
- (e) No Eligible Member may transfer their right to any allotment of Units pursuant to this Plan.

3. Acceptance of Applications

- (a) The Directors may in their absolute discretion accept or refuse any application made by an Eligible Member pursuant to Clause 2. The Directors' acceptance of such an application must be denoted by the entry in the Register of the name of the Eligible Member applying and the other particulars required to be recorded in the Register pursuant to Clause 4(a). The Units which are the subject of such an application become designated Plan Units from that date.
- (b) Each application accepted by the Directors is effective in respect of the first Distribution payable after receipt of the applicable Distribution Election Notice and subsequent Distributions provided that any application form received by the Fund after 7.00 pm (Sydney time) on the Notification Date is not effective in respect of that first Distribution.

4. Register

- (a) The Fund must establish and maintain a register in which it will record, in respect of each Participant, particulars of:
 - (i) each Participant's name and address;

- (ii) the number of each Participant's Plan Units; and
- (iii) any variation approved by the Directors pursuant to Clause 6(a).

(b) The Register is conclusive evidence of the matters recorded in it.

5. Investment of Distributions

(a) In respect of each Distribution from time to time due and payable to Participants in respect of their Plan Units, the Directors must:

- (i) determine the amount of Distribution payable in respect of the Plan Units of that Participant;
- (ii) aggregate the amount so determined;
- (iii) determine the maximum number of Units which could be acquired by subscription by the application of that aggregate to the subscription for Units at the Subscription Price;
- (iv) on behalf of and in the name of the Participant subscribe for that number of additional Units;
- (v) allot that number of additional Units to the Participant; and
- (vi) where the number of Units ascertained in accordance with the provisions of Clause 5(a)(iii) results in a fraction, round the number of Units so ascertained up or down to the nearest whole number.

(b) All Units allotted and issued under the Plan rank equally in all respects with existing Units from the date of allotment.

(c) Units to be allotted under the Plan must be allotted within the time required by the Listing Rules of the ASX.

(d) Units allotted under the Plan must be registered on a register where the Participant, in respect of whom the Units are allotted, already holds Units.

6. Variation or Termination of Participation

(a) Participants may at any time apply to increase or decrease the number of their Plan Units by completing and lodging with the Fund a form, from time to time approved for that purpose by the Directors, and the Fund may, in its absolute discretion, approve or refuse such an application (**Variation Notice**).

(b) The Fund's approval of a Variation Notice must be denoted by entry of the variation requested in the Register and the variation is effective on that entry being made.

(c) Participants may at any time give to the Fund notice of termination of their Participation in the Plan in such form as the Directors may from time to time approve for that purpose (**Termination Notice**) and on the date the Fund receives that notice, the Participant ceases to be a Participant and all Plan Units held by that Participant cease to be Plan Units on that date.

(d) If a Participant dies, participation by him/her and any other Participants with whom the deceased was a joint Participant is terminated on the date the Fund receives notice of death of the deceased Participant.

- (e) If Participants dispose of all of their Units without giving the Fund a Termination Notice and are not registered as the holders of any Units when the Fund's Unit register is next closed for determination of entitlements to a payment of a Distribution, the Participants are deemed to have terminated their participation on the last date when the Fund registered a transfer or instrument of disposal of their Units.
- (f) Where Participants dispose of less than the number of all Units held by them, then unless they advise the Fund otherwise prior to the registration of a transfer or instrument of disposal of such Units:
 - (i) if the Units disposed of are in number less than or equal to the number of their Units which are not Plan Units, the Units so disposed of are deemed to be Units which are not Plan Units;
 - (ii) if the Units disposed of are more in number than the number of their Units which are not Plan Units, the Units so disposed of are deemed to include all of their Units which are not Plan Units together with that additional number of their Plan Units which is equal to the number calculated by subtracting from the number of Units disposed of, the number of all their Units which are not Plan Units.

7. ASX Listing

The Responsible Entity must make application promptly after each allotment of Plan Units for quotation of such Plan Units on the official list of the ASX.

8. Limitation of Subscription

The Directors may at any time by notice in writing to Participants limit the amount of Distributions which may be invested in subscriptions for Plan Units.

9. Modification, Suspension and Termination of the Plan

- (a) These Rules may be modified or varied by the Directors at any time or from time to time by giving to Participants not less than 1 month's notice in writing of the Directors' intention to do so and complying with any requirements of the Listing Rules of ASX.
- (b) The Directors may settle any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Units in such manner as they think expedient and the determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination relates.
- (c) The Directors may suspend the Plan after giving to Participants not less than 14 days notice in writing of their intention to do so.
- (d) The Plan may be terminated by the Directors by giving to the Participants not less than 2 months notice of the Directors' intention to do so.

10. Costs to Participants

No brokerage, commissions or other transaction costs are payable by the Participants in respect of the application for an allotment of Units under the Plan.

11. Statements

As soon as practicable after each allotment of Units pursuant to Clause 5(a)(v) and as required by the Listing Rules of ASX, the Fund must send to each Participant to whom Units have been allotted a statement setting out, in respect of each Participant:

- (a) the number of the Participant's Plan Units as at the date of closure of the Fund's Unit register for determination of entitlements to payment of the relevant Distribution prior to such allotment;
- (b) the amount of Distribution due and payable to that Participant in respect of the Participant's Plan Units which have been applied towards subscription for additional Units;
- (c) the number of additional Units allotted to the Participant pursuant to Clause 5(a)(v); and
- (d) the number of Units (including Plan Units) in respect of which the Participant is the registered holder after such allotment.

12. Participants to be Bound

Participants are bound by these Rules in respect of the Plan as modified or varied from time to time pursuant to Clause 9.