



QUARTERLY UPDATE

January – March 2018



US Masters
Residential
Property Fund



Executive Summary

US Masters Residential Property Fund (URF or Fund) is pleased to provide the first quarterly update of 2018, presenting information from the quarter ended 31 March 2018.

With the preparation of this quarterly, we have taken the opportunity to increase the amount of information we provide you in relation to several areas of the Fund, in particular around operational costs, the renovation process and costs.

The Leasing Team set a positive tone for the year ahead, securing new leases on 68 properties during the quarter, set to produce a total annualised rent of US\$2.56 million. Renewals were strong in the first quarter of the year, with 90 renewed leases providing a total annualised rental income of US\$2.07 million, a 5% increase in revenue to the Fund.

Following an investment of US\$14.5 million, the Renovation and Restoration Team added 12 newly-renovated homes to the Fund's portfolio. Of these completed projects, five were large-scale renovations and seven were small-scale renovations, contributing a combined total of US\$560,400 in annualised rental income to the Fund. In this quarterly, we will break these figures down in further detail for you and explain how your renovation dollars are being spent.

Throughout the quarter, the Acquisitions & Asset Management Team evaluated 159 properties with a total combined value of US\$68.2 million.

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Of these, 133 received offers totalling US\$45.3 million. By the end of the quarter, the Fund had acquired 19 properties for a combined outlay of US\$6.93 million: seven in Bayonne, 11 in Jersey City and one in West Orange.

Whilst this continues the process of adding properties to the renovation pipeline, these types of properties need substantially less work than the larger brownstones that make up the bulk of the Fund's renovation pipeline. In this quarterly, we provide additional details on the renovation pipeline, including the expected timeframe for making these properties fully rent ready, and a more detailed breakdown of the current status of the portfolio's assets.

Finally, we will give you an outline of the operational costs of the Fund and the team employed by the Fund.

We look forward to updating unitholders on our progress in the coming months. We sincerely thank you for your continued support.



Alan Dixon
Managing Director and CEO

Quarter Highlights

- URF's high-quality property portfolio now comprises **1,738 total housing units** across 664 freestanding houses and 16 multi-family buildings.
- **The Fund completed 12 renovations during the quarter** and at the end of Q1, there were 89 properties remaining in the pipeline.
- The Fund leased St. Marks Avenue in Crown Heights, Brooklyn prior to construction completion for **US\$9,555 per month**.
- The Fund leased three newly-renovated units on York Street in Downtown Jersey City, all of which were **leased within 16 days of one another**.
- The Fund **sold 11 properties for a total price of US\$7.5 million**. This represents a profit to asset cost of US\$1 million, or 16%.



Quarterly Operational Overview



Acquisitions & Asset Management

Despite the colder weather settling in over the New York metropolitan area, the Acquisitions & Asset Management Team remained hard at work sourcing, inspecting and strategically negotiating purchases for the Fund. Throughout the quarter, the Fund committed to further expanding its footprint in Southern Hudson County, with 95% of all evaluations completed within this area. The Fund specifically targeted Jersey City and Bayonne, two of the original areas of pursuit since the Fund's inception in 2011. Over the years, the Fund has been a beneficiary of the price movement in these areas. The strong relationships built during this time enable the Team to continue to successfully negotiate and deliver upon purchasing properties at significant discounts from their original asking prices. Overall, the Team evaluated a total of 159 properties with a combined value of US\$68.2 million. Of these, 133 received offers totalling US\$45.3 million. Ultimately, 19 properties were purchased by the Fund for a combined outlay of US\$6.93 million: seven in Bayonne, 11 in Jersey City and one in West Orange. Of these, 16 were bought in foreclosure auctions and the remaining three were purchased in the open market.

An example of the Fund's success in Southern Hudson County includes the purchase of 96 West 17th Street, a two-family home located on a quiet residential street in Bayonne. Acquired in good condition, the property only requires some light modernisation before swiftly returning to the rental market. Located just streets away from the local park and surrounded by food stores and amenities, the Fund anticipates a strong yield of 6.13%.

Located on a tree-lined street sits a detached two-family property at 138 Terhune Avenue in West Bergen, Jersey City. Acquired for US\$264,000, a 25% discount to the Fund's fair market valuation, the property is situated in close proximity to the New Jersey City University West Campus, which is currently undergoing substantial redevelopment. This property is a great asset to the Fund's portfolio and is anticipating yields of 4.63% upon construction completion.

Back in Bayonne, the Fund was pleased to acquire 86 West 45th Street for US\$314,000, a detached two-family home with parking. The property is positioned on an oversized lot, allowing future residents to benefit from light and spacious apartments, as well as a large backyard to enjoy during the warmer months. Additionally, the property is perfectly located for both transport and recreation, just a 10-minute walk to the 8th Street Light Rail Station, and a 2-minute walk to the local City Park. Upon completion of a well-deserved refresh, the Team expects a strong rental yield of 4.11%.



Recently acquired
96 West 17th Street, Bayonne



Recently acquired
138 Terhune Avenue, Jersey City



Recently acquired
86 West 45th Street, Bayonne

Whilst we have been queried as to why we are adding houses to the renovation pipeline, we believe that these small-scale purchases make extremely attractive buying for the Fund. The total purchases of US\$6.93 million represent only 0.53% of total Fund assets and 18 of these 19 houses have repair budgets between US\$20,000 and US\$150,000, averaging US\$68,389 per property. Given that these renovations are of a relatively small scale and outside of historic districts, we expect that the period of planning and construction on each house will be less than six months. We believe that continued accretive gains in this workforce portfolio will be very additive to the Fund over coming years. As highlighted later in this quarterly update, the vast majority of both workforce and premium renovation projects remaining in the Fund's portfolio are expected to be completed by Q2 of 2019.



Backyard at
Monroe Street, Brooklyn



Renovation and Restoration

Following an investment of US\$14.5 million, the Renovation and Restoration Team added 12 newly-renovated properties to the Fund's stabilised portfolio. Of these, five were large-scale renovations and seven were small-scale renovations.

Amongst these renovations was the completion of Monroe Street in Bedford-Stuyvesant. This three-family townhouse was purchased in January of 2015 for a price of US\$1.15 million, including all acquisition and closing costs.

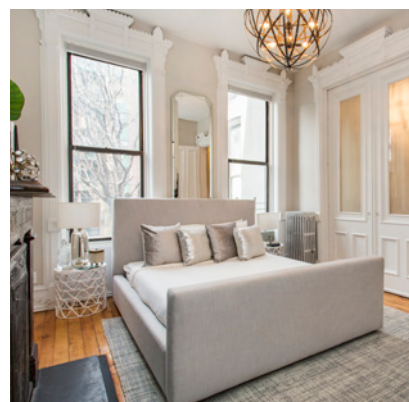
The renovation was strategically done in two phases with construction on Unit 1 commencing in March of 2015, immediately after closing. Following completion in September 2015, Unit 1 was leased for US\$3,795 per month. In November 2017, the second phase of construction began by renovating units 2 & 3. The project was completed in February 2018. The total renovation cost, including all charges and fees, was US\$435,000 for a total all-in investment of US\$1.58 million. Upon completion, our team's fair market value for this property is US\$1.9 million, 20% above our investment to date.

The value of this property will now be independently verified, which will be completed prior to the 30 June Balance Date and reflected in June's accounts.

The five large-scale renovations and seven small-scale renovations that were completed will contribute a combined total of US\$560,400 in annual rental income to the Fund.



Parlour floor at
Monroe Street, Brooklyn



Bedroom at
Monroe Street, Brooklyn

Tenancy

Despite the cold weather throughout the first quarter of 2018, the Leasing Team remained active, leasing 68 properties and renewing 90 leases. Of the new leases, 16 were new construction, generating a total annualised rental income of US\$760,000. The remaining 52 were new leases on existing properties, bringing in a total annualised rental income of US\$1.8 million. During the same period, 90 leases were renewed for a total annualised rental income of US\$2.07 million, a 5% increase on previous lease prices.

Notable events:

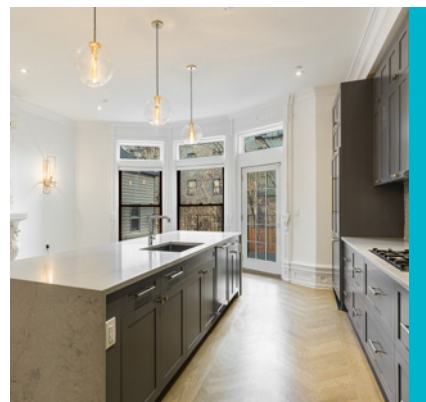
- The Fund leased St. Marks Avenue in Crown Heights, Brooklyn prior to construction completion for US\$9,555 per month.
- The Fund leased three newly-renovated units on York Street in Downtown Jersey City, all of which were leased within 16 days of one another.
- 12 units were successfully leased within two weeks of being listed on the market.



Recently leased
York Street, Jersey City



Recently leased
Dean Street, Brooklyn



Recently leased
Saint Marks Avenue, Brooklyn

Case Studies



Renovation and Restoration

Located in Bedford-Stuyvesant, one of Brooklyn's most sought after and up-and-coming neighbourhoods, and only a few short blocks from an express subway train into Manhattan, Bainbridge Street has a lot to like. Purchased in complete disrepair, this 3-story brownstone was primed for a renewal. In need of a full-gut renovation, the Dixon Projects design and renovation team set out to transform this historic home into a modern gem inclusive of the type of amenities and design features young New Yorkers flocking to the neighbourhood would love.

A gut renovation allowed for an open floor plan on the parlour floor. The sense of space on the main floor was enhanced further through the installation of a folding glass NanaWall door at the rear, just off the kitchen, allowing light and air to pour in from the backyard and deck. At the center of the floor plan, salvaged beams were repurposed to create a defined dining area within the space, giving this home its unique modern industrial character. A total of four bedrooms and four bathrooms are divided equally amongst the two remaining floors, while the staircase, complete with a custom blackened steel handrail, connects all three levels. A brand-new deck on the roof now serves as the home's crowning gem. Wide-plank hardwood floors, gallery white walls, a large designer kitchen and modern touches throughout make this home another successful renovation.

BAINBRIDGE STREET, BROOKLYN

Acquisition Date: 25 August 2016

Total Cost: US\$2,375,528

Purchase Price: US\$1,229,500

Actual Monthly Rent: US\$7,495

Single-family

4 bed / 4 bath

Net Square Footage: 2,768 square feet

Note: Total cost includes purchase price, acquisition fees and construction costs.



BEFORE Recently restored
Bainbridge Street, Brooklyn



AFTER Recently restored
Bainbridge Street, Brooklyn



AFTER Recently restored
Bainbridge Street, Brooklyn



Acquisition & Asset Management

In early February, the Fund was delighted to acquire 25 Gautier Avenue, a two-family home in Journal Square, for US\$465,000, a discount of US\$35,000 to the original asking price. Inside, the property is in good condition with original hardwood floors and large windows that allow sunlight to flood each of the two units. The property is desirably located just a two-minute walk from the nearby Lincoln Park. Lincoln Park is regarded as the oldest and largest park in Hudson County, and features historic points of interest, including a seated statue of the U.S. President, Abraham Lincoln, entitled "Lincoln the Mystic." Here, one can also find landscaped greenery, ponds, nature trails and wetlands, all of which house the natural habitat and local species along a waterfront walkway.

Equipped with a parking space for one car, the property is well positioned for transportation around Jersey City and into Downtown Manhattan. Following a cosmetic renovation, 25 Gautier Avenue is expected to provide the Fund with an impressive yield of 5.80%.



Recently acquired
25 Gautier Avenue, Journal Square

25 GAUTIER AVENUE, JOURNAL SQUARE

Acquisition Date: 7 February 2018

Total Acquisition Cost: US\$478,580

Estimated Monthly Rent:

Apt1: US\$1,895

Apt2: US\$1,695

Two-family detached

Apt1: 2 bed / 1 bath

Apt2: 2 bed / 1 bath

Net Square Footage: 2,921 square feet

Note: Total cost includes purchase price and acquisition fees and costs.



Tenancy

The tenants of Quincy Street in Brooklyn had enjoyed their experience and the responsive support of the Leasing Team during their time at this home, but sought to move to another property in the area. Wanting to remain within the Fund's portfolio, the family came across an available Fund property on Macon Street with ultra-desirable amenities and unique touches throughout. This home possessed everything the family was looking for, including an enviable location near transportation, a fully-opening NanaWall glass door system and a stunning kitchen outfitted with top-of-the-line finishes. Understanding the needs of the family, the Leasing Team quickly relocated them to the newly-renovated Macon Street whilst successfully securing a monthly rental price of US\$8,175, a 25.5% increase on their previous rental price at the Quincy Street property.

MACON STREET, BROOKLYN

Purchase Date: 31 October 2014

Total Cost: US\$3,076,414

Purchase Price: US\$1,499,500

Actual Monthly Rent: US\$8,175

Property Type: Single family

Bed/Bath Count: 5 bed/3 bath

Net Square Footage: 3,694 square feet

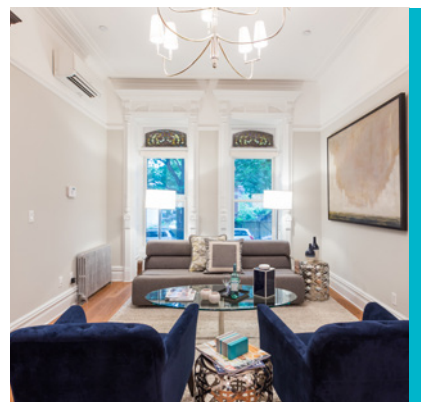
Note: Total cost includes purchase price, acquisition fees and construction costs.



Recently leased
Macon Street, Brooklyn



Recently leased
Macon Street, Brooklyn



Recently leased
Macon Street, Brooklyn



Portfolio Analysis

- During the quarter, the Fund purchased 19 properties for a total cost of US\$6.93 million.
- The Fund sold 11 properties for a total price of US\$7.5 million. This represents a profit to asset cost of US\$1 million, or 16%.

FREESTANDING PORTFOLIO

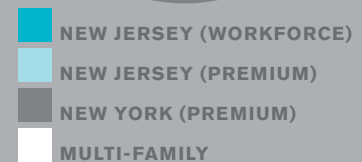
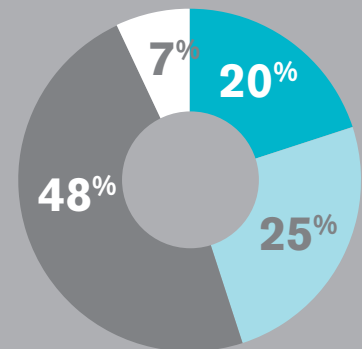
| AREA | PROPERTIES | VALUE (US\$) |
|----------------------|------------|----------------------|
| New York Premium | 147 | 461.4 million |
| New Jersey Premium | 119 | 238.2 million |
| New Jersey Workforce | 397 | 188.5 million |
| Total | 663 | 888.1 million |

MULTI-FAMILY PORTFOLIO

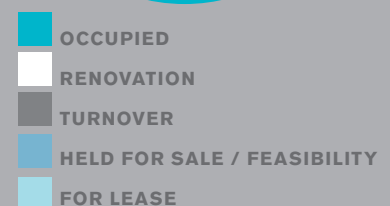
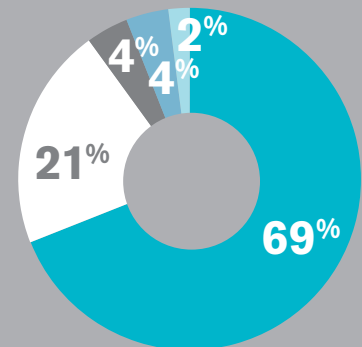
| JOINT VENTURE ENTITY | UNITS | VALUE (US\$) |
|----------------------------|------------|---------------------|
| Hudson County Multi-Family | 400 | 37.8 million |
| Washington Heights | 84 | 12.9 million |
| Astoria, Queens | 70 | 15.0 million |
| Total | 554 | 65.7 million |

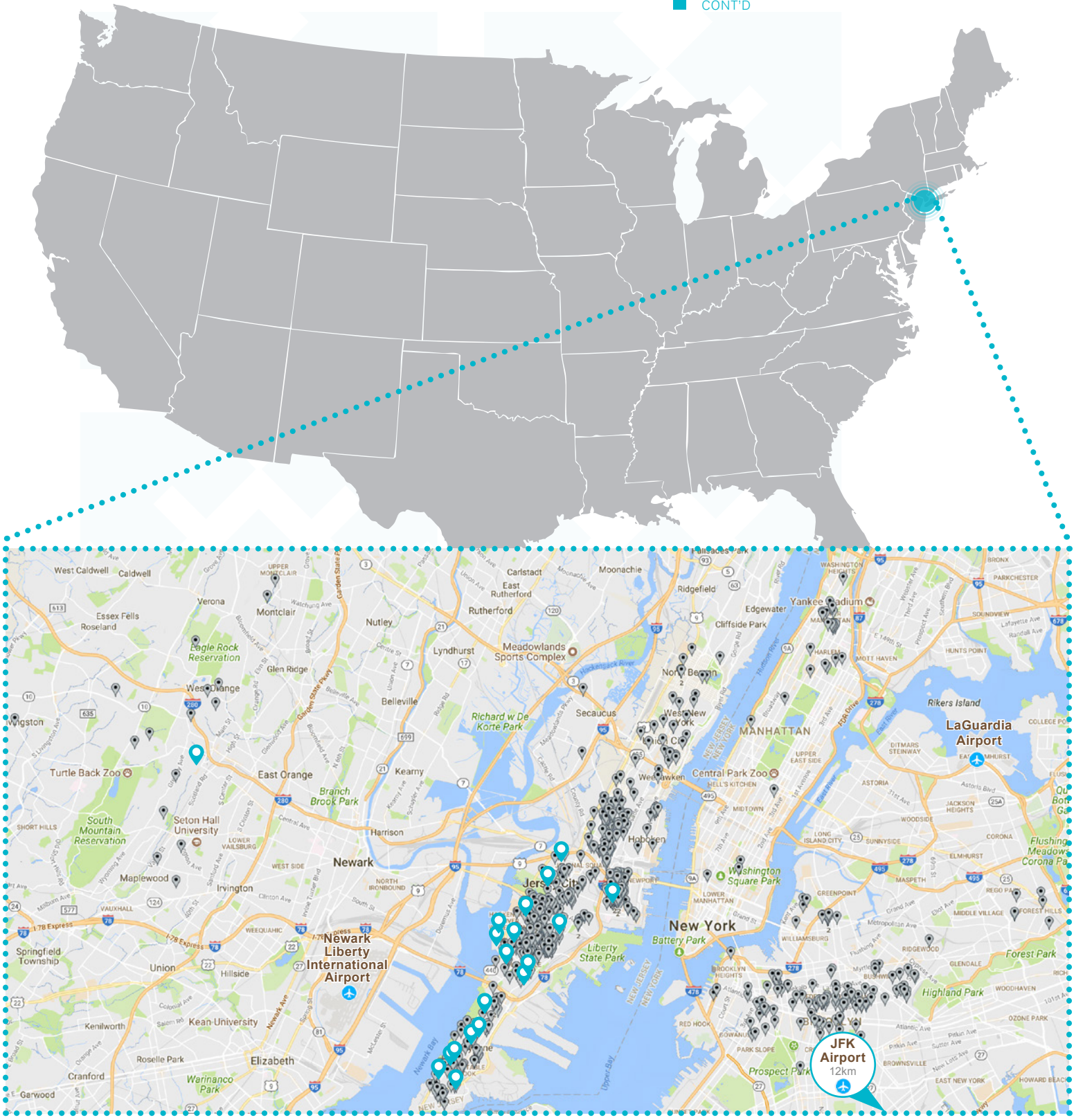
The value of the Fund's portfolio of properties is determined each six months as part of the Fund's statutory reporting obligations. The valuations are completed by a panel of independent, licensed appraisers. Each six months approximately 50% of the portfolio is valued, with the other 50% valued the following period so that each property is appraised at least once per year. Each property is also independently appraised immediately following construction to ensure valuations are current at all times.

PROPERTY DISTRIBUTION BY VALUE




PROPERTY STATUS BY VALUE





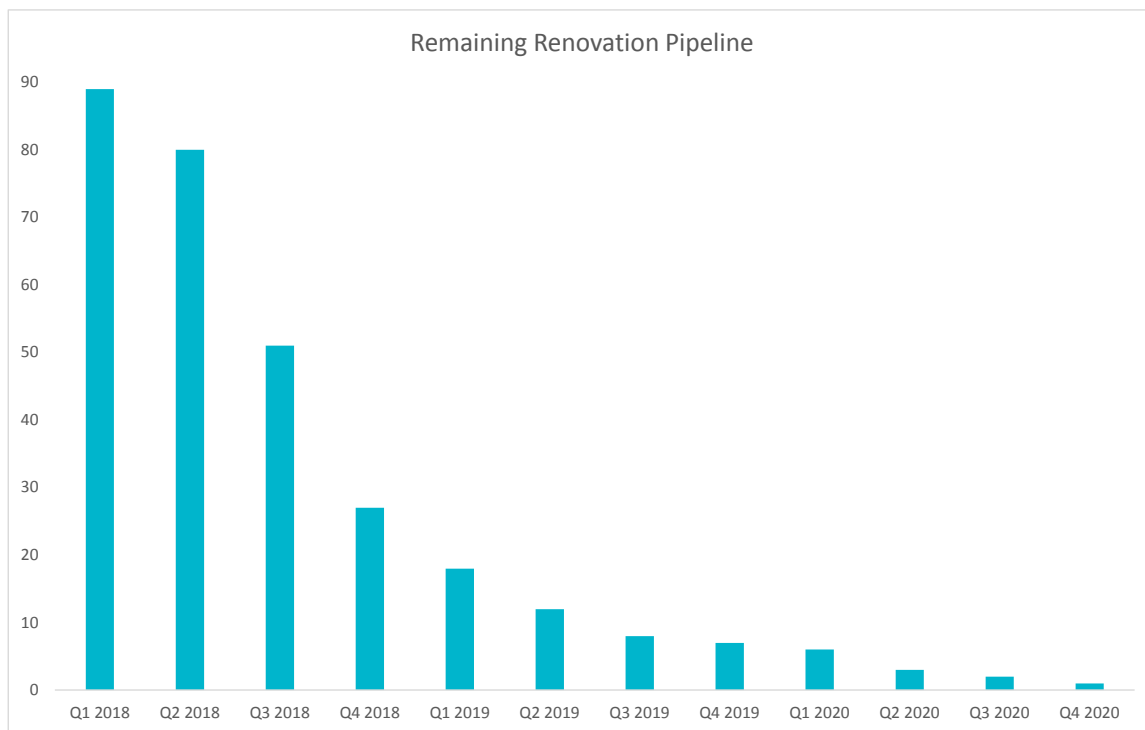
KEY:  Quarter 1 Purchased Properties

 Existing Fund Portfolio



Construction Pipeline

Given that the Fund is continuing to progress with the completion of the renovation pipeline and working towards full portfolio stabilisation, we wanted to provide unitholders with a greater level of detail regarding the projected timing of this construction process. The exhibit below outlines the expected project completions (by quarter) for the 89 properties currently remaining in the renovation pipeline. As demonstrated by the chart, the vast majority of projects are expected to be completed within the next 24 months, with the completions further skewed to occur within the next 12 months.



As the Fund completes this renovation pipeline and progresses towards full portfolio stabilisation, we continue to place a focused effort on driving cost efficiencies across the portfolio, with particular attention to asset management costs. The delivery of these properties from the renovation pipeline will allow URF to continue to leverage the scale of its stabilised portfolio to drive cost efficiencies at the property level and maximise cash flow to unitholders.

In Q1 2018, construction investment was US\$14.5 million. This included US\$9.6 million of subcontractor costs (builders, trades people and laborers), US\$1 million of owner supplied items/materials (such as tile, flooring, plumbing, appliances, doors and hardware) US\$1.6 million of professional services and US\$2.3 million of payments to Dixon Projects, which covers company overheads, rent and wages for the 74 construction professionals employed. As the pipeline of properties being constructed for the Fund continues to reduce, this construction spend is significantly reduced from the Fund as Dixon Projects overheads and staffing costs are paid by the company, not unitholders of URF.

Quarterly Closed Properties

| ADDRESS | REGION | PROPERTY DESCRIPTION | APPROX. SQ FT | ACQUISITION DATE | TOTAL ACQUISITION COST (US\$) | EST. ANNUAL NET YIELD |
|--|-------------|---|---------------|------------------|-------------------------------|-----------------------|
| 321 Varick Street, Jersey City NJ 07302 | Jersey City | 2-family, attached Apt 1: 2 bed/1bath Apt 2: 3 bed/1 bath | 3509 | 10-Jan-2018 | \$1,372,022.00 | 4.30% |
| 335 Princeton Avenue, Jersey City NJ 07305 | Jersey City | 2-family, detached Apt 1: 2 bed/1bath Apt 2: 3 bed/1 bath | 2200 | 9-Jan-2018 | \$320,218.15 | 4.15% |
| 25 Gautier Avenue, Jersey City NJ 07306 | Jersey City | 2-family, detached Apt 1: 2 bed/1bath Apt 2: 2 bed/1 bath | 2921 | 7-Feb-2018 | \$478,580.00 | 4.80% |
| 173 Randolph Avenue, Jersey City NJ 07305 | Jersey City | 1-family, detached Apt 1: 3 bed/2 bath | 1920 | 21-Feb-2018 | \$250,148.00 | 4.16% |
| 34 Danforth Avenue, Jersey City NJ 07305 | Jersey City | 2-family, detached Apt 1: 2 bed/1 bath Apt 2: 2 bed/1 bath | 2200 | 1-Feb-2018 | \$276,027.53 | 4.14% |
| 138 Terhune Avenue, Jersey City NJ 07305 | Jersey City | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 2 bed/1 bath | 1500 | 1-Feb-2018 | \$264,025.89 | 4.63% |
| 118 West 9th Street, Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 3 bed/2 bath | 2940 | 1-Feb-2018 | \$362,039.32 | 4.03% |
| 96 West 17th Street, Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 2 bed/1 bath | 1590 | 1-Feb-2018 | \$212,022.19 | 6.13% |
| 14 Buttonwood Street, Jersey City NJ 07305 | Jersey City | Condominium 2 bed/1 bath | 1398 | 23-Feb-2018 | \$281,126.99 | 4.00% |
| 274 Neptune Avenue, Jersey City NJ 07305 | Jersey City | 2-family detached Apt 1: 3 bed/1 bath Apt 2: 3 bed/1 bath | 2000 | 23-Feb-2018 | \$318,166.44 | 4.35% |
| 11-13 West 36th Street Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 1 bed/1 bath | 2392 | 23-Feb-2018 | \$220,116.44 | 4.02% |
| 8 Greenwich Drive #616 Jersey City NJ 07305 | Jersey City | Condominium 2 bed/2 bath | 1498 | 6-Mar-2018 | \$307,111.23 | 4.03% |
| 37 Nutman Place West Orange NJ 07052 | West Orange | 1-family, detached 3 bed/1.5 bath | 1508 | 6-Mar-2018 | \$202,977.00 | 4.47% |
| 56 Wales Avenue Jersey City NJ 07306 | Jersey City | 2-family detached Apt 1: 3 bed/2.5 bath Apt 2: 3 bed/2 bath | 3450 | 6-Mar-2018 | \$582,219.11 | 4.04% |
| 86 West 45th Street Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 3 bed/1 bath | 2576 | 6-Mar-2018 | \$314,114.59 | 4.11% |
| 122 Cherry Street #G2 Jersey City NJ 07305 | Jersey City | Condominium 2 bed/1.5 bath | 1128 | 13-Mar-2018 | \$244,000.00 | 4.22% |
| 96 West 15th Street Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 2 bed/1 bath Apt 2: 3 bed/1 bath | 3135 | 13-Mar-2018 | \$326,000.00 | 4.05% |
| 18 Cottage Street Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 3 bed/2 bath Apt 2: 3 bed/2 bath | 2760 | 13-Mar-2018 | \$310,000.00 | 4.56% |
| 39 West 33rd Street Bayonne NJ 07002 | Bayonne | 2-family detached Apt 1: 3 bed/1bath Apt 2: 2 bed/1 bath | 2420 | 29-Mar-2018 | \$328,034.66 | 4.02% |



New Leases

| ADDRESS | STATE | UNIT | BED/BATH | MOVE IN DATE | PREVIOUS RENT(US\$) | PRICE (US\$) | SQ. FT. |
|-----------------|-------|------|----------|--------------|---------------------|--------------|---------|
| 1st St. | NJ | 3 | 1/1 | 15-Apr-2018 | \$2,195 | \$2,095 | 536 |
| 6th St. | NJ | SF | 5/4.5 | 11-Apr-2018 | \$7,395 | \$8,175 | 3036 |
| 8th St. | NJ | SF | 3/2 | 19-Jan-2018 | N/A | \$5,620 | 1734 |
| 8th St. | NJ | 2 | 3/2 | 1-Apr-2018 | \$2,645 | \$3,765 | 1238 |
| 34th St. | NY | 5B | 2/1 | 1-Feb-2018 | N/A | \$2,895 | 842 |
| 41st St. | NJ | 3 | 2/1 | 1-Feb-2018 | \$1,795 | \$1,795 | 875 |
| 44th St. | NJ | 2 | 2/1 | 1-Mar-2018 | \$1,319 | \$1,595 | 697 |
| 49th St. | NJ | 2 | 2/1 | 23-Feb-2018 | \$1,675 | \$1,695 | 845 |
| Bainbridge Ave. | NY | SF | 4/4 | 1-Mar-2018 | N/A | \$7,495 | 2768 |
| Baldwin Ave. | NJ | 2 | 3/1 | 1-Mar-2018 | \$1,475 | \$1,695 | 1010 |
| Beacon Ave. | NJ | 2 | 1/1 | 17-Mar-2018 | \$1,150 | \$1,795 | 1192 |
| Belmont Ave. | NJ | 2 | 4/2 | 1-Feb-2018 | \$1,865 | \$1,865 | 1498 |
| Boyd Ave. | NJ | 1 | 4/1 | 1-Mar-2018 | \$1,310 | \$1,595 | 1007 |
| Boyd Ave. | NJ | 2 | 2/1 | 1-Mar-2018 | \$1,435 | \$1,395 | 885 |
| Boyd Ave. | NJ | 2 | 3/1 | 1-Apr-2018 | \$1,350 | \$1,395 | 884 |
| Cambridge Ave. | NJ | 2 | 3/3 | 25-Jan-2018 | \$2,685 | \$2,695 | 1693 |
| Charles St. | NJ | 2 | 3/1 | 20-Feb-2018 | N/A | \$2,295 | 1013 |
| Charles St. | NJ | 1 | 3/1 | 24-Feb-2018 | N/A | \$2,395 | 961 |
| Clendenny Ave. | NJ | 2 | 2/1 | 15-Mar-2018 | \$1,395 | \$1,395 | 752 |
| Cottage St. | NJ | 2 | 2/1 | 15-Feb-2018 | \$1,145 | \$1,395 | 796 |
| Cottage St. | NJ | 1 | 0/1 | 15-Apr-2018 | \$1,315 | \$1,245 | 355 |
| Danforth Ave. | NJ | 2 | 3/1 | 10-Jan-2018 | \$1,395 | \$1,495 | 987 |
| Dean St. | NY | SF | 4/4.5 | 15-Jan-2018 | \$18,995 | \$19,000 | 3375 |
| Grant Ave. | NJ | 1 | 1/1 | 15-Jan-2018 | \$1,345 | \$1,395 | 570 |
| Grant Ave. | NJ | 2 | 3/2 | 2-Feb-2018 | \$1,765 | \$1,695 | 1252 |
| Grant Ave. | NJ | 2 | 3/3 | 23-Feb-2018 | \$1,284 | \$1,495 | 1239 |
| Grant St. | NJ | 1 | 3/1 | 19-Jan-2018 | \$1,395 | \$1,395 | 765 |
| Greene Ave. | NY | SF | 6/6 | 1-Feb-2018 | \$8,876 | \$9,330 | 3624 |
| Hancock St. | NY | SF | 4/4.5 | 15-Jan-2018 | \$7,500 | \$6,745 | 2274 |
| Hancock St. | NJ | 1 | 2/1 | 15-Mar-2018 | N/A | \$2,175 | 1082 |
| Jefferson Ave. | NY | SF | 4/3 | 1-Mar-2018 | \$5,495 | \$5,800 | 2569 |
| Macon St. | NY | SF | 6/3 | 19-Jan-2018 | N/A | \$8,175 | 3694 |
| Manhattan Ave. | NY | 2 | 1/1 | 1-Feb-2018 | N/A | \$2,600 | 752 |
| Manhattan Ave. | NY | 1 | 0/1 | 1-Mar-2018 | N/A | \$2,395 | 704 |
| Manhattan Ave. | NJ | SF | 3/3.5 | 5-Mar-2018 | \$4,095 | \$4,095 | 2330 |
| Marion Pl. | NJ | 3 | 3/1 | 26-Jan-2018 | \$1,480 | \$1,695 | 968 |
| Mercer St. | NJ | 1 | 3/1 | 11-Jan-2018 | \$1,795 | \$1,795 | 995 |
| Monroe St. | NY | 3 | 2/1 | 10-Mar-2018 | \$2,450 | \$2,480 | 680 |
| Montgomery St. | NJ | SF | 2/1.5 | 15-Apr-2018 | \$4,635 | \$4,360 | 829 |

| ADDRESS | STATE | UNIT | BED/BATH | MOVE IN DATE | PREVIOUS RENT(US\$) | PRICE (US\$) | SQ. FT. |
|----------------|-------|------|----------|--------------|---------------------|--------------|---------|
| Montgomery St. | NJ | SF | 4/4.5 | 15-Apr-2018 | \$9,995 | \$9,265 | 3829 |
| Newark Bay Ct. | NJ | 1 | 1/1 | 4-Mar-2018 | \$1,295 | \$1,295 | 560 |
| Newman Ave. | NJ | 1 | 2/2 | 4-Apr-2018 | \$1,765 | \$1,795 | 1702 |
| Palisade Ave. | NJ | 1 | 0/1 | 1-Feb-2018 | \$945 | \$1,095 | 408 |
| Pearsall Ave. | NJ | 2 | 1/1 | 24-Mar-2018 | \$1,055 | \$1,395 | 626 |
| Reservoir Ave. | NJ | 2 | 3/2 | 19-Jan-2018 | N/A | \$2,595 | 1218 |
| Reservoir Ave. | NJ | 3 | 2/1 | 24-Feb-2018 | \$1,695 | \$1,795 | 882 |
| Rutgers Ave. | NJ | 2 | 3/1 | 9-Mar-2018 | \$1,025 | \$1,395 | 1164 |
| Sherman Ave. | NJ | SF | 3/2 | 1-Mar-2018 | \$4,360 | \$4,360 | 1772 |
| St. Marks Ave. | NY | SF | 7/5 | 1-Apr-2018 | N/A | \$9,555 | 4879 |
| Stegman St. | NJ | 2 | 3/1 | 22-Feb-2018 | \$1,295 | \$1,495 | 899 |
| Story Ct. | NJ | 4 | 2/1 | 8-Jan-2018 | \$1,105 | \$1,295 | 642 |
| Summit Ave. | NJ | SF | 5/3.5 | 15-Mar-2018 | \$4,360 | \$4,380 | 2080 |
| Summit Ave. | NJ | 2 | 3/1 | 1-Apr-2018 | \$1,895 | \$1,995 | 1044 |
| Union St. | NJ | 1 | 3/1 | 28-Jan-2018 | \$1,502 | \$1,595 | 704 |
| Van Horn St. | NJ | 3 | 1/1.5 | 1-Feb-2018 | \$1,146 | \$1,445 | 782 |
| Van Horn St. | NJ | 2 | 2/1 | 1-Apr-2018 | \$1,495 | \$1,445 | 619 |
| Wallis Ave. | NJ | 3 | 1/1 | 1-Apr-2018 | \$1,595 | \$1,595 | 827 |
| Wegman Pkwy. | NJ | 1 | 3/1 | 12-Jan-2018 | \$1,235 | \$1,395 | 931 |
| West 168th St. | NY | 2K | 1/1 | 23-Mar-2018 | N/A | \$1,995 | 490 |
| West 168th St. | NY | 3G | 2/1 | 23-Feb-2018 | N/A | \$2,095 | 545 |
| West 168th St. | NY | 4B | 0/1 | 15-Feb-2018 | \$1,645 | \$1,645 | 285 |
| West 168th St. | NY | 4K | 1/1 | 1-May-2018 | N/A | \$2,095 | 441 |
| West 168th St. | NY | 5I | 0/1 | 1-Mar-2018 | N/A | \$1,645 | 291 |
| West 54th St. | NJ | 2 | 3/1 | 15-Feb-2018 | \$1,545 | \$1,645 | 1060 |
| Winfield Ave. | NJ | 2 | 2/1 | 1-Mar-2018 | \$1,590 | \$1,395 | 791 |
| Winfield Ave. | NJ | 1 | 2/1 | 1-Apr-2018 | \$1,295 | \$1,395 | 735 |
| York St. | NJ | 1 | 2/3 | 1-Feb-2018 | N/A | \$4,905 | 2571 |
| York St. | NJ | 2 | 1/1 | 15-Feb-2018 | N/A | \$2,495 | 811 |
| York St. | NJ | SF | 3/3 | 1-Apr-2018 | \$6,400 | \$6,400 | 2144 |

This list contains only new leases signed during Q1, 2018. No lease renewal information has been included.

URF Fund Statistics

| | AUD\$ |
|-----------------------|---------------|
| Market Capitalisation | 635,031,054 |
| Net Debt | 670,399,856 |
| Enterprise Value | 1,305,430,910 |

| | PROPERTIES | UNITS |
|-----------------------|------------|-------------|
| Freestanding Holdings | 663 | 1182 |
| Multi-Family Holdings | 16 | 554 |
| TOTAL UNITS: | | 1736 |

URF Unit Price Performance^{1,2} AS AT 31 MARCH 2018

| 1M | 3M | 6M | 1YR | 2YR (PA) | 3YR (PA) | 5YR (PA) | SI ² (PA) |
|------|-------|------|-------|----------|----------|----------|----------------------|
| 2.9% | -2.2% | 2.8% | -3.8% | -4.8% | -2.4% | 5.1% | 6.5% |

NTA Performance^{1,2} AS AT 31 MARCH 2018

| 1M | 3M | 6M | 1YR | 2YR (PA) | 3YR (PA) | 5YR (PA) | SI ² (PA) |
|------|------|------|-------|----------|----------|----------|----------------------|
| 1.9% | 0.6% | 2.5% | -3.4% | -3.4% | -1.7% | 8.6% | 6.3% |

URF Total Unitholder Returns¹ AS AT 31 MARCH 2018



Important Information

This Quarterly Update (Update) has been prepared by Walsh & Company Investments Limited as the Responsible Entity for the US Masters Residential Property Fund (Fund). An investment in the Fund is subject to various risks, many of which are beyond the control of the Responsible Entity.

This Update contains statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Responsible Entity, its officers, employees, agents, analysts nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based.

This Update may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs, and consider obtaining advice from a financial advisor. You should obtain a copy of the relevant product disclosure statement or offer document before making any decisions to purchase the product. The past performance of the Fund is not a guarantee of the future performance of the Fund.

Notes

¹ Returns are inclusive of dividends reinvested and adjusted for rights issues.

² Inception date June 2011.

Board & Management

Board of the Responsible Entity

Alex MacLachlan
Tristan O'Connell
Warwick Keneally

US Management Team

Alan Dixon MANAGING DIRECTOR & CEO

David Orr EXECUTIVE DIRECTOR & COO

Paul McInerney JOINT CFO

Kevin McAvey JOINT CFO

Bryan Bullett VP, HEAD OF CAPITAL MARKETS

Priscilla Porter EXECUTIVE DIRECTOR

Scott Cohen EXECUTIVE DIRECTOR

Dessie Neill EXECUTIVE DIRECTOR

Ezequiel Ortiz EXECUTIVE DIRECTOR

Brian Disler HEAD OF LEGAL AND GOV. RELATIONS

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