

US Masters Residential Property Fund



PRODUCT DISCLOSURE STATEMENT

PDS for the offer of fully paid ordinary units to raise up to \$50,000,000 with the ability to raise an additional \$50,000,000 through oversubscriptions.

This PDS is issued by **Dixon Advisory & Superannuation Services Limited** in its capacity as Responsible Entity for the Fund.

The investments of **US Masters Residential Property Fund** are managed by **Dixon Advisory & Superannuation Services Limited**.
This offer is not underwritten.

ARSN 150 256 161

RESPONSIBLE ENTITY:



Dixon Advisory & Superannuation
Services Limited
(ACN 103 071 665)
(AFSL 231 143)

US Masters Residential Property Fund



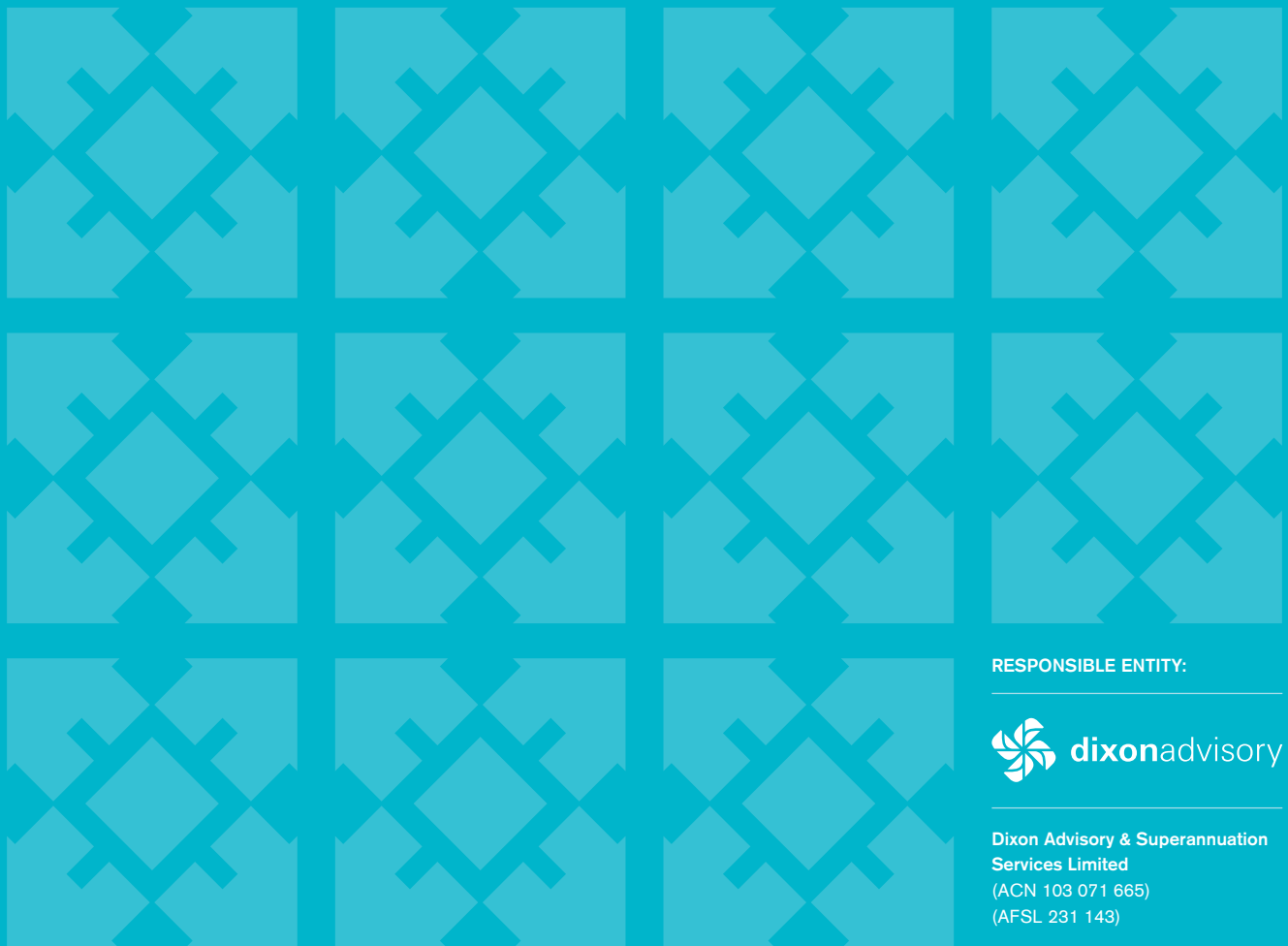
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Directory

US Masters Residential Property Fund

(ARSN 150 256 161)

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North Sydney NSW 2060

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www.usmastersresidential.com.au

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Important Notices

General

This product disclosure statement (**PDS**) is dated 15 May 2012 and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. None of ASIC, ASX and NSX or any of their officers take any responsibility for the contents of this PDS.

This PDS was prepared and issued by Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (referred to in this PDS as "Dixon Advisory", "Responsible Entity", "Investment Manager", "we", "our" and "us"). Dixon Advisory is the responsible entity and investment manager of the US Masters Residential Property Fund (**Fund**).

This document is important and requires your immediate attention. It should be read in its entirety. You may wish to

consult your professional adviser about its contents.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained or taken to be contained may not be relied on as having been authorised by Dixon Advisory in connection with the Offer.

This PDS contains general information only. It has not been prepared having regard to your investment objectives, financial situation or specific needs. It is important that you carefully read this PDS in its entirety before deciding to invest in the Fund and,



in particular, in considering the PDS, that you consider the risk factors that could affect the financial performance of the Fund and your investment in the Fund. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Information relating to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on the Fund's website at www.usmastersresidential.com.au or by contacting **1300 454 801**. A paper copy of any updated information is available free on request.

Currency of Information

Unless otherwise stated, information in this PDS is current as at 30 April 2012 adjusted for the joint venture and joint venture acquisition executed on 10 May 2012.

Currency

Unless otherwise indicated references to \$ are references to the lawful currency of Australia. Unless otherwise stated, US\$ amounts have been converted to A\$ at a US\$/A\$ exchange rate

of 1.043, being the applicable exchange rate at 30 April 2012.

Volatility in the US\$/A\$ may mean that the actual A\$ amounts at the time of consideration of this PDS may differ from the amount stated. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this PDS are due to rounding.

No Guarantee

None of Dixon Advisory, its parent, its respective subsidiaries nor any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund, the repayment of the investment in the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund does not represent a deposit or any other type of liability of the above parties. An investment in the Fund is subject to investment risk. These risks are discussed in Section 10.

Restrictions on the distribution of this PDS

This PDS does not constitute an offer of Units in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and any person into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions.

This document is not an offer or an invitation to acquire securities in any country. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US person", as defined in Regulation S under the US Securities Act of 1933 (Securities Act) (US Person).



This document may not be released or distributed in the United States or to any US Person. Any securities described in this announcement have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, or to, or for the account of benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

Electronic PDS

An electronic version of this PDS is available from the Fund's website at www.usmastersresidential.com.au. The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia. It is not available to persons receiving it in any other jurisdiction.

If you download the electronic PDS, please ensure you have received the entire PDS accompanied by the Application Form. The Units offered under the Offer to which the electronic PDS relates will only be issued on receipt of a printed copy of the Application Form.

Copy of this PDS

The Responsible Entity will give you a copy of the PDS free of charge if you ask during the Offer period and in any event within 5 days after receiving such a request.

Application for Units

To apply to invest in the Fund, you must complete the Application Form attached to the back of this PDS and return it to us at the address provided on the Application Form, together with a cheque for your investment. Please refer to Section 2 for further details on how to apply for Units in the Fund.

Quotation

We will apply within 7 days after the date of this PDS for the Fund to be admitted to the Official List of ASX and for any Units (including the Units to be issued pursuant to this PDS) to be quoted on the ASX. The fact that the Units may be quoted on the ASX is not to be taken as an indication of the merits of the Fund or the Units. If granted, quotation will commence as soon as practicable after the Fund is admitted to the Official List of ASX.

The Fund intends to seek NSX's approval to suspend trading on the NSX and, following admission to the Official List of ASX, to withdraw its listing on the NSX. It is anticipated that suspension in trading on NSX will occur before the Allotment Date and the Fund will be delisted from the NSX as soon as practicable after the Offer Closing Date. Subject to any waivers being granted by NSX, the Fund will be delisted from the NSX 90 days after the

date of this PDS. Unless a waiver is granted by NSX, delisting will also be conditional upon receipt of Unitholder approval.

The Fund has applied for a waiver permitting the Fund to be delisted within 45 days of the date of this PDS and for a waiver of the requirement for Unitholder approval.

The NSX Listing Rules require the Fund to apply for official quotation of Units offered under this PDS. However, these Units will not be quoted on NSX. Applicants should not apply for Units on the expectation that Units will be quoted on NSX.

We do not intend to allot any Units unless and until the Units (including Units to be issued pursuant to this PDS) have been granted permission to be quoted on ASX on terms acceptable to us. If permission is not granted before the end of three months after the date of this PDS (or such longer period permitted by the Corporations Act with the consent of ASIC), it is intended that all Application Monies received pursuant to the PDS will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

Allotment

We will not allot Units until permission has been granted for quotation of the Units on ASX unconditionally or on terms acceptable to us. Official quotation of the Units will commence as soon as practicable after the Fund is admitted to the Official List of ASX and after suspension of trading of Units on NSX. It is expected that allotment of the Units issued pursuant to this PDS will take place on 26 June 2012.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. Where the number of Units allotted have a total value that is less than the Application Monies received by the Responsible Entity or where no allotment is made, the surplus Application Monies will be returned by cheque. Interest will not be paid on the refunded Application Monies.

CHES

The Fund participates in the Clearing House Electronic Subregister System (**CHES**) operated by the ASX Settlement Pty Limited (**ASX Settlement**) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHES, the Fund will not be issuing certificates to investors who elect to hold their Units on the CHES subregister. After allotment of Units, Unitholders will receive a CHES statement.

The CHES statements, which are similar to bank account statements, will set out the number of Units allotted to each Unitholder pursuant to this PDS. The statement will also advise holders of their holder identification number and explain for future reference the sale and purchase procedures under CHES.



Further statements will be provided to holders which reflect any changes in their shareholding in the Fund during a particular month.

Tax implications

Tax implications applicable to investors will vary from investor to investor. Dixon Advisory, its advisers and its directors and officers do not accept any responsibility or liability for any tax consequences. As a result, you should consult your own professional tax advisers before subscribing for Units under this PDS.

Please refer to Section 12 for a summary of the main tax implications for investors who subscribe for Units pursuant to the Offer.

Application Form

Applications and Application Monies for Units under the Offer received after 5:00 p.m. (AEST) on the Offer Closing Date will not be accepted and will be returned to potential investors. Interest will not be paid on Application Monies which are returned. Applications must be accompanied by payment in Australian currency. Cheques in respect of Applications should be made payable to "Dixon Advisory Trust Account for US Masters Residential Property Fund" and crossed "Not Negotiable".

No stamp duty is payable by Applicants.

Completed Application Forms, together with Application Monies, should be forwarded to one of the following addresses:

POSTAL

US Masters Residential Property Fund Units Offer
c/- Dixon Advisory & Superannuation Services Limited
GPO Box 575
CANBERRA ACT 2601

HAND DELIVERED

Canberra

US Masters Residential Property Fund Units Offer
c/- Dixon Advisory & Superannuation Services Limited
Level 1, 73 Northbourne Avenue
CANBERRA ACT 2601

Sydney

US Masters Residential Property Fund Units Offer
c/- Dixon Advisory & Superannuation Services Limited
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

Melbourne

US Masters Residential Property Fund Units Offer
c/- Dixon Advisory & Superannuation Services Limited
Level 2, 250 Victoria Parade
EAST MELBOURNE VIC 3002

When to Apply

Completed Applications under the Offer must be received by 5:00pm (AEST) on the Offer Closing Date.

The Responsible Entity may close the Offer at any time after the Opening Date without prior notice in accordance with the Corporation Act and the Listing Rules.

The Responsible Entity reserves the right to allot a number of Units with an aggregate value that is less than the Application Monies received by the Responsible Entity. Where the value of Units allotted is less than the Application Monies received, surplus Application Monies will be refunded without interest.

Enquiries

Applicants with enquiries concerning the Application Form or relating to this PDS and the Offer should contact Dixon Advisory & Superannuation Services Limited on **1300 454 801**.

Glossary of Terms

Defined terms and abbreviations included in the text of this PDS are set out in the Glossary in Section 15.





Letter from the Responsible Entity

Dear Investor,

It is our pleasure to invite you to invest in the US Masters Residential Property Fund (**Fund**), the only Australian listed trust with a primary strategy of investing in the United States (US) residential property market. The Fund is initially focussed on acquiring property in the New York metropolitan area (Initial Target Investment Area) with a specific focus on residential properties in Hudson County, New Jersey.

The Responsible Entity believes that the current downturn in the US residential property market continues to offer a highly attractive opportunity for Australian investors to gain access to US residential property, especially in certain geographic areas with strong fundamentals such as the New York metropolitan area.

In the period since its initial public offer in June 2011, the Fund has secured property investments with total acquisition costs of US\$76.1 million, representing 930 units (individual dwellings), comprised of US\$50.5 million of freestanding houses across 231 one-to-four family properties totalling 532 units and a 67.5% interest in US\$38 million of multi-dwelling residences across 13 apartment complexes totalling 398 units through an exclusive joint venture.

The portfolio of freestanding houses consists of 132 closed properties with an aggregate acquisition cost of US\$27.5 million and conditional contracts on 99 properties with an aggregate acquisition cost of US\$23.0 million. The freestanding houses are located throughout Hudson County and are all in close proximity to excellent public transportation networks with easy access to Manhattan and local public amenities.

To date, the freestanding properties have been secured at an average price of approximately US\$219,000 per house and US\$95,000 per unit. Although individual property yields vary due to a number of factors including location and structure, the Fund's freestanding property portfolio to date typically has been purchased at annualised net unlevered rental yields at the property level of around 8%, based on pre-purchase due-diligence undertaken and actual yields achieved. Looking forward, the Fund intends to increase its focus on higher end residences, which generally generate lower rental yields but have significantly greater potential for long-term capital growth. However, the estimated yields in aggregate are expected to continue to compare very favourably to historical yields. It is important to note that this may not necessarily reflect the distribution yields you are likely to receive.

The Fund has recently expanded its strategy to include multi-dwelling properties with the objective of capturing above average year-on-year rental increases and scale-related efficiencies while achieving greater structural and geographical diversity within Hudson County, New Jersey. The Fund has recently entered into a joint venture agreement with Urban American Management, a highly experienced US based partner to acquire a 67.5% interest in a portfolio of 13 multi-dwelling properties totalling 398 apartments of primarily one to two bedroom apartments in Hudson County at an average price of US\$95,000 per unit. The Fund expects to commit US\$10.2 million of equity in the US\$38 million portfolio of multi-dwelling properties. Additionally, the Fund is in discussions with other joint venture partners in relation to further multi-dwelling properties.

The Responsible Entity believes that the Fund has the potential to enhance the yields to investors through the use of moderate amounts of leverage. The Fund has begun putting in place, through the US REIT, debt financing against its portfolio of freestanding houses and has recently reached agreed terms on a limited recourse term loan facility with Investors Bank at a 50% gearing level secured across 32 freestanding houses totalling 70 units at a five-year fixed interest rate of 3.99%. The financing rates currently available to the Fund, through the US REIT, are well below historical levels and are accretive to the Fund. The Fund will look to put in place successive tranches of debt financing against its portfolio of freestanding houses, subject to market rates prevailing at the time, as properties are acquired and leased.

In addition, the Fund, through its joint venture, is sourcing debt financing for its multi-family dwelling portfolio equivalent to 60% of the total purchase price paid by the joint venture. Across the entire portfolio of freestanding houses and multi-family dwellings, the Fund has a strategy of maintaining a long-term aggregate gearing ratio of up to 50%.



The Responsible Entity believes the Fund is well positioned to enter a new phase of growth and continue to take advantage of the current market conditions. To capitalise on this opportunity, the Fund is undertaking the Offer to raise up to an additional \$50,000,000, with the right to receive oversubscriptions for a further \$50,000,000. The Application Price for Units will be adjusted for movements in the US\$/A\$ exchange rate between the date of this PDS and Allotment.

To access greater broker coverage, the Responsible Entity will apply for admission to the Official List of the Australian Securities Exchange (ASX). The ASX has provided in principle waivers that would allow the Fund to be considered an investment entity, relaxing restrictions which previously prevented the Fund achieving ASX listing. The Fund is confident that it will be granted admission to the ASX Official List within 3 months.

The Fund is managed by Dixon Advisory & Superannuation Services Limited in its capacity as the Responsible Entity and Investment Manager. The Responsible Entity has assembled a highly experienced locally based management team and external consultants, with an office in Jersey City that oversees property management and other specific support services for the Fund. The Responsible Entity has also engaged an independent advisory board of seasoned finance and property industry professionals to provide ongoing advice.

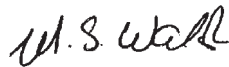
We encourage you to read this disclosure document carefully before making your investment decision because it contains detailed information about the Fund and the Offer of Units to investors.

We commend the Offer to you and look forward to welcoming you as an investor in the US Masters Residential Property Fund.



Daryl Dixon

Dixon Advisory & Superannuation Services Limited



Max Walsh

Dixon Advisory & Superannuation Services Limited



Key Dates and General Information

Date of PDS	15 May 2012
Opening Date	15 May 2012
Offer Closing Date	12 June 2012
Final calculation of Offer Price	25 June 2012
Offer Allotment Date	26 June 2012
Despatch of holding statements	26 June 2012
Trading of Units to commence	20 July 2012

The dates are indicative only and may vary, subject to the requirements of the Listing Rules and the Corporations Act.

Subject to the Corporations Act and the ASX and NSX Listing Rules, the Responsible Entity may vary the dates and times of the Offer (including closing the Offer early) without notice. The Fund may close the Offer once the Fund has been granted conditional admission to the Official List of ASX. See Section 1 for details. Accordingly, investors are encouraged to submit their Applications as early as possible.

Offer Statistics

Minimum Application amount	\$2,000
Maximum value of Units available under the Offer (if no oversubscriptions are taken up)	\$50,000,000
Maximum value of Units available under the Offer (if all oversubscriptions are taken up)	\$100,000,000
Application Price per Unit ¹	\$1.63

Notes: 1. Assumes that the A\$/US\$ exchange rate does not vary from the date of this PDS to 1 Business Day prior to the Allotment Date. As at the date of the PDS the A\$/US\$ exchange rate was 0.997. (Source: Bloomberg based on the prior New York 5pm close). See Section 2.2 for details in relation to the Application Price.



Key Investment Benefits

Direct exposure to US residential property at attractive valuations

The Fund is the only Australian listed property trust with a primary strategy of investing in direct US residential property.

The Responsible Entity believes that current conditions present an opportunity to gain exposure to select areas of the US residential property market at an attractive point in the cycle, ahead of a potential recovery in US residential property prices.

The Fund will continue to target properties which have the potential to achieve superior risk-adjusted income and long-term capital appreciation.

Attractive portfolio of property investments

Since its initial public offer in June 2011, the Fund has successfully secured property investments with total acquisition costs of US\$76.1 million, representing 930 units (individual dwellings), comprised of US\$50.5 million of freestanding houses across 231 one-to-four family properties totalling 532 units and 67.5% interest in US\$38million of multi-dwelling residences across 13 apartment complexes totalling 398 units (through an exclusive joint venture).

The Fund has acquired its portfolio at what it believes to be highly attractive valuations, with the average freestanding house purchased for US\$219,000 and the average apartment unit

acquired for US\$95,000. The properties are located throughout Hudson County and are all located within close proximity to excellent public transportation networks with easy access to Manhattan and public amenities.

Strong Australian dollar

As at 30 April 2012, the Australian dollar was trading at levels which are materially higher than the average of 75 cents achieved since the adoption of a floating exchange rate in 1983.

The Offer allows for Australian dollar denominated investors to capitalise on the current high level of the Australian dollar and provides potential upside should the exchange rate return to its historical trading range.

High quality management team

Management of the Fund is based in Australia and is provided by the Responsible Entity in its capacity as Investment Manager. Investment management in the US is also provided by the Responsible Entity in that same capacity, while property management and other support services in the US are primarily provided by Dixon Advisory USA.

The Responsible Entity has assembled a team of highly qualified professionals with direct experience in residential property in the Initial Target Investment Area to oversee the management of



the Fund and its investments. Profiles of key personnel of the Responsible Entity and the management team of Dixon Advisory USA are set out in Section 6. The local management team is in place and working out of Jersey City, New Jersey, directly across the Hudson River from Manhattan. Dixon Advisory USA has appointed external real estate professionals where appropriate.

Dixon Advisory also has substantial experience in the management of listed and unlisted investment funds, including more than \$700 million of funds in a variety of asset classes including domestic and international fixed income, natural resources, Asian equities and Australian equities.

Positive long-term dynamics

Short-term oversupply exacerbated by foreclosures, short sales and distressed sellers provides an opportunity to acquire properties at attractive valuations. At the same time, while certain regions of the US property market continue to suffer, the Responsible Entity believes the US residential property market still exhibits positive long-term fundamentals. The US has one of the best demographic profiles among OECD nations, providing excellent potential for strong growth in household formation to drive future demand.

Initial investment focus on the New York metropolitan area

The Fund has an initial investment focus on the New York metropolitan area. The New York metropolitan area is the most populous metropolitan area in the US. Within the New York metropolitan area, the Fund is focussing on residential properties in Hudson County, New Jersey.

The Investment Manager believes Hudson County offers compelling real estate market dynamics and demographics, including favourable location, proximity and direct public transport access to Manhattan and a high population density.

Recent divergence from other asset classes

While other investment asset classes have rebounded post the global financial crisis, US real estate values remain depressed, in many cases trading some 30 to 60% below the peak values of 2006.

Attractive capital structure

The Fund will target a conservative consolidated gearing level of up to 50% that the Responsible Entity believes will enhance yield to investors while maintaining risk at low levels. Residential property financing terms in the US are currently very attractive with fixed rate long-term loans available at very low US interest rates.

The US REIT has recently agreed terms and signed a commitment letter for a US\$3 million 10 year term loan facility with Investors Bank at a fixed rate of 3.99% per annum (fixed for the first 5 years), secured against 32 properties. The cost of this loan is well below historical interest rates and the size of the loan represents a gearing or loan-to-value ratio of approximately 50%. It is expected that the consolidated leverage or gearing ratio of the Fund, in aggregate, will be no more than 50%, which is a modest level compared to other property trusts.

Simplified tax treatment and convenient investment platform

Investors in the Fund are not required to file US tax returns, unlike direct individual investors in US property. Unitholders will receive regular Australian income tax statements from the Fund to enable them to meet Australian income tax compliance obligations.

In addition, investing in the Fund provides a convenient avenue to gaining more manageable exposure levels to the US residential property market than through direct property investment.





Attractive Portfolio of Assets

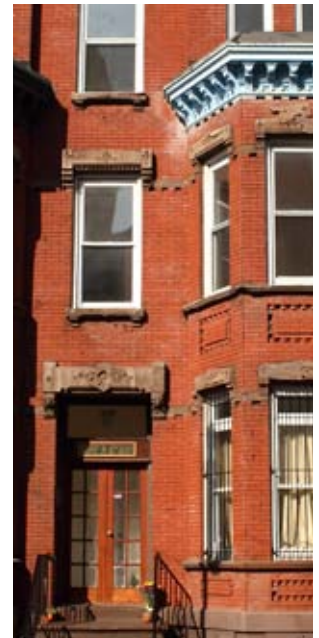
Since its initial public offer in June 2011, the Fund has secured property investments with total acquisition costs of US\$76.1 million. They represent 930 units, comprised of US\$50.5 million of freestanding houses across 231 one-to-four family properties (totalling 532 units) and a 67.5% interest in US\$38 million of multi-dwelling properties across 13 apartment complexes (totalling 398 units) through an exclusive joint venture.

The Fund specifically targets and invests in properties that it believes will generate attractive rental income and have significant potential for long-term capital growth.



Freestanding and Terrace Property Portfolio

**231 ONE-TO-FOUR
FAMILY
PROPERTIES
TOTALLING
532 UNITS**



**ALL LOCATED
WITHIN EASY
ACCESS TO
PUBLIC
TRANSPORT
TO MANHATTAN**

**AVERAGE PRICE
PER HOUSE
OF US\$219,000**





Multi-dwelling Property Portfolio

13 APARTMENT
COMPLEXES
TOTTALLING
398 UNITS



HIGHLY
EXPERIENCED
US BASED JOINT
VENTURE PARTNER




AVERAGE PRICE
PER UNIT OF
US\$95,000



Property Locations



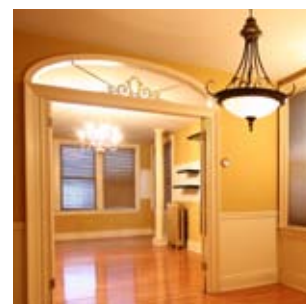
View from Hudson County to Manhattan

Key  Closed freestanding properties  Freestanding properties under contract  Multi-dwelling properties under contract

Overview of the Fund

FUND INFORMATION²

Market capitalisation¹	\$101.1 million
Invested and allocated capital⁴	
- Secured properties ^{3,4}	US\$76.1 million
- Closed properties ⁴	US\$27.5 million
Net asset value¹	\$1.56
Investment Manager and Responsible Entity	Dixon Advisory & Superannuation Services Limited
Initial target investment area	New York metropolitan area (initially Hudson County, New Jersey)
Investment objective	To invest in and provide Unitholders with a diversified portfolio of US residential property assets with attractive rental income and potential for long-term capital growth
Distribution frequency	Semi-annually. The Fund intends to distribute 100% of its operating income (excluding unrealised gains and losses)
Minimum distribution for 2012	10 cents per unit in respect of calendar year ending 31 December 2012
Currency strategy	The Fund does not currently intend to hedge against currency risk



PURCHASING STATISTICS

Freestanding houses	
Secured properties ³	231 houses
Closed properties	132 houses
Secured units ³	532 units
Closed units	299 units
Acquisition cost – secured properties ^{3,4}	US\$50.5 million
Acquisition cost – closed properties ⁴	US\$27.5 million
Average acquisition cost per house/unit ⁴	
- Secured properties ³	US\$218,715/US\$94,968
- Closed properties	US\$208,259/US\$91,941
Multi-dwelling buildings ⁵	
Number of multi-dwelling buildings	13 buildings
Number of units	398 units
Acquisition cost ⁶	US\$37.9 million
Fund's share	67.5%
Fund's share of acquisition cost	US\$25.6 million
Fund's anticipated equity contribution	US\$10.2 million
Average cost per unit ⁷	US\$95,125



Notes: 1. NSX closing price, NAV and A\$/US\$ on 14 May 2012. 2. All data is as at 30 April 2012 unless specified. 3. Secured properties include closed properties and properties under conditional contracts. 4. Acquisition costs inclusive of all property related closing costs which includes attorney fees, title charges, survey costs, government recording and transfer charges and bulk sale compliance fees. 5. Under conditional agreement with Urban American joint venture, signed 10 April 2012. See Section 3.3 for details. 6. Acquisition cost includes purchase price and related acquisition costs. 7. Assumes gearing ratio of 60%.



Initial Target Investment Area

New York Metropolitan Area

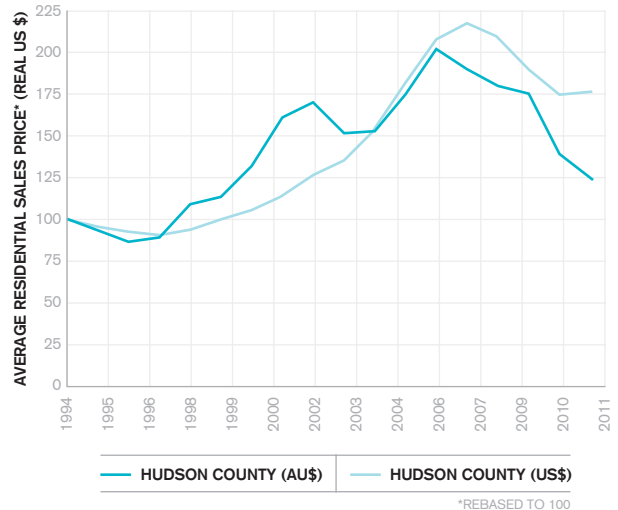
The Fund's Initial Target Investment Area is the New York metropolitan area, which is often referred to as the Tri-State Area. Broadly speaking, the New York metropolitan area encompasses the populated areas in the states of New Jersey, New York and Connecticut that are within a typical commuting distance of Manhattan. The New York metropolitan area is the most densely populated area in the US.

Within the New York metropolitan area, the Responsible Entity is initially focussing on investment within Hudson County, New Jersey. Hudson County is located in the north east of New Jersey and is directly adjacent to New York City. The Responsible Entity believes Hudson County currently presents a compelling opportunity to gain exposure to the US residential property market. The Responsible Entity believes the area has a number of favourable characteristics which makes it attractive for investment including the following:

- Favourable geographic location with direct proximity to New York City;
- Mass transit systems both within Hudson County and directly to New York City;
- One of the most densely populated counties in the US with a high proportion of renters;
- Favourable tenancy laws;
- Reduced asset valuations which offer a unique and attractive entry point, with attractive risk-adjusted rental yields and potential for long term capital growth

For further details on the Initial Target Investment Area, see Section 5.

HUDSON COUNTY AVERAGE RESIDENTIAL SALE PRICES



Source: New York State Department of Labour, Bloomberg.

KEY STATISTICS (2012)

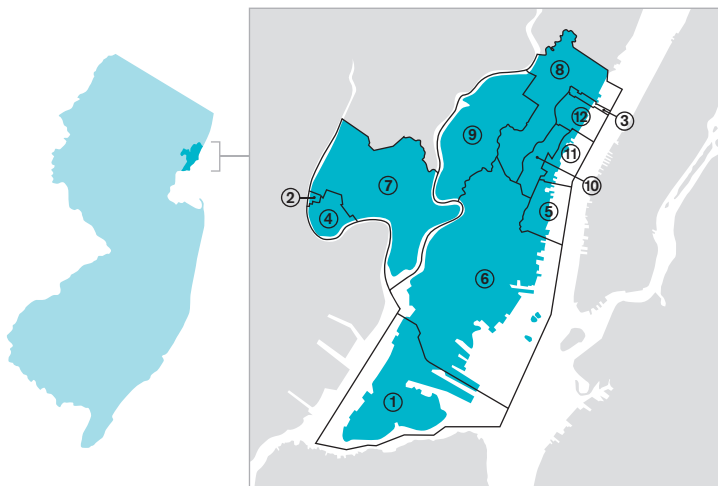
Total housing units	270,335
Estimated total value of housing stock ¹	US \$96 billion
Renter occupied units	67.9%
Rental vacancy rate ²	6.6%
Average household size	2.54 people
Average family size	3.20 people
Median household income (2010)	US \$55,275
Median age	34.2
Total population (2010)	634,266
Population density	13,495/square mile

Source: Hudson County Economic Development Corporation, US Census Bureau.

1. Based on the total number of housing units and the 2011 average residential sales price for houses in Hudson County of US\$356,399.

2. Adjusted for the 2011 opening of the 524 unit Monaco Towers in Jersey City which caused an artificially high vacancy rate, the vacancy rate is closer to 3 – 4%.

FIGURE 1: LOCATION OF HUDSON COUNTY



Municipality	Population	Area
1 City of Bayonne	63,024	5.5mi ²
2 Borough of East Newark	2,406	0.12mi ²
3 Town of Guttenberg	11,176	0.19mi ²
4 Town of Harrison	13,620	1.22mi ²
5 City of Hoboken	50,005	1.26mi ²
6 City of Jersey City	247,597	14.87mi ²
7 Town of Kearny	40,684	9.2mi ²
8 Township of North Bergen	60,773	5.28mi ²
9 Town of Secaucus	16,264	5.9mi ²
10 City of Union City	66,455	1.25mi ²
11 Township of Weehawken	12,554	0.81mi ²
12 Town of West New York	49,708	1.01mi ²
	634,266	

Source: US Census Bureau, Hudson County Division of Planning for the US Department of Commerce.



Key Investment Risks

Topic	Summary	More info
Risks of the US residential property market	<p>There are several risks associated with investing in the US residential property market including a fall in US residential property prices, declining rental rates and a low level of liquidity.</p> <p>The US residential property market has performed poorly since at least 2006. It may continue to perform poorly.</p>	Section 10.2 (a)
Concentrated geographic focus	<p>The Fund has invested in and will continue to invest in residential properties located in the New York metropolitan area, with a focus on Hudson County, New Jersey. The Fund's performance is and will continue to be highly correlated to the performance of the residential property market in the Initial Target Investment Area. If the residential property market performs poorly, the Fund's performance may be affected.</p>	Section 10.2 (i)
Foreign exchange risk	<p>The Fund's investments will be in the US residential property market. The Fund's assets and liabilities are and will continue to largely be denominated in US dollars. See Section 7.2 for details of cash held by the Fund as at 30 April 2012. The value of the Units may be affected by increases and decreases in the value of the US dollar relative to the Australian dollar. This will affect the value, in Australian dollars, of any income distributed by the Fund.</p> <p>The value of the Australian dollar has been subject to significant fluctuations in relation to the US dollar in the past and may be subject to significant fluctuations in the future.</p>	Section 10.2 (m)
Macroeconomic risks	<p>The property market and the value of investments can be affected by changes in various macroeconomic conditions including economic, technological, political or regulatory environment, as well as inflation and market sentiment.</p>	Section 10.1 (a)
Stock market risk	<p>There are pricing and other risks associated with any investment in a publicly listed trust. The price of Units may rise and fall due to numerous factors that may affect the market performance of the Fund, such as variations in the local and global markets in general or for listed property trusts in particular.</p>	Section 10.1 (b)
Regulatory risk	<p>Changes in government legislation, regulation and policy may affect future earnings and the value of the properties. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.</p>	Section 10.1 (c)
Taxation risk	<p>Changes to the taxation laws in Australia and the US, particularly relating to income tax, the double income tax treaty that applies between Australia and the US, property tax, transfer tax or other property related tax legislation and/or changes to the taxation status of the Fund or the US REIT may affect the tax treatment of the Fund or the US REIT and this effect may differ between Unitholders.</p> <p>The determination of whether the US REIT has qualified or will remain qualified as a REIT is complex; accordingly, no assurance can be given that the US REIT will qualify, or remain qualified, as a REIT.</p> <p>As the taxation treatment of the Fund or the US REIT may be different than what is expected, such treatment may have adverse tax consequences with respect to the treatment of distributions from the Fund, the value of the Fund, or the value of the assets of the Fund.</p>	Section 10.1 (d) 10.2 (b) 10.2 (d)



Topic	Summary	More info
Counterparty risk	There is a risk that counterparties with the Fund and the US REIT will not perform their obligations which may affect the value of returns from an investment in the Fund.	Section 10.1 (e)
Poor investment performance	Neither the Responsible Entity, nor any other person, gives a guarantee as to the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital.	Section 10.1 (f)
Liquidity risk	Liquidity refers to the ease with which an asset can be traded (bought and sold). The Units are listed on the NSX and will apply for listing on the ASX. However there can be no guarantee that a liquid market for Units will be available in the future. Applicants in the Fund should be aware that this may limit their ability to realise a return or recover their capital.	Section 10.1 (g)
Litigation risk	In the course of its operations, the Fund (directly or indirectly through the US REIT or its joint venture agreement) may become involved in disputes and litigation that may adversely affect the Fund.	Section 10.1 (h)
Key personnel risk	There is a risk that the departure of key staff or consultants that have particular expertise in funds and property management, whether they are the staff or directors of the Fund, the US REIT, Responsible Entity or Dixon Advisory USA, or with respect to investment through joint ventures that are externally managed, the joint venture management entity may have an adverse effect on the earnings and value of the Fund.	Section 10.1 (j)
Borrowing and deposit risk	<p>There is a risk in the future that the Fund, the US REIT, the subsidiaries of the US REIT (and any joint venture entities the Fund invests in) may not be able to obtain borrowings on favourable terms. This may have an adverse effect on the value and future income of the Fund.</p> <p>Additionally, the Fund has US dollar denominated cash deposits. These cash deposits are not insured and in the event of bank failure, the Fund's deposits may not be recoverable in full, which will have an adverse effect on the value and investment activity of the Fund.</p>	Section 10.2 (e)
Interest rate risk	<p>As the Fund indirectly becomes a geared vehicle, changes in interest rates may have a positive or negative impact directly on the Fund's income. Changes in interest rates may also affect the market more broadly and positively or negatively impact the value of the Fund's underlying assets.</p> <p>Further, until invested, significant funds will be held in cash. Until the funds raised by the Offer together with cash currently held by the Fund are invested, the distribution yield will be impacted by interest rates and the yield on cash and cash managed investments. The actual impact that interest rates will have on the distribution yield will depend on the amount raised by the Offer, the exchange rate, the level of gearing, applicable interest rates and the time it takes for the Responsible Entity to identify attractive opportunities to invest the cash raised.</p>	Section 10.2 (g)
Performance history	Prior to the Fund's listing on NSX in June 2011, the Responsible Entity had not previously managed a portfolio of US residential properties. However, key personnel of Dixon Advisory USA and consultants to the US REIT have considerable experience in this market.	Section 10.2 (h)
Substantial uncommitted funds	Under the Offer, the Fund will receive new funds which at the time may be uncommitted to any specific residential real estate investment. It may take longer than expected to identify sufficiently attractive investment for the Fund to fully invest any additional capital which is raised.	Section 10.2 (n)



Topic	Summary	More info
Potential negative impact on distribution yield	<p>The Offer proceeds may in the short term reduce the distribution yield. This may occur if there is a material difference in the exchange rate at which new funds are converted to US dollars, and/or the length of the period over which the Fund will invest the proceeds of the Offer as the Fund is currently unable to realise a significant return on cash held in US dollars. The amount of potential negative impact will depend on the ultimate size and timing of the Offer as well as the exchange rate and the period over which new funds are invested.</p>	Section 10.2 (o)
Joint venture risk	<p>On 10 May 2012, the Fund signed a joint venture agreement with Urban American Management, a highly experienced US based joint venture partner, to acquire, renovate, manage, lease and hold for the long-term, 13 specific multi-dwelling properties in Hudson County, New Jersey through a jointly owned company. There is a risk that Urban American may fail to meet its obligations in accordance with the terms of the joint venture agreement and negatively impact the value of the assets held under the joint venture.</p> <p>As the investment is through a joint venture vehicle, the Fund may not undertake instrumental decisions (including redistribution of any properties) without the consent of its fellow joint venture investor. This may limit the ability of the Fund to redistribute an investment. As the portfolio is comparatively large, there may be limitations on the ability of the Fund to redistribute its interest in the joint venture portfolio as a whole.</p>	Section 10.2 (l)



1. Summary of the Offer

About the Offer

Question	Summary	More info
Who is the issuer of this PDS and the Units?	This PDS and the Units are issued by the Responsible Entity. For further information about the Responsible Entity, see Section 6.	Section 6
What is the Offer?	The Offer is for Units to raise up to \$50,000,000 and is not subject to any minimum subscription. The Responsible Entity may accept Applications for Units up to a maximum aggregate value of \$50,000,000. The Fund reserves the right to accept oversubscription obligations for a further \$50,000,000. Subject to satisfaction of the ASX listing requirements, the Responsible Entity reserves the right to bring forward the Offer Closing Date and close the Offer early. Accordingly, potential applicants are encouraged not to delay their decision on whether to apply for Units.	Section 2.1
What is the Application Price?	The Application Price for Units is \$1.56 adjusted for changes in A\$/US\$ exchange rate between the date of this PDS and the date that is 1 Business Day prior to the Allotment Date increased by a structuring and arranging fee of 2% and a handling fee of 2% (excluding GST). If calculated on the date of this PDS, the Application Price would be \$1.63 per Unit.	Section 2.2
Will Units be Quoted?	We will apply within 7 days after the date of this PDS for the Fund to be admitted to the Official List of ASX and for any Units (including the Units to be issued pursuant to this PDS) to be quoted on the ASX. The NSX Listing Rules require the Fund to apply for official quotation on the NSX of Units offered under this PDS. However, these Units will not be quoted on NSX. Applicants should not apply for Units on the expectation that Units will be quoted on NSX. The Fund intends to seek NSX's approval to suspend trading on the NSX and, following admission to the Official List of ASX, to withdraw its listing on the NSX. The Fund will be delisted from the NSX as soon as practicable after the Offer Closing Date.	
What is the purpose of the Offer?	The Fund is seeking to raise funds for the purpose of investing directly in a Maryland real estate investment trust controlled by the Fund called the US Masters Residential Property (USA) Fund (US REIT). The US REIT will use the funds provided by the Fund to invest (directly or indirectly) in US residential property.	Section 7.1
Is there a cooling-off period?	No, there is no cooling-off period for investors. This means that once you have submitted an Application Form you will not be able to withdraw your Application, other than as permitted by the Corporations Act. However, you will be able to offer your Units for sale on the ASX, once allotted.	Section 2.10
Is the Offer underwritten?	The Offer is not underwritten.	
How do investors obtain further information?	Please contact Dixon Advisory & Superannuation Services Limited on 1300 454 801 if you have questions relating to the Offer. If you are uncertain about whether an investment in the Fund is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	



About the Fund

Question	Summary	More info
<p>What will the Fund invest in?</p>	<p>The net proceeds of the Offer will initially be invested in the US REIT. The US REIT will use the funds to invest (directly or indirectly) in residential property consistent with the investment objectives and guidelines of the Fund. Initially, investments will be confined to the Initial Target Investment Area.</p> <p>Until the Responsible Entity (as Investment Manager to the US REIT) identifies opportunities for investment, funds raised will be invested in appropriate financial products, including cash.</p> <p>The Fund is restricted to investments in the US REIT and appropriate financial products. The US REIT is restricted to investments in US residential property and appropriate financial products that are treated as qualifying assets for the purposes of the REIT qualification tests under the United States Internal Revenue Code of 1986, as amended (Code). The initial target investments will be in the New York metropolitan area, with a focus on Hudson County, New Jersey.</p>	<p>Section 5 & Section 7</p>
<p>How will the Fund make its investments?</p>	<p>The Fund, via its interest in the US REIT, the US REIT's wholly owned subsidiaries if any or joint venture arrangements, may acquire properties from a variety of sources including:</p> <ul style="list-style-type: none"> - from the open market via auction, private treaty or otherwise; - from vendors as part of a short sale arrangement (see Section 4.3 (b) for a description of short sales); and - from mortgagees as part of the foreclosure process. 	<p>Section 7.1 & 7.2</p>
<p>What are the Fund's investment objectives?</p>	<p>The Fund's investment objectives are to provide Unitholders with:</p> <ul style="list-style-type: none"> - exposure to a diversified portfolio of US based residential property assets; - regular, tax effective distributions of income represented by attractive rental yields; and - potential for capital growth in the underlying property portfolio over the long term. 	<p>Section 7.6</p>
<p>What is the Fund's distribution policy?</p>	<p>Distributions are expected to be paid to Unitholders semi-annually. The Fund intends to distribute 100% of its operating income (which excludes unrealised gains and losses).</p> <p>For the calendar year ending 31 December 2012, the Fund will make a minimum distribution of 10 cents per Unit.</p>	<p>Section 7.14</p>
<p>What is the Fund's foreign exchange policy?</p>	<p>The Fund will hold assets and receive income which is predominantly denominated in US dollars. It is intended that net proceeds of the Offer will be substantially converted to US dollars over a period of up to 6 months from the Allotment date. Until the Responsible Entity identifies opportunities for investment, funds raised by the Offer will be invested in appropriate financial products, including cash. It is not expected that the Fund will earn significant interest on such monies due to the present low interest rate environment in the US. The Fund does not currently intend to hedge against currency risk, although borrowings undertaken by US REIT will act as a natural hedge.</p>	<p>Section 7.12</p>



Question	Summary	More info
Will the Fund undertake borrowings?	<p>The Fund will target a moderate consolidated gearing level of up to 50% that will enhance yield to investors while maintaining risk at low levels. Residential property financing terms in the US are currently very attractive with fixed rate long-term loans available at very low US interest rates.</p> <p>The Fund, through the US REIT, has recently agreed terms and signed a commitment letter for a US\$3 million 10 year term loan facility with Investors Bank at a fixed rate of 3.99% per annum for the first 5 years. The loan is secured against 32 properties, representing a gearing ratio of 50%.</p>	Section 7.10
What is the investment term?	The Fund does not have a set investment term, however, due to the nature of the underlying investments in residential property, an investment in the Fund should be viewed as long term in nature.	
What are the significant tax implications of the Fund?	<p>There are several significant tax implications from investing in the Fund. A summary of these issues is provided within this PDS in the form of an Australian tax opinion and a summary of certain material US tax issues.</p> <p>Investors should seek tax advice based on their specific circumstances before making a decision to invest in the Fund, subject only to compliance with the 5/50 Rule.</p>	Section 12

Investing in the Fund

Question	Summary	More info
Who can participate in the Offer?	Members of the general public who have a registered address in Australia can participate in the Offer. Unitholders can also participate in the Offer.	Section 2.1
Can superannuation funds invest?	Superannuation funds can invest subject to the investment mandate of the particular fund and the trustee's general powers and duties.	
How do investors apply for Units?	<p>The procedures for making an investment in the Fund are described in Section 2.</p> <p>The Responsible Entity may be required to obtain identification information from Applicants. The Fund reserves the right to reject an Application if that information is not provided upon request</p>	Section 2.4
What are the fees and costs of the Offer?	<p>The Responsible Entity will charge a structuring and arranging fee of 2.00% (excluding GST) of the gross proceeds raised under this PDS and a handling fee of 2.00% (excluding GST) of the gross proceeds raised under this PDS.</p> <p>Costs incurred in connection with the Offer under this PDS such as legal, accounting and other associated costs will be paid for by the Responsible Entity.</p>	Section 8.1
What are the ongoing fees and costs payable by the Fund?	<p>The fees payable directly by the Fund to the Responsible Entity will be an administration fee of 0.25% per annum (excluding GST), a responsible entity fee of 0.08% per annum (excluding GST), and a custody fee of 0.02% per annum (excluding GST) of the gross asset value of the Fund.</p> <p>The Fund will also be responsible for ongoing expenses such as registry services, listing fees, investor communications, taxes and bank fees, preparation of financial statements and tax returns, audit, insurance, compliance costs and other expenses.</p>	Section 8.2



Question	Summary	More info
<p>What are the fees and costs payable by the US REIT?</p>	<p>The fees payable from the US REIT to the Responsible Entity, in its capacity as Investment Manager, include:</p> <ul style="list-style-type: none"> - an investment management fee of 1.24% (excluding GST) per annum of the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting; and - fees for property asset acquisitions and disposals, leasing fees and debt arranging fees. <p>The Responsible Entity has elected to waive the investment management fee on the first \$100 million of gross assets for an indefinite period.</p> <p>Dixon Advisory USA has established an office in Exchange Place, Jersey City, with the sole purpose of overseeing the operations of the US REIT. Dixon Advisory USA will be reimbursed for all expenses incurred during the performance of its services including all office personnel, office space, office facilities and all other expense incidental to its operations.</p>	<p>Section 8.2 & 8.3</p>





2. Information for Investors

This is a summary only. This PDS should be read in full before making any decision to apply for Units.

The performance of the Fund is not guaranteed by the Responsible Entity or any adviser to the Fund.

2.1. The Offer

Dixon Advisory, as the Responsible Entity of the Fund, is the issuer of Units under this PDS. Dixon Advisory will offer for subscription up to \$50,000,000 worth of Units with the ability to accept oversubscriptions for a further \$50,000,000.

To participate in the Offer, your Application Form must be received by 5:00p.m (AEST) on the Offer Closing Date.

The Offer will only be made to members of the general public who have a registered address in Australia.

2.2. Application Price

The Constitution of the Fund provides for Units in the Fund to be issued at a price determined based on the 10 day VWAP of trading on NSX. However, liquidity of the Units has been very low due to limited volumes of Units offered for sale and, in the view of the Responsible Entity insufficient for the purpose of determining a meaningful Application Price. As a result the Responsible Entity determined that the Application Price for this Offer will be:

- \$1.56 adjusted for changes in the US\$/A\$ exchange rate between the date of this PDS and the date that is 1 Business Day before the Allotment Date, increased by a structuring and arranging fee of 2% and a handling fee of 2% (excluding GST).

The Constitution was amended on 15 May 2012 to reflect the Application Price for the Offer.

If the Application Price was calculated as at the date of this PDS it would be \$1.63. \$1.54 is the Fund's most recently announced NAV calculated as at 4 May 2012 and \$1.51 is the Fund's NAV at 30 April 2012. The Responsible Entity does not anticipate that the Offer will be dilutive to current Members. As at the date of the PDS the A\$/US\$ exchange rate was 0.997. (Source: Bloomberg based on the prior New York 5pm close).

2.3 No Minimum Subscription

There is no minimum subscription for the Offer.

2.4. Applications

You must use the Application Form issued with, and attached to, this PDS and complete the Application Form in accordance with the instructions contained within the Application Form.

Applications and Application Monies for Units under the Offer received after 5:00 p.m. (AEST) on the Offer Closing Date will not be accepted and will be returned to potential investors.

The minimum investment is \$2,000.

Applications must be accompanied by payment in Australian currency.

Cheques should be made payable to "Dixon Advisory Trust Account for US Masters Residential Property Fund" and crossed "Not Negotiable". Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. No brokerage or stamp duty is payable by Applicants.

Completed Application Forms and accompanying cheques may be lodged with:

A) POSTAL

US Masters Residential Property Fund Offer
c/- Dixon Advisory & Superannuation Services Limited
GPO Box 575
CANBERRA ACT 2601

B) HAND DELIVERED

Canberra

US Masters Residential Property Fund
c/- Dixon Advisory & Superannuation Services Limited
Level 1, 73 Northbourne Avenue
CANBERRA ACT 2600

Sydney

US Masters Residential Property Fund
c/- Dixon Advisory & Superannuation Services Limited
Level 15, 100 Pacific Highway
NORTH SYDNEY NSW 2060

Melbourne

US Masters Residential Property Fund
c/- Dixon Advisory & Superannuation Services Limited
Level 2, 250 Victoria Parade
EAST MELBOURNE VIC 3002

A binding contract to issue Units will only be formed at the time Units are allotted to Applicants.

Application Forms will be accepted at any time after the Opening Date and prior to the Offer Closing Date of this PDS.

The Responsible Entity may close the Offer at any time after the Opening Date without prior notice or extend the period of the Offer in accordance with the Corporations Act and Listing Rules. The Fund may close the Offer once the Fund has been granted conditional admission to the Official List.



2.5. Offer not underwritten

The Offer is not underwritten.

2.6. Quotation

We will apply within 7 days after the date of this PDS for the Fund to be admitted to the Official List of ASX and for any Units (including the Units to be issued pursuant to this PDS) to be quoted on the ASX. The fact that the Units may be quoted on the ASX is not to be taken as an indication of the merits of the Fund or the Units. If granted, quotation will commence as soon as practicable after the Fund is admitted to the Official List of ASX.

The Fund intends to seek NSX's approval to suspend trading on the NSX and, following admission to the Official List of ASX, to withdraw its listing on the NSX. It is anticipated that suspension in trading on NSX will occur before the Allotment Date and the Fund will be delisted from the NSX as soon as practicable after the Offer Closing Date. Subject to any waivers being granted by NSX, the Fund will be delisted from the NSX 90 days after the date of this PDS. Unless a waiver is granted by NSX, delisting will also be conditional upon receipt of Unitholder approval.

The Fund has applied for a waiver permitting the Fund to be delisted within 45 days of the date of this PDS and for a waiver of the requirement for Unitholder approval.

The NSX Listing Rules require the Fund to apply for official quotation of Units offered under this PDS. However, these Units will not be quoted on NSX. Applicants should not apply for Units on the expectation that Units will be quoted on NSX.

We do not intend to allot any Units unless and until the Units (including Units be issued pursuant to this PDS) have been granted permission to be quoted on ASX on terms acceptable to us. If permission is not granted before the end of three months after the date of this PDS (or such longer period permitted by the Corporations Act with the consent of ASIC), it is intended that all Application Monies received pursuant to the PDS will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

2.7. Allotment

We will not allot Units until permission has been granted for quotation of the Units on ASX unconditionally or on terms acceptable to us. Official quotation of the Units will commence as soon as practicable after the Fund is admitted to the Official List of ASX and after suspension of trading of Units on NSX. It is expected that allotment of the Units issued pursuant to this PDS will take place on 26 June 2012.

An Application constitutes an offer by the Applicant to subscribe for Units on the terms and subject to the conditions set out in this PDS. Where the number of Units allotted have a total value that is less than the Application Monies received by the Responsible

Entity or where no allotment is made, the surplus Application Monies will be returned by cheque. Interest will not be paid on the refunded Application Monies.

2.8. CHESSE

The Fund currently participates in the Clearing House Electronic Subregister System (CHESSE). CHESSE is operated by ASX Settlement Pty Limited in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESSE, the Fund will not issue certificates to Unitholders. After allotment of Units, Unitholders will receive a CHESSE statement.

CHESSE statements, which are similar to bank account statements, will set out the number of Units allotted to each Unitholder pursuant to this PDS. The statement will also advise holders of their holder identification number and explain, for future reference, the sale and purchase procedures under CHESSE. Further CHESSE statements, which reflect any changes in their Unitholding in the Fund during a particular month, will be provided to holders.

2.9. Overseas Unitholders

Members of the general public who have a registered address in Australia can participate in the Offer. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

This document is not an offer or an invitation to acquire securities in any country. In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US person", as defined in Regulation S under the US Securities Act of 1933 (Securities Act) (US Person).

This document may not be released or distributed in the United States or to any US Person. Any securities described in this announcement have not been, and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, or to, or for the account of benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

2.10. No cooling-off period

There is no cooling-off period for investors. This means that once you have submitted an Application Form you will not be able to withdraw your Application, other than as permitted by the Corporations Act. However, you will be able to offer your Units for sale on the ASX once allotted.



2.11. Transfer of Units

The Fund's Constitution provides that while the Fund is listed, Unitholders may make transfers in any manner permitted by CHESSE, which may include off-market transfers of Units. You may instruct your stockbroker or financial adviser to sell any or all of your Units on any trading day in which the Fund is trading.

2.12. Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

- a) you are required to provide the Fund with certain personal information to:
 - i) facilitate the assessment of an Application;
 - ii) enable the Fund to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - iii) carry out appropriate administration.
- b) the Fund may be required to disclose this information to:
 - i) third parties who carry out functions on behalf of the Fund on a confidential basis;
 - ii) third parties if that disclosure is required by law; and
 - iii) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

Under the Privacy Act 1988 (as amended), Applicants may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to the Responsible Entity.

2.13. Anti-Money Laundering/ Counter-Terrorism Financing Act 2006

The Responsible Entity may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants.

The Responsible Entity reserves the right to reject any Application from an Applicant who fails to provide the required identification information upon request.



3. Attractive Portfolio of Assets

3.1. Overview

Since its initial public offer in June 2011, the Fund has secured property investments with total acquisition costs of US\$76.1 million, representing 930 units, comprised of US\$50.5 million of freestanding houses across 231 one-to-four family properties totalling 532 units and a 67.5% interest in US\$38 million of multi-dwelling residences across 13 apartment complexes totalling 398 units (through an exclusive joint venture).

The Fund specifically targets and invests in properties that it believes will generate attractive rental income and have potential for long-term capital growth. The Fund also undertakes capital improvements to its property investments, where required, to maximise revenues. The Fund's property investments are all located within short walking distance to several modes of public transportation serving New Jersey and Manhattan, schools, shops and other public amenities. By concentrating its activities within Hudson County, the Fund is able to achieve critical mass to generate operational efficiencies, in particular in areas such as leasing, property management and services.

The Fund has a dedicated local leasing and property management team that is responsible for carefully screening tenants through multiple interviews, background and financial checks, and providing active tenant management and timely repairs and improvements. The quality of the Fund's property management services has enabled the Fund to capitalise on the demand in the market for better managed properties. This provides the Fund with a particular competitive edge, especially at a time when many smaller landlords have been unable or unwilling to provide adequate property management services through the residential downturn.

To date, the Fund's investment strategy has been focused on freestanding properties (up to four dwellings) in Hudson County. Recently, the Responsible Entity decided to compliment this strategy through an expansion into multi-dwelling properties (greater than four units) also in Hudson County. In comparison to freestanding properties, multi-dwelling properties typically have lower rental yields but the Responsible Entity believes they offer greater potential for long-term capital growth, greater operating efficiencies and lower running costs while allowing the Fund to achieve greater structural and geographic diversity within Hudson County.

3.2. Freestanding properties

STRATEGY

The Fund's strategy in relation to freestanding properties is to acquire one-to-four family houses in select neighbourhoods in Hudson County, New Jersey at attractive valuations, restore the properties where required, and maximise rental income while providing tenants with quality property management services. The Responsible Entity believes that many of the Fund's property investments have been acquired at or below replacement cost.

The Fund has seen ample supply of housing stock in its target markets and strong rental demand for its freestanding properties as tight credit markets continue to force many potential first-time home buyers to continue to rent in greater numbers than in the past. The Fund's strategy is further supported by a jurisdiction that offers favourable tenancy laws for landlords.

The Responsible Entity believes the Fund has the potential to enhance distribution yields to investors through the use of moderate amounts of leverage. The Fund (indirectly through the US REIT) has recently agreed terms and signed a commitment letter for a limited recourse US\$3 million 10-year term loan facility with Investors Bank at a rate of 3.99% per annum, fixed for the first 5 years, and secured against a portfolio of 32 freestanding properties, which represents a gearing ratio of 50%. See Section 7.10 for details of the Fund's gearing policy.

The financing rates currently available to the US REIT are well below historical levels and the Responsible Entity believes will, in the medium to long term, enhance distribution yields to the Fund's investors. The Fund, through the US REIT, will look to put in place (as appropriate) successive tranches of debt financing against its portfolio of freestanding houses, subject to market rates prevailing at the time, as properties are acquired and leased.

PORTFOLIO OVERVIEW

As at 30 April 2012, the Fund had successfully secured commitments on 231 freestanding properties of which 132 properties have closed and 99 are under conditional contracts. These properties are one-to-four family dwellings in select neighbourhoods in Hudson County and comprise a total of 532 units. The Fund has invested US\$27.5 million to acquire its current portfolio of closed properties. An additional US\$23.0 million has been committed to acquire properties that, as at 30 April 2012, were subject to conditional contracts. Taken together, the Fund has secured commitments of US\$50.5 million to buy properties at an average cost of approximately US\$219,000 per house and US\$95,000 per unit.

Although individual property rental yields vary due to a number of factors including location and structure, the Fund's portfolio of freestanding properties to date typically has been selected on annualised net unlevered rental yields, at the property level, of around 8%, based on pre-purchase due-diligence undertaken and actual yields achieved. Looking forward, the Fund intends to increase its focus on higher end residences, which typically generate lower rental yields with greater potential for long-term capital growth. However, the Responsible Entity believes these rental yields will continue to compare very favourably to historical yields. It is important to note that the rental yield on freestanding property investments may not necessarily reflect the distribution yields that you are likely to receive.



Property Location

A map of all of the properties is shown below.

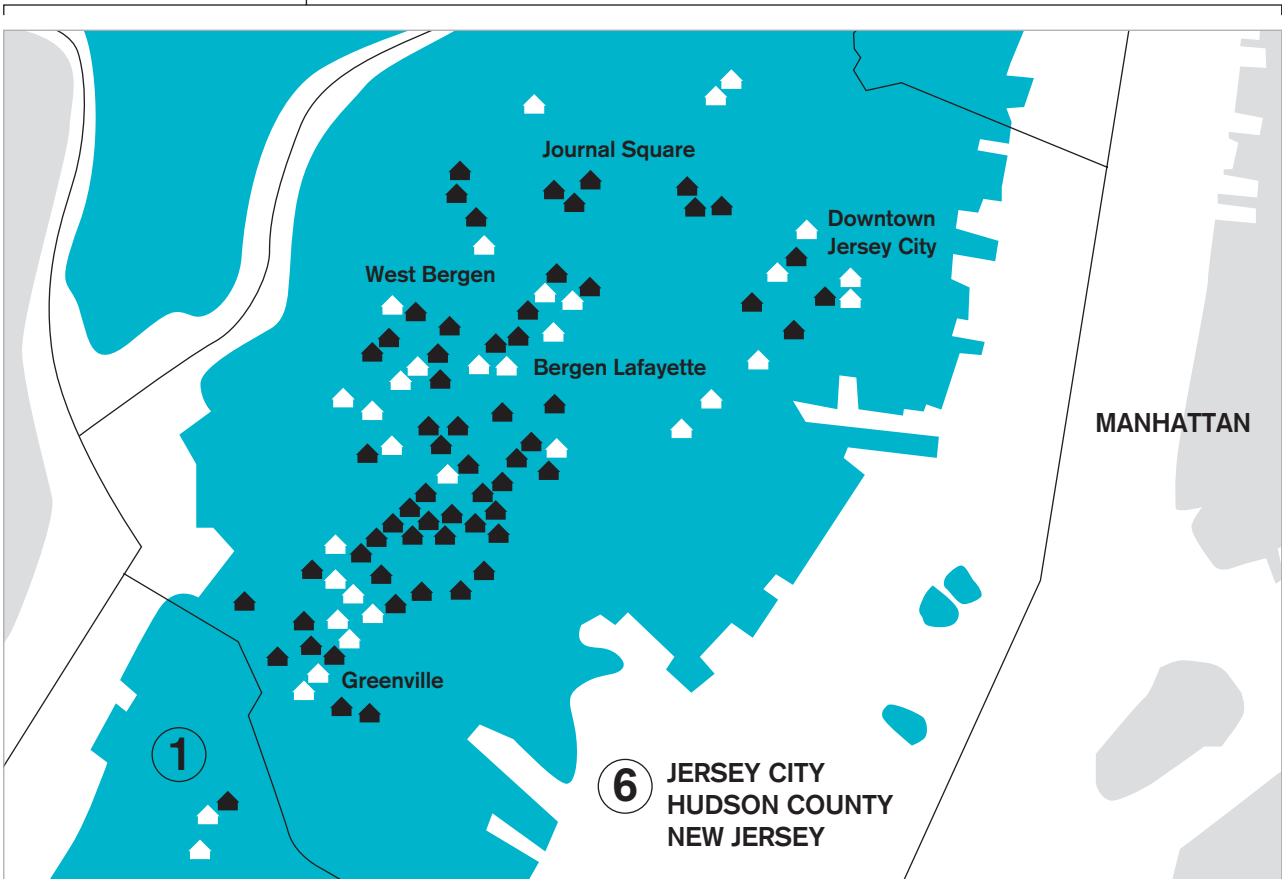


Key

- Closed freestanding properties
- Freestanding properties under contract
- Multi-dwelling properties under contract

Municipality

- 1 City of Bayonne
- 2 Borough of East Newark
- 3 Town of Guttenberg
- 4 Town of Harrison
- 5 City of Hoboken
- 6 City of Jersey City
- 7 Town of Kearny
- 8 Township of North Bergen
- 9 Town of Secaucus
- 10 City of Union City
- 11 Township of Weehawken
- 12 Town of West New York



Select Freestanding Properties secured¹ by the Fund

EXAMPLES OF SOME OF THE 231 FREESTANDING PROPERTIES (532 UNITS) SECURED¹ BY THE FUND.

Average cost per building of approximately US\$219,000 (US\$95,000 per unit).

Address	166 Carteret Avenue, Jersey City	
Area	Greenville	
Property type	2-family attached	
Apartment Description	4 br, 1 bath; 6 br, 1 bath	
Total acquisition cost²	US\$173,766	
Estimated net yield	13.0% p.a.	
Land size (sq ft)	2,500	
Address	123-125 Newman Avenue, Bayonne	
Area	Bayonne	
Property type	3-family detached	
Apartment Description	3 br, 1 bath; 2 br, 1 bath; 2 br, 1 bath	
Total acquisition cost²	US\$329,896	
Estimated net yield	6.7% p.a.	
Land size (sq ft)	3,045	
Address	232.5 3rd Street, Jersey City	
Area	Downtown Jersey City	
Property type	3-family attached	
Apartment Description	1 br, 1 bath; 1 br, 1 bath; 3br, 2 bath	
Total acquisition cost²	US\$714,900	
Estimated net yield	6.2% p.a.	
Land size (sq ft)	1,250	
Address	65 Lexington Avenue, Jersey City	
Area	West Bergen	
Property type	2-family detached	
Apartment Description	4 br, 1 bath; 4 br, 1 bath	
Total acquisition cost²	US\$256,041	
Estimated net yield	8.0% p.a.	
Land size (sq ft)	2,500	
Address	596 Bramhall Avenue, Jersey City	
Area	Bergen Lafayette	
Property type	2-family attached	
Apartment Description	3 br, 3 bath; 3 br, 2 bath	
Total acquisition cost²	US\$225,172	
Estimated net yield	10.9% p.a.	
Land size (sq ft)	2,500	

1. Represents properties closed and under conditional contracts. | 2. Total acquisition cost includes attorney fees, title charges, survey costs, government recording and transfer charges, bulk sale compliance fees and excludes estimated upfront renovation and repair expenses.



3.3. Multi-dwelling properties

STRATEGY

The Fund has recently expanded its investment focus to include small and medium sized multi-dwelling properties, typically with 20 to 100 units. These small and medium sized multi-dwelling properties generally fall below the size threshold of large institutional investors while remaining beyond the financial scope of individual investors or local groups. By expanding its investment focus in this way, the Fund is able to operate in what the Responsible Entity considers to be an attractive niche market.

Additionally, these larger scale residential properties will enable the Fund to achieve increased economies of scale and operational efficiencies in property management and leasing as well as expand its structural diversity and geographic spread in Hudson County.

In line with its proven strategy for freestanding properties, the Fund will invest in multi-dwelling properties with attractive rental income and potential for long-term capital growth. While multi-dwelling properties are often subject to increased regulation (including statutory limitations on rental increase), natural turnover of tenants and, where appropriate, cosmetic and functional improvements can allow for above average year-on-year rental increases for these types of properties and enable the Fund to operate comfortably within these environments.

PORTFOLIO OVERVIEW

On 10 May 2012, the Fund signed a joint venture agreement with Urban American Management (Urban American), a highly experienced US based joint venture partner, to acquire, renovate, manage, lease and hold for the long-term 13 specific multi-dwelling properties in Hudson County, New Jersey. These multi-dwelling properties comprise a total of 398 residential units and have attractive in-place rental income. They will be managed by Urban American.

The multi-dwelling properties are being acquired as part of a larger sale of 1,144 apartment units by a fund 66% owned by JP Morgan and 34% owned by Urban American.

As part of the sale, the portfolio has been split into two tranches. Urban American has strategically selected 13 specific multi-family properties from the portfolio for sale that it believes represent the greatest value and capital growth potential of the existing portfolio. The Fund has partnered with Urban American to jointly purchase these select assets for a value of US\$38 million, representing an average cost of approximately US\$95,000 per unit. The Fund is investing US\$10.2 million (67.5%) of the equity capital requirement, while Urban American is contributing the remainder of the equity requirement. An additional US\$1.3m of equity will be put towards future refurbishments and initial working capital. Urban American is reinvesting its capital into this select portfolio at approximately the same ownership level it held in the broader portfolio for sale and will assume management responsibility for this portfolio for the joint venture. Additionally, the joint venture will source debt funds representing up to 60% of the purchase value of these properties, approximately the same level of gearing in the original portfolio. The remaining 746 properties are being sold to third parties.

Urban American has 15 years of experience acquiring, improving and operating housing in the New York metropolitan area. It currently owns and/or manages approximately 12,000 apartments in over 150 buildings located throughout all boroughs of New York City, Westchester County, New York and in Hudson County, New Jersey. Urban American has a strong track record of upgrading occupancy and increasing income through the rehabilitation of apartment buildings, strict adherence to municipal regulations, and the reduction of expenses through various cost savings measures and capital expenditures that increase operating efficiency.

The Fund is also currently engaged in discussions with another joint venture partner to potentially acquire further multi-dwelling properties Hudson County.



Multi-dwelling Properties

Address	119-21 60th Street, West New York, New Jersey
Area	West New York
Number of levels	4
Number of residential units	23
Land size (sq ft)	17,000
Description	The building is on the 60th Street corridor which provides local retail such as restaurants, grocery stores, and beauty salons.



Address	155 60th Street, West New York, New Jersey
Area	West New York
Number of levels	4
Number of residential units	17
Land size (sq ft)	85,000
Description	The building is located on the 60th Street corridor which provides local retail such as restaurants, grocery stores, laundry operators, and beauty salons.



Address	3347 Park Avenue, Union City, New Jersey
Area	Union City
Number of levels	4
Number of residential units	17
Land size (sq ft)	10,496
Description	The building is located next door to 3343 Park and a Walgreen's and is within close proximity to the Lincoln Tunnel. The building is extremely desirable for commuters to New York City.



Address	1-9 62nd Street, West New York, New Jersey
Area	West New York
Number of levels	5
Number of residential units	85
Land size (sq ft)	85,000
Description	The building boasts large apartments and magnificent NYC views. Commuting to Manhattan is convenient, with a bus stop within several yards of the building.



Address	509 47th Street, Union City, New Jersey
Area	Union City
Number of levels	5
Number of residential units	31
Land size (sq ft)	20,000
Description	The building is located within a short walking distance to the Light Rail and Bergenline Avenue.



Address	505-507 57th Street, West New York, New Jersey
Area	West New York
Number of levels	5
Number of residential units	47
Land size (sq ft)	30,000
Description	The building is within a short walk to Bergenline Avenue. A large building relative to most of the housing stock in West New York, the building also benefits from parking, laundry and antenna income.



Address	531 34th Street, Union City, New Jersey
Area	Union City
Number of levels	5
Number of residential units	33
Land size (sq ft)	22,000
Description	The building is located in Union City. Bus service to NYC is one block away. Proximity to the Lincoln Tunnel makes this building an ideal location for commuters.



Address	801 21st Street, Union City, New Jersey
Area	Union City
Number of levels	4
Number of residential units	21
Land size (sq ft)	13,125
Description	The building is located in Union City. Bus service is available on Summit Avenue and Kennedy Blvd. Schools and a public library are amenities located within the immediate vicinity.



Address	90 64th Street, West New York, New Jersey
Area	West New York
Number of levels	5
Number of residential units	27
Land size (sq ft)	17,000
Description	The building is on a corner lot, half a block South of the bus stop. The Hudson River Parks are one long block away.



Address	525-27 60th Street, West New York, New Jersey
Area	West New York
Number of levels	4
Number of residential units	23
Land size (sq ft)	15,000
Description	The building is on a corner, within a short walk to Bergenline Avenue and retail on 60th Street.



Address	3343 Park Avenue, Union City, New Jersey
Area	Union City
Number of levels	4
Number of residential units	17
Land size (sq ft)	10,496
Description	The building is located next door to a Walgreen's and is within close proximity to the Lincoln Tunnel. The building is extremely desirable for commuters to NYC.



Address	6412 Park Avenue, West New York, New Jersey
Area	West New York
Number of levels	5
Number of residential units	26
Land size (sq ft)	17,000
Description	The building is on a corner lot, half a block north of the bus stop. The Hudson River Parks are one long block away.



Address	7112 Park Avenue, North Bergen, New Jersey
Area	North Bergen
Number of levels	5
Number of residential units	31
Land size (sq ft)	24,575
Description	The building is the only building located in North Bergen. It is within walking distance to NJ Transit bus service.

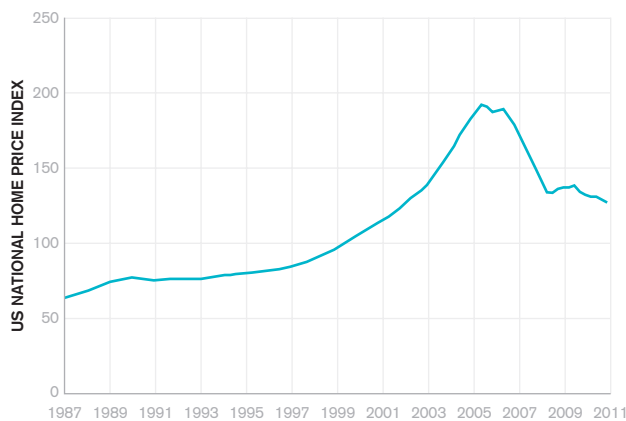


4. Overview of the US Residential Property Market

4.1. The US housing market – a short history

Over the period from 1997 to 2005, the US real estate market witnessed a remarkable rise in house prices. As shown in Figure 2, nominal average house prices, as measured by the S&P/Case Shiller US National Index, recorded an increase of almost 131% from first quarter 1997 to first quarter 2006.

FIGURE 2: US HOUSE PRICES

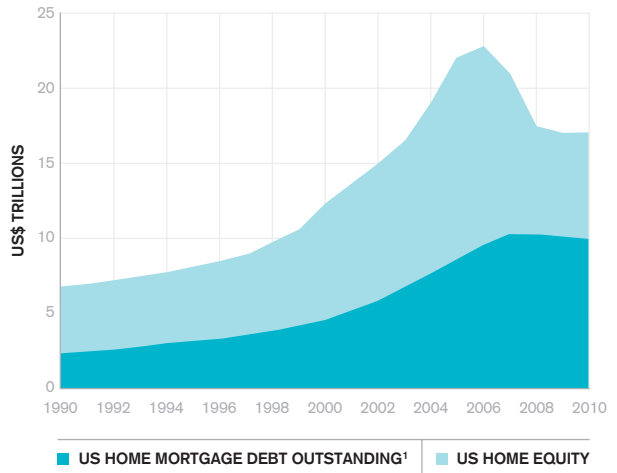


Source: S&P/Case-Shiller Home Price Indices.

While it is difficult to attribute this rise to specific factors in the market, a distinct trend which accompanied the run-up in house prices was the increase in mortgage lending and, in particular, subprime mortgage lending.

As shown in Figure 3, outstanding mortgage debt began to increase rapidly alongside house prices throughout the boom as households took out higher mortgages against the increased value of the US housing stock. By 2007, US single-family mortgage debt had increased to US\$10.5 trillion, a 182% increase on 1997 levels.

FIGURE 3: US HOME MORTGAGES OUTSTANDING AND HOME EQUITY

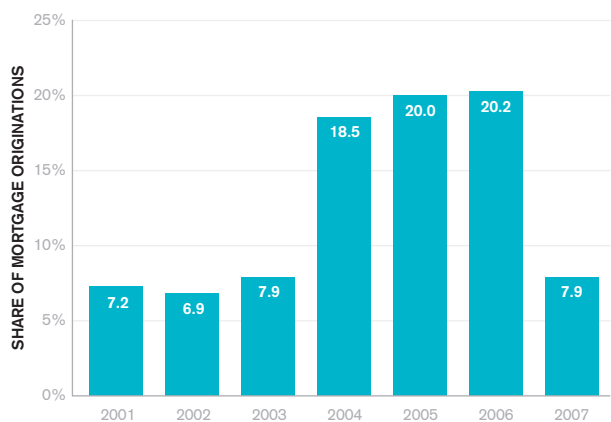


Source: US Federal Reserve.

Notes: 1. Based on mortgages for 1-4 family properties including mortgages on farm houses.

As mortgage debt continued to rise, so did the percentage of mortgages originated in the subprime sector. Subprime mortgages are loans made to borrowers who are perceived to have high credit risk, often because they lack a strong credit history or have other characteristics that are associated with high probabilities of default. Lending to this riskier category of borrowers increased dramatically throughout the housing boom. Subprime mortgages rose from less than 8% of all US mortgage originations in 2003 to more than 20% in 2005 and 2006.

FIGURE 4: US SUBPRIME MORTGAGE ORIENTATION AS A SHARE OF TOTAL MORTGAGE ORIENTATION



Source: Joint Center for Housing Studies of Harvard University.



The downturn commenced when house prices began to fall in 2006. Price reductions were gradual at first, and then accelerated rapidly throughout the latter half of 2007 and 2008, triggering an increase in mortgage defaults. Many financial institutions had invested heavily in assets whose values were tied to the value of mortgages. As mortgage defaults continued to increase, these institutions suffered unexpectedly large losses, which led to several large, well-known institutions either failing or requiring government assistance.

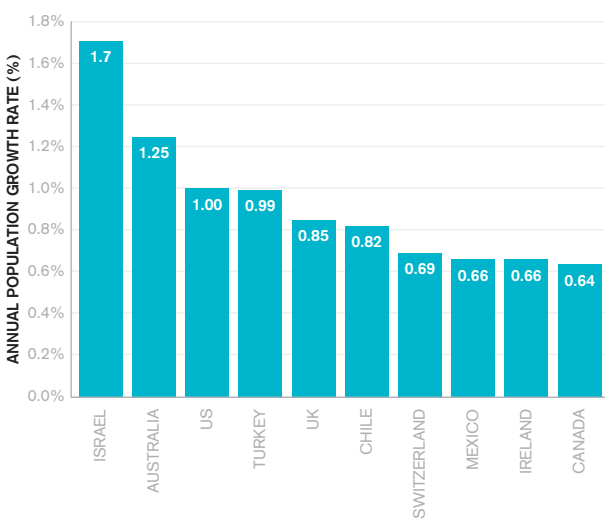
4.2. US residential property demand – current trends

The Responsible Entity believes the US exhibits a number of favourable demand dynamics which are expected to provide long-term support for property market fundamentals. With a young and growing population, the Responsible Entity believes the US is well poised to achieve significant growth in household formation which will drive ongoing demand for residential property. The factors contributing to this view are discussed below.

A) POPULATION GROWTH

Population growth is a key driver which underpins total demand for housing. According to the OECD, by 2020 the US population is forecast to increase to 341.4 million, representing an annualised growth rate 1.0% per annum on current population levels. This growth is expected to be driven by strong net migration into the US and represents one of the strongest growth rates among OECD nations.

FIGURE 5: OECD TOP 10 FORECAST POPULATION GROWTH RATES (2010-2020)

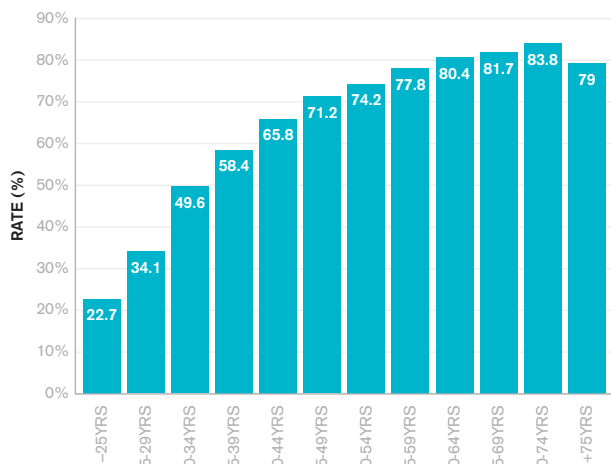


Source: OECD Factbook 2011.

B) DEMOGRAPHIC PROFILE

In addition to population growth, demographics are a significant determinant of household formation as new households are formed at different rates within various age groups. Data from the US Census Bureau shows that increases in the level of home ownership occur rapidly between the ages of 25 and 45.

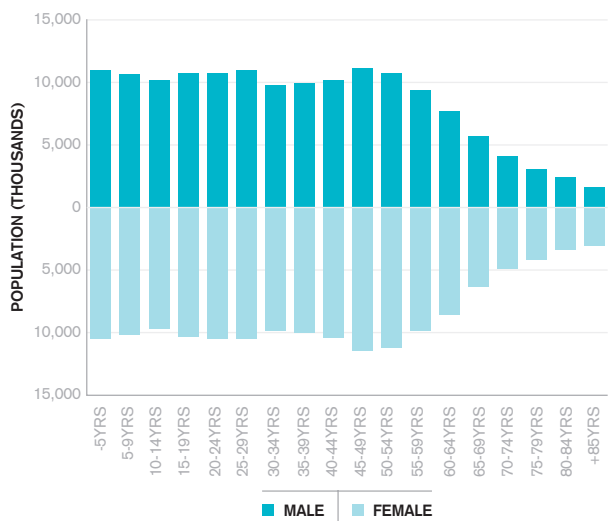
FIGURE 6: US HOME OWNERSHIP LEVEL BY AGE



Source: US Census Bureau.

Currently, a large proportion of the population (over 47%) sits in the under 35 age bracket. Assuming historical home ownership trends continue, this group is on the brink of entering into the main home ownership stage of their lives, where in the past the proportion of home owners increases dramatically. This is likely to place upward pressure on the total home ownership rate and provide long-term support to property purchasing demand.

FIGURE 7: US POPULATION DISTRIBUTION



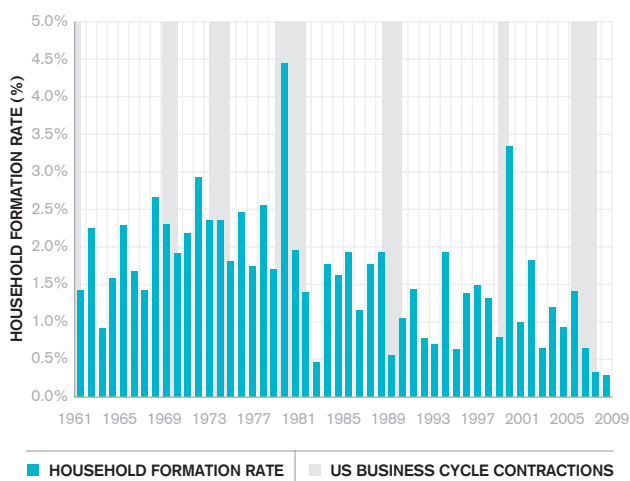
Source: US Census Bureau.



C) HOUSEHOLD FORMATION RATES

Household formations are the largest component of demand for additions to the housing stock. These new households can be accommodated by additions to the housing stock when vacancy rates are low, or absorbed into the existing vacant stock when vacancy rates are high. Since 1960, the number of households in the US has grown at an average annual rate of 1.6%, according to the Census Bureau's Housing Vacancy Survey. However, household formation has also shown to be, at least to some degree, cyclical in nature. Consider the relationship between annual household formation and economic activity shown below.

FIGURE 8: US ANNUAL HOUSEHOLD FORMATION RATE



Source: US Census Bureau, National Bureau of Economic Research.

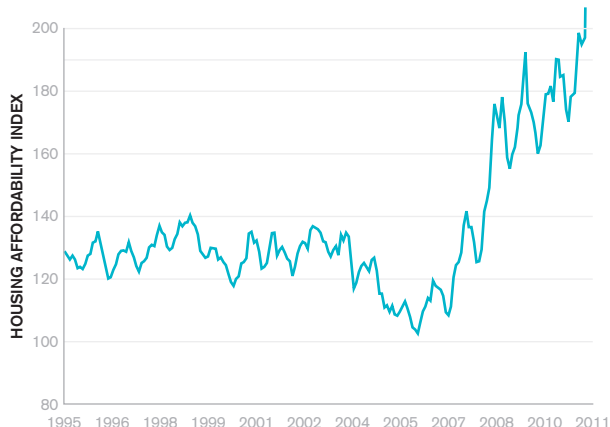
What can be seen is a mild relationship between low household formation rates, and declining economic activity, which has also contributed to the current oversupply in the US housing market. This insight has important implications for recovery in the US housing market. If it were the case that the current excess housing supply was “pure” supply, that is, assuming no pent-up demand from a depressed period of household formation, then recovery in the housing market would take as long as it takes for demographic forces to “catch up” with supply. But, if the excess supply reflects or embodies significant pent-up demand, that implies a recovery may come about more quickly than expected as the economic recovery makes progress and pent-up demand turns into realised demand, absorbing existing stock and adding pressure for the construction of new housing stock.

D) HOME OWNERSHIP RATES AND HOUSING AFFORDABILITY

While home sales have declined from their peak, the latest data reported by the US Census Bureau shows that the US home ownership rate has stabilised and is sitting at 68% in 2010, down from 69% in September 2006.

Supporting this is a substantial increase in the affordability of US housing. The housing affordability index produced by the National Association of Realtors shows a dramatic increase in affordability since 2005, due to the combination of factors including (but not limited to) falling home prices and low mortgage interest rates. In 2005, the median family income was only 9% higher than what was required to qualify for a loan to purchase the median priced single-family home using 80% loan to value fixed rate financing. Now, median family income is 107% higher than what is required to qualify for a similar loan.

FIGURE 9: HOUSING AFFORDABILITY INDEX



Source: Bloomberg, National Association of Realtors.

4.3. US residential property supply and current trends

There is currently a significant oversupply of property for sale in the US. The Responsible Entity believes continued foreclosures, short sales and distressed sellers in the marketplace are placing further downward pressure on home prices.

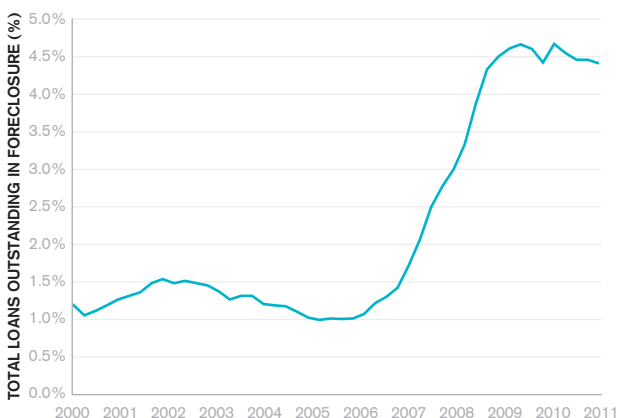
The Responsible Entity believes that the current oversupply of housing provides an opportunity for investors to build a high quality portfolio of residential properties at attractive prices.



A) FORECLOSURES AND DISTRESSED SELLERS

Total loans in foreclosure across the US have risen dramatically since residential property prices began to decline in 2006. The long-term implications of this increase are that the market will achieve a transition of existing homes to new, stable owners at more reasonable prices and on more favourable financing terms.

FIGURE 10: FORECLOSURES AS A PERCENTAGE OF TOTAL LOANS OUTSTANDING



Source: Bloomberg.

B) SHORT SALES

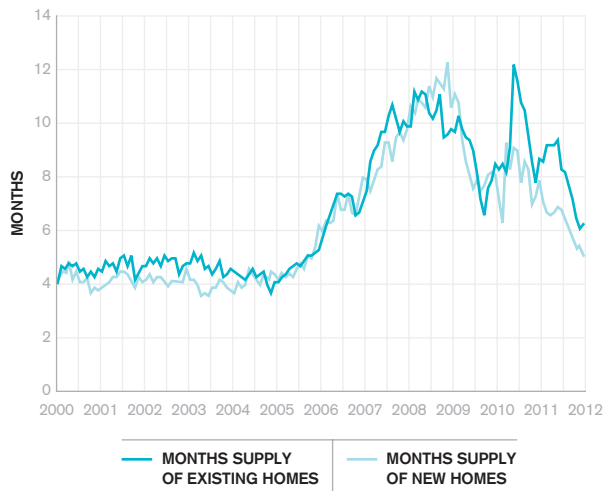
A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan and often occurs when a borrower can no longer pay their mortgage. Both parties (mortgagee and mortgagor) consent to the short sale process because it allows them to avoid foreclosure, which involves significant costs for the bank and lower credit impairment implications for the borrowers. A short sale agreement, however, does not necessarily release the borrower from the obligation to pay the remaining balance of the loan.

According to the 2010 Corelogic Short Sales Research Study, the volume of short sales has tripled since 2008 with the estimated annual volume now at 400,000 dwellings per annum across the US. This has also acted to increase inventories of available houses for sale. The Responsible Entity believes short sales can present an attractive buying opportunity for investors.

C) HOUSING INVENTORY

The significant rise in distressed home sales, an elevated unemployment rate and tighter lending standards have caused housing inventories to remain above historical levels, albeit declining.

FIGURE 11: AVERAGE NUMBER OF MONTHS TO SELL CURRENT INVENTORY

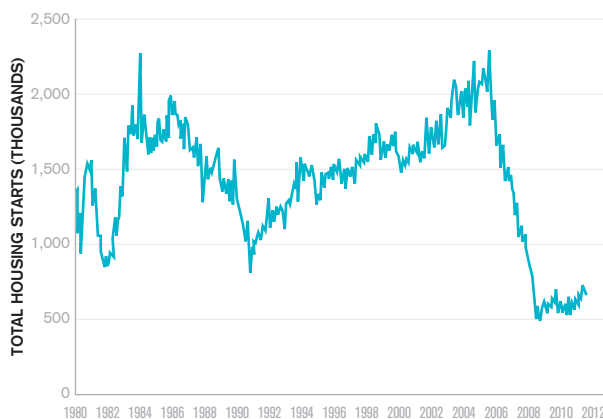


Source: Bloomberg, US Census Bureau, National Association of Realtors.

D) HOUSING STARTS AND CONSTRUCTION CAPACITY

In response to the collapse in US house prices and the abundance of new and existing home inventory available for sale, housing starts have fallen rapidly and the construction industry has significantly reduced its capacity. In fact, housing starts are now lower in the US than at any point in the past 30 years

FIGURE 12: US SEASONALLY ADJUSTED HOUSING STARTS



Source: Bloomberg, US Census Bureau, National Association of Realtors.

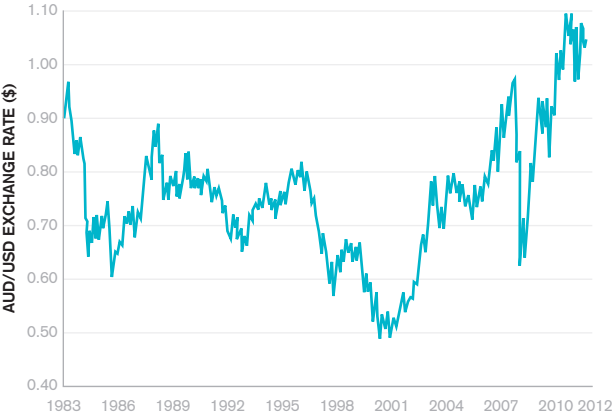


According to the Joint Center for Housing Studies of Harvard University based on current projections of long-term demand, the US requires approximately 1.25 million new single-family homes per annum. In comparison, current total housing starts are approximately 654,000 per annum. The implications of this are positive for property investment on two counts. One is that the current low levels of housing starts will assist in depleting existing excess housing stock. The second, and potentially more important, is that once demand does recover, and in particular, if it recovers rapidly, new supply growth may be slow to react from its current depressed levels. The Responsible Entity believes this could leave the market undersupplied for a significant period of time, and may provide the catalyst for a significant improvement in prices.

4.4. Australian dollar exchange rate

As at 30 April 2012, the current level of the Australian dollar against the US dollar is significantly higher than the average level of 75 cents since the Australian dollar was floated in 1983.

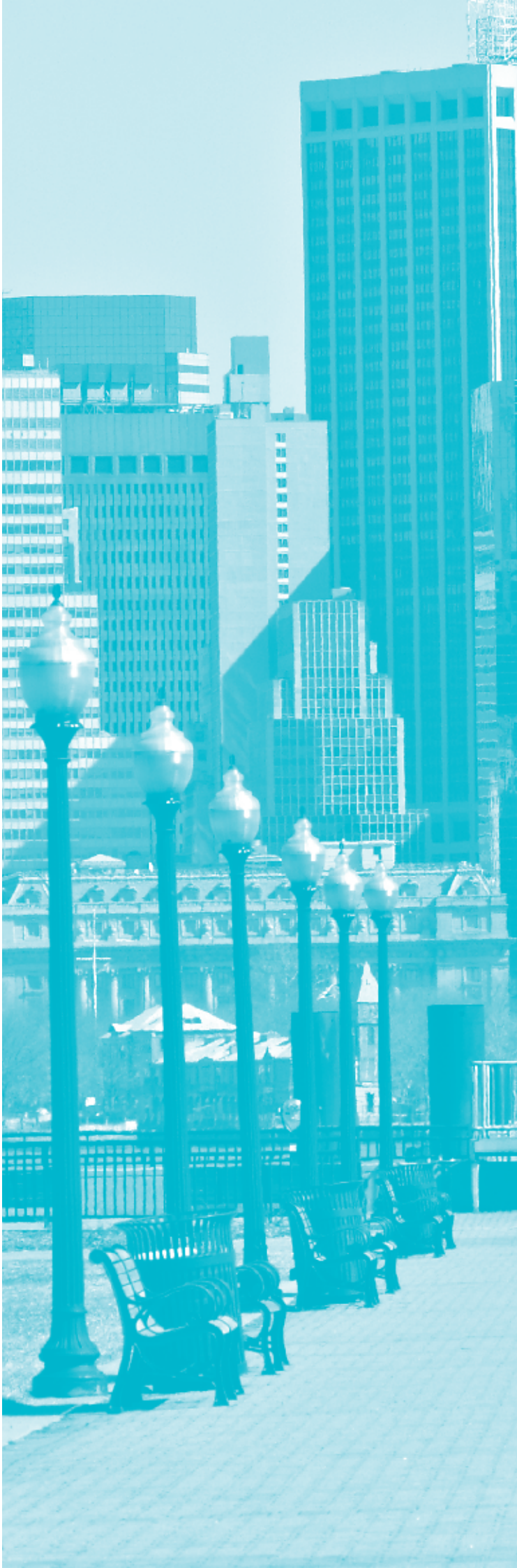
FIGURE 13: US DOLLAR VS AUSTRALIAN DOLLAR EXCHANGE RATE



Source: Bloomberg.

Bloomberg has not provided consent to the inclusion of trading data attributed to it in this PDS.

The Responsible Entity considers the current high level of the Australian dollar provides a favourable opportunity for Australian based investors to gain exposure to the US residential housing market.



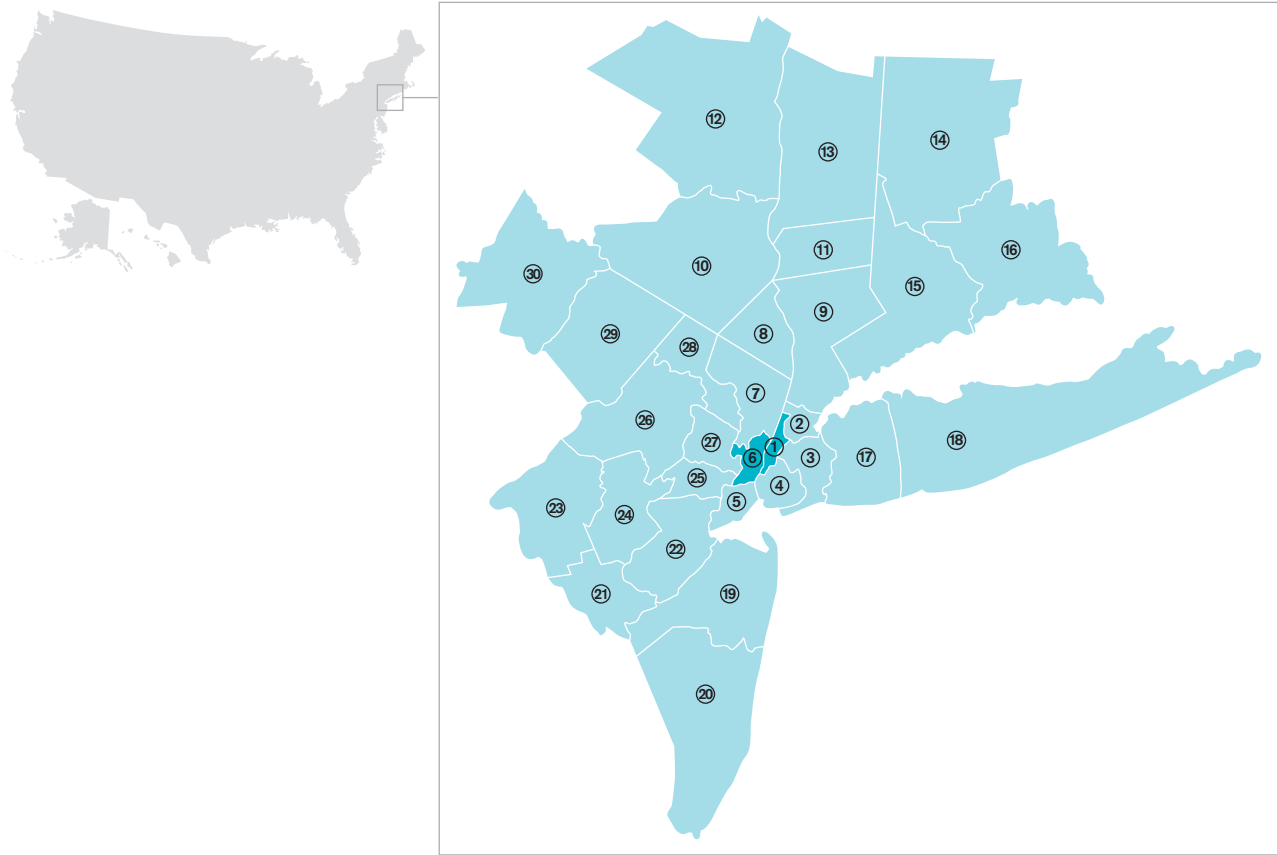


5. Overview of the Initial Target Investment Area

5.1. Location and Initial Target Investment Area

The Initial Target Investment Area is the New York metropolitan area, which is often referred to as the Tri-State Area. Broadly speaking, the New York metropolitan area encompasses the populated areas in the states of New Jersey, New York and Connecticut that are within a typical commuting distance of Manhattan. The New York metropolitan area is also the most populous metropolitan area in the US, with an estimated population of 19,069,796.

FIGURE 14: NEW YORK METROPOLITAN AREA LOCATION



1	Manhattan, NYC
2	The Bronx, NYC
3	Queens, NYC
4	Brooklyn, NYC
5	Staten Island, NYC
6	Hudson
7	Bergen
8	Rockland
9	Westchester
10	Orange

11	Putnam
12	Ulster
13	Dutchess
14	Litchfield
15	Fairfield
16	New Haven
17	Nassau
18	Suffolk
19	Monmouth
20	Ocean

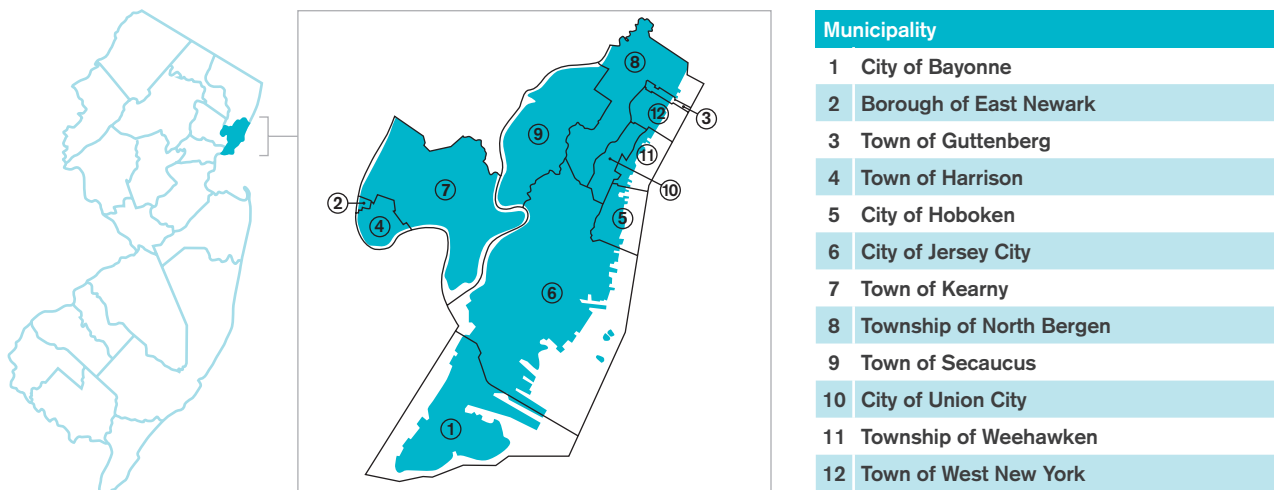
21	Mercer
22	Middlesex
23	Hunterdon
24	Somerset
25	Union
26	Morris
27	Essex
28	Passaic
29	Sussex
30	Pike



Within the New York metropolitan area, the US REIT will initially focus on investment within Hudson County, New Jersey. Hudson County is located in the north east of New Jersey and is directly adjacent to Manhattan. Hudson County is surrounded by the Hudson River and Upper New York Bay to the east and the Newark Bay and Hackensack River to the west. Hudson County is also home to the historic Ellis Island and the Statue of Liberty monument.

Hudson County is comprised of 12 municipalities. The most populous of these is Jersey City which houses more than one-third of the Hudson County population.

FIGURE 15: HUDSON COUNTY MUNICIPALITIES



5.2. Why invest in Hudson County?

The Responsible Entity believes that Hudson County presents a compelling opportunity to gain exposure to the US residential property market. The area presents a number of favourable characteristics which make it attractive for investment.

A) FAVOURABLE GEOGRAPHIC LOCATION

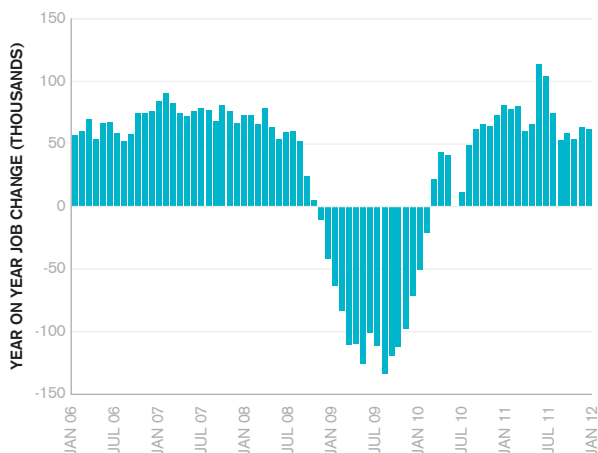
Hudson County is directly adjacent to Manhattan Island and New York City. The area has direct rail, road and water transport links to Manhattan offering fast commuter access and linking the two population centres. In fact, the rail commute time from Exchange Place in Jersey City to the World Trade Center station in Manhattan is only four minutes. Being such a short distance to lower Manhattan makes Hudson County extremely well positioned to take advantage of the current redevelopment taking place in the area.

B) EXPOSURE TO AN ECONOMIC RECOVERY IN NEW YORK CITY

The Responsible Entity believes Hudson County is uniquely positioned to benefit from an economic recovery in New York City. With employment growth having now resumed in New York City, the recovery in the job market is expected to have a positive impact on housing demand in Hudson County.



**FIGURE 16: NEW YORK CITY NON-FARM JOBS
YEAR ON YEAR CHANGE**



Source: New York State Department of Labour.

Note: Data shows the year on year change in employment levels on a monthly basis.

C) ACCESS TO MASS TRANSPORT

Apart from direct links to Manhattan, Hudson County also has its own mass transport system. Services include the Hudson-Bergen Light Rail Service, the NJ Transit Bus Service, ferry services and local buses. Hudson County is also in close proximity to Newark International Airport, one of the busiest international airports in the US.

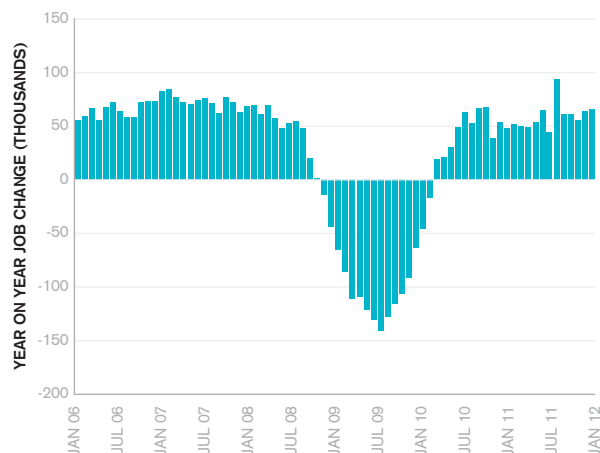
D) ATTRACTIVE VALUATIONS

Residential property prices in Hudson County have fallen significantly since their peak in 2006, in line with the broader US residential property market. The Responsible Entity believes that current property valuations offer a unique and attractive entry point into the New York metropolitan area and Hudson County residential property market.

E) DEEP RENTAL MARKET IN A DENSELY POPULATED AREA

Hudson County is the most densely populated county in New Jersey (which is the most densely populated state in the US), offering a diverse pool for employment and demand for services which in turn fuels private sector and small business development. Hudson County also has a large population of relatively young people who have a strong preference for rental properties as opposed to home ownership. This creates a deep rental market which is attractive to investors because it mitigates the risk of extended vacancies.

**FIGURE 17: NEW YORK CITY PRIVATE SECTOR JOBS
YEAR ON YEAR CHANGE**



F) FAVOURABLE TENANCY LAWS

The Responsible Entity believes that tenancy laws in New Jersey offer significantly more attractive terms to landlords than other regions in the New York metropolitan area.

Additionally, rent stabilised properties in New Jersey are subjected to fewer limits and restrictions compared to their counterparts in other regions in the New York metropolitan area, especially Manhattan and Brooklyn.

5.3. Hudson County – Historical overview

A) SIZE AND POPULATION DENSITY

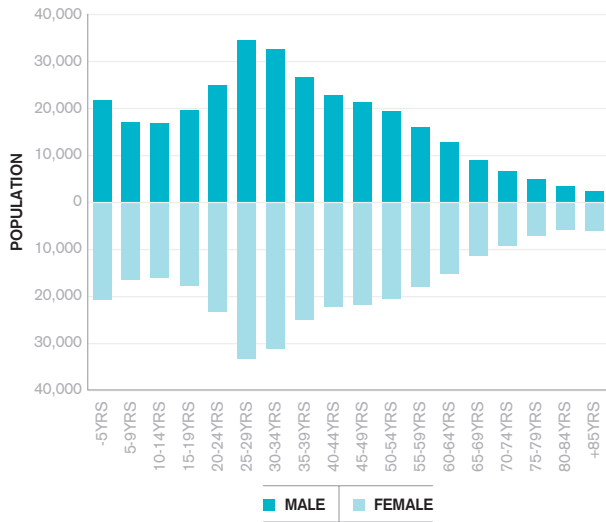
Hudson County has a total area of only 62 square miles (160.6 km²), of which 47 square miles (121.1 km²) is land and 15 square miles (41.4 km²) is water. Hudson County is the smallest county of all New Jersey's 21 counties. Despite this, Hudson County has a population of more than 630,000 people, making it New Jersey's most densely populated county. It is also the sixth most densely populated county in the US.

B) DEMOGRAPHIC PROFILE

Hudson County has a predominantly young adult population with a large proportion of the population aged between 25 and 34 years. According to the Hudson County Economic Development Corporation, almost 70% of households in Hudson County have no children below the age of 18 years. This younger demographic is well suited to Hudson County's mass transportation system and walkable thoroughfares.



FIGURE 18: HUDSON COUNTY AGE DISTRIBUTION



Source: US Census Bureau.

C) EXISTING HOUSING STOCK

Hudson County has approximately 270,000 units across all municipalities. Given its high population density and history as an industrial centre, a significant number of these are multi-family dwellings.

The Responsible Entity estimates that the total value of housing stock in Hudson County is in excess of US\$95 billion.

D) HOME OWNERSHIP

As foreshadowed by the age distribution of the Hudson County population, home ownership levels are well below the broader averages seen across the United States. Approximately 70% of occupied units in Hudson County are occupied by renters and 30% by owner occupiers. This is compared to the broader home ownership rate in the US of over 66%.

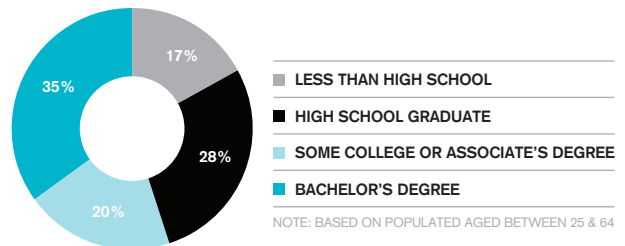
E) INCOMES

Hudson County has a median household income of US\$55,275 and an average per capita income of US\$31,024 which stands 10.2% higher than the national average of US\$27,344.

F) EDUCATION

Hudson County's level of education attainment compares favourably to the national average. Approximately 35% of the population have a Bachelor's degree versus the national average of 27%.

FIGURE 19: HUDSON COUNTY EDUCATIONAL ATTAINMENT (2007)

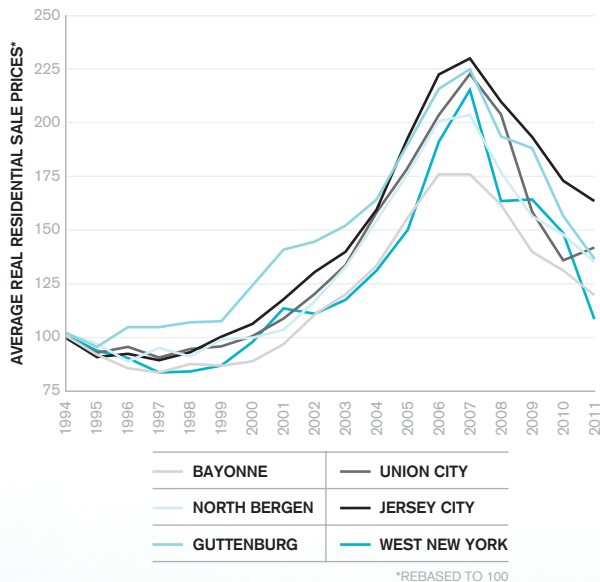


5.4. Hudson County residential property market performance

A) RESIDENTIAL PROPERTY PRICES

In most areas of Hudson County, residential property prices have declined significantly from their 2006 peaks in line with the broader decline in residential property prices across the US. According to yearly data supplied by the New Jersey Department of Treasury, average sale prices for residential property in the municipalities of Bayonne, Guttenberg, Jersey City, North Bergen, Union City and West New York have declined, 27%, 36%, 24%, 29%, 32%, and 46%, respectively, from their peaks.

FIGURE 20: HUDSON COUNTY AVERAGE RESIDENTIAL SALES PRICES



Source: New Jersey Department of Treasury, Bloomberg.

B) RENTS

Despite the fall in prices, residential property rents in Hudson County have remained robust throughout the market downturn. Based on an assessment by the Responsible Entity of current market conditions and on the ground empirical evidence, rents across many areas in Hudson County have been broadly stable since 2006. When considered against the declines in capital values which have been experienced, this has acted to improve rental yields substantially for residential property investors.



6. Overview of the Responsible Entity and Corporate Governance

6.1. Role of the Responsible Entity

Dixon Advisory is the issuer of Units under this PDS and the Responsible Entity of the Fund. The Responsible Entity is responsible for the protection of Unitholder interests and overall corporate governance of the Fund. The Responsible Entity manages the Fund in accordance with its duties to Unitholders. The Responsible Entity is also subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interests of Unitholders. Further details of the Constitution and the Responsible Entity's obligations are specified in Section 14.

Under the Corporations Act, a responsible entity is required to either have a board of directors, not less than half of which comprises external directors, or to appoint a compliance committee with a majority of external representation. Dixon Advisory complies by having a compliance committee with a majority of external representation. Further details on the external members of the compliance committee are set out later in this Section 6.7.

The Responsible Entity is responsible for the overall management of the Fund including the determination of its strategic direction with the aim of increasing Unitholder wealth through the performance of the Fund.

The role of the Responsible Entity includes:

- a) providing strategic direction and deciding upon the Fund's business strategies and objectives;
- b) monitoring the operation and financial position and performance of the Fund;
- c) identifying the principal risks faced by the Fund and monitoring the effectiveness of systems designed to provide reasonable assurance that these risks are being managed;
- d) taking steps to ensure that the Fund's financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board; and
- e) taking steps to ensure that Unitholders and the market are fully informed of all material developments.

6.2. Background of the Responsible Entity

Dixon Advisory holds Australian Financial Services Licence Number 231 143. The Fund represents the registered managed investment scheme managed by Dixon Advisory.

Dixon Advisory is a member of the Dixon Advisory Group, which, through Dixon Advisory and its other subsidiaries, provides a comprehensive administration service and, where requested, financial advice to more than 4,000 self-managed super fund clients with a combined superannuation asset base of over \$4.0 billion. Dixon Advisory provides financial advisory services, full service investment advisory, corporate finance, estate planning, residential property, mortgage and insurance advisory services.

Dixon Advisory currently manages Australian Masters Corporate Bond Fund No 4 Limited and Australian Masters Bond Fund No 5 Limited. These funds are part of a series that have previously included Australian Masters Bond Fund No 1 Limited, Australian Masters Bond Fund No 2 Limited and Australian Masters Bond Fund No 3 Limited. (**Australian Masters Corporate Bond Fund Series**). These companies invest in primarily high grade fixed income securities. The Australian Masters Corporate Bond Fund Series completed issues of shares to raise approximately \$54 million in June 2008, approximately \$36 million in September 2008, approximately \$42 million in February 2009, approximately \$72 million in June 2009 and approximately \$77 million from December 2009 to June 2010.

Dixon Advisory is also the investment manager of Australian Masters Yield Fund No 1, Australian Masters Yield Fund No 2 and Australian Masters Yield Fund No 3 (**Australian Masters Yield Fund Series**), which are diversified fixed income funds and as at 30 April 2012 has approximately \$231 million in funds under management.

Further, Dixon Advisory currently manages the investment portfolios of Global Resource Masters Fund Limited and Asian Masters Fund Limited, which are ASX listed investment companies adopting a "fund of funds" investment approach. These companies give Australian investors the opportunity to gain access to leading global fund products and managers, and as at 30 April 2012, each has a market capitalisation on ASX of approximately \$106 million and approximately \$136 million, respectively.

Dixon Advisory also manages the Australian Governance Masters Index Fund Limited, a listed investment company on the ASX. This ASX listed company tracks entities included in the S&P/ASX 100 with a corporate governance overlay, excluding companies with poor corporate governance ratings. As at 30 April 2012, the Australian Governance Masters Index Fund Limited has a market capitalisation of approximately \$60 million.



6.3. Directors of the Responsible Entity

The directors of the Responsible Entity have considerable experience in funds management and fixed income markets. Details of the directors of the Responsible Entity are set out below.



A) DARYL DIXON MA (HONS) (CAMBRIDGE), BA (HONS) (UQ); EXECUTIVE CHAIRMAN

Daryl is a graduate in economics of Cambridge and Queensland Universities and the founder of Dixon Advisory. Daryl has extensive experience in the areas of taxation, retirement incomes and social welfare policy. He is known in Australia as a leading financial expert, particularly in the area of superannuation.

Daryl has special expertise in personal and self managed super fund strategies, as well as extensive experience as a direct share investor in his own right.

Daryl is a director of the Australian Masters Yield Fund Series and the Australian Masters Corporate Bond Fund Series. He was also a director of HCF Life for 21 years and has worked previously for the International Monetary Fund, the Federal Treasury, Department of Finance and the Social Welfare Policy Secretariat. He was a member of the Fraser Government's Occupational Superannuation Task Force.



B) MAXIMILIAN WALSH AM. BEC (SYDNEY); DEPUTY EXECUTIVE CHAIRMAN

Max is regarded as one of Australia's leading economists and business journalists. He has specialised experience in the areas of business, economics and politics in a journalistic career spanning nearly 50 years.

He has been editor and managing editor of The Australian Financial Review and Editor-in-Chief of The Bulletin. He also served on the board of Northern Star TV (predecessor to Channel Ten) and is presently Chairman of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series, Asian Masters Fund Limited and Global Resource Masters Fund Limited. He has served as Deputy Chairman of Dixon Advisory since 2007.



C) ALAN DIXON BCOM (ANU) CA; GROUP MANAGING DIRECTOR

Alan has been providing financial advisory services to corporations, institutions and individuals for more than 15 years. Until December 2000, he worked for various investment banks, including ABN AMRO (where he was an Associate Director in Mergers and Acquisitions and Equity Capital Markets) and Ord Minnett Corporate Finance. Since January 2001, he has operated as Managing Director of the Dixon Advisory Group. Alan has a Bachelor of Commerce from the Australian National University and is a Member of the Institute of Chartered Accountants in Australia. Alan is also a SPAA Accredited SMSF Specialist Advisor™.

Alan is a director of the Australian Masters Yield Fund Series and the Australian Masters Corporate Bond Fund Series.



D) CHRIS BROWN BCHEM ENG HONS (SYD UNI), BCOM (SYD UNI); MANAGING DIRECTOR – STRATEGY

Chris is a director of the Australian Masters Yield Fund Series and the Australian Masters Corporate Bond Fund Series.

Prior to joining Dixon Advisory, Chris was an Executive Director at UBS AG in Sydney. Over his 8 years at UBS, he provided capital markets and mergers & acquisitions advice to many different public and private companies in Australia and overseas. Chris specialised in providing this advice to industrial, utility, infrastructure, property and financial companies. Chris spent several years in the UBS Mergers & Acquisitions Group in New York working on transactions in chemicals, healthcare, consumer products, media, telecoms, technology, insurance and utilities. Before joining UBS, Chris also worked in the Investment Banking division of ABN AMRO where he focused on mergers and acquisitions along with capital markets advice to companies in the Australian property sector.

Before his career in investment banking, Chris worked for a Sydney-based property funds management company and a chemical engineering and design company. Chris has a Bachelor of Chemical Engineering with 1st class honours and a Bachelor of Commerce, both from University of Sydney.





E) ALEX MACLACHLAN BA (CORNELL), MBA (WHARTON); MANAGING DIRECTOR – FUNDS MANAGEMENT

Alex is the Managing Director of Global Resource Masters Fund Limited, a director of the Australian Masters Yield Fund Series, the Australian Masters Corporate Bond Fund Series, and Asian Masters Fund Limited.

Before joining Dixon Advisory, Alex was an investment banker specialising in the natural resources sector, most recently serving as Head of Energy, Australasia, for UBS AG in Sydney and prior to that as an investment banker at Credit Suisse First Boston. During his career as an investment banker, Alex advised many of Australia's and the world's leading natural resources companies, working on more than \$100 billion in announced mergers and acquisitions and capital markets transactions for more than 30 leading Australian and international natural resources companies.

Before specialising in natural resources investment banking, Alex worked in the Japanese Government Bond derivatives markets in London, New York and Sydney.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.



F) TRISTAN O'CONNELL BCOM (ANU) CPA; FINANCE DIRECTOR

Tristan joined Dixon Advisory in 2005 after 10 years' experience in corporate financial and management roles within the wholesale financial markets industry. Tristan's previous roles included being financial controller of Tullett Prebon in Australia, one of the world's leading inter-dealer broker firms specialising in over the counter interest rate, foreign exchange, energy and credit derivatives. Tristan subsequently held senior finance roles for the Tullett Prebon Group in Singapore and London.

Tristan returned to Australia to be responsible for the financial management and growth of Dixon Advisory. Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is a Fellow of the Financial Services Institute of Australasia.



6.4. Advisory board

The Responsible Entity has established an investment advisory board to provide the Responsible Entity with expert advice in relation to commercial matters regarding the Fund and the US REIT. The independent directors of the advisory board are highly experienced senior investment professionals with extensive US experience.



A) NIRAV DESAI BA (UNIVERSITY OF MICHIGAN), MBA (WHARTON)

Nirav is currently the Managing Director of Sparta Group LLC, an ultra high net worth private family investment office based outside of Boston, Massachusetts (USA).

He is responsible for managing a global investment portfolio across asset classes including hedge funds, private equity, direct investments, real assets, and public securities. Prior to Sparta Group LLC, Nirav was a principal investor at a US-based private equity fund focused on middle market transactions and homeland security and clean technologies.

In addition, he has experience as an investment banker and naval intelligence officer. Nirav has a BA from the University of Michigan, Ann Arbor and a Masters of Business Administration from The Wharton School, University of Pennsylvania



B) STUART NISBETT BCOM (UNSW), MCOM (UNSW), CA

Stuart is currently the Managing Director and Principal at Archerfield Capital Partners, which he established in 2008. He has more than 25 years' experience in property development, property funds management, equity and debt raising, corporate advisory and project finance. Stuart is also an independent director of the Asian Masters Fund Limited.

Previously, Stuart was Executive Director, Head of Property Funds at ANZ Investment Bank. He was also the Managing Director, Head of Property Banking & Property Investment Banking at N M Rothschild & Sons (Australia) Limited. Under his leadership the property banking business grew into the largest business unit within the company. In July 2005, reflecting the growth and increased scope of the property banking business activities under Stuart's guidance, N M Rothschild & Sons established an additional property division to focus on investment banking opportunities in advisory and equity. Stuart has also held many senior roles at Macquarie Bank and Lend Lease.

Stuart holds a Bachelor of Commerce with Merit and a Masters of Commerce from the University of NSW. He is a member of the Institute of Chartered Accountants in Australia and in 2005 was appointed a Fellow of the Australian Property Institute.



C) DEAN MILLER BA (FRANKLIN AND MARSHALL), MBA (WHARTON)

Dean is currently a Managing Director of Novitas Capital, a Philadelphia, US based investment firm focused on early stage venture capital. He has over 20 years of experience working for and with both large and small companies. In addition to currently acting on the Board of Directors of several companies in which Novitas Capital has invested, Dean also currently serves as President and CEO of the Greater Philadelphia Alliance for Capital and Technologies (FACT), a premier resource for emerging growth companies in the information technology, clean technology, and life sciences industries, is Vice Chairman of Wharton Private Equity Partners, an international alumni organisation, and serves on adjunct faculty at the Wharton School in the Department of Management. He also serves as a guest lecturer at the School of Engineering and Applied Science at the University of Pennsylvania and serves as a Board Member for the Arts & Business Council of Greater Philadelphia.

Dean graduated with distinction from the University of Pennsylvania's Wharton School with an MBA in Private Equity. He also holds a Bachelor of Arts Degree in Business Administration and Psychology from Franklin and Marshall College, has completed coursework in biotechnology at the University of California, San Diego, and has completed a Postgraduate Course in Clinical Pharmacology, Drug Development, and Regulation at the Tufts Center for the Study of Drug Development.





D) DAVID WHELAN LLB (HONS), BCOM (UQ)

David is the Chief Executive of the Cloverleaf Group, a privately held alternative investment group focused primarily on venture capital and private equity investments in healthcare, life sciences and breakthrough technologies.

David is a director of the following Cloverleaf Group portfolio companies: AgaMatrix, Inc; Block Shield Corporation Plc; Identitas, Inc, MD Datacor, Inc. and was recently appointed Chairman of Medcenter Holdings, Inc. David was also the founding manager of the Group's investment in Zenergy Power Plc.

Prior to joining the Cloverleaf Group, David was Vice President of Corporate Development with the Virgin Group in the US and the UK. David was previously an investment banker in London, England and Sydney, Australia with Goldman Sachs & Company and before that Deutsche Bank. Starting his career at Price Waterhouse in the firm's Corporate Finance division in Sydney, Australia, David qualified as a Chartered Accountant of Australia. David has a Bachelor of Laws (Honours) and Bachelor of Commerce from Bond University in Queensland, Australia.

E) ALAN DIXON

Refer to Section 6.3

F) ALEX MACLACHLAN

Refer to Section 6.3



6.5. Local US Management Team and external contractors

The US REIT uses staff of Dixon USA as well as a range of external parties for the provision of various property management services. Profiles of individuals who provide key services are provided below.



A) PHILLIP LOIS BCOM (SYD UNI), BCHEM ENG (SYD UNI); CHIEF FINANCIAL OFFICER

Phillip is responsible for all the finance functions of the US REIT, ensuring that the fund's financial controls, reporting and management processes are of the highest standard. Phillip joined Dixon Advisory in 2010 and initially worked in the Funds Management and Property Advisory businesses since that time. Phillip played a key role in the execution of the Fund's initial public offering and has been heavily involved in the ongoing management of the Fund since that time.

Prior to joining Dixon Advisory, Phillip was an investment banker at UBS AG in the natural resources sector, where he worked with many of Australia's and the world's leading natural resources companies, advising and executing on mergers and acquisitions and capital markets transactions. Phillip has a Bachelor of Commerce majoring in accounting and finance and Bachelor of Chemical Engineering from the University of Sydney.



B) ADAM DAVIS BCOMM (MONASH UNI), CA, MSC (NYU); DIRECTOR, CAPITAL MARKETS

Adam has a primary focus on growing the Fund including securing debt financing for the Fund. Adam has extensive experience in property development and investment, in particular negotiating and structuring real estate debt and equity finance. Prior to taking this role, Adam was most recently the Acquisition Manager for Grocon USA, the US arm of Australia's largest private development and construction firm. Before relocating to the US, Adam was a Senior Manager with Gersh Investment Partners which focussed on joint venture investing and funding of property developments across all property asset classes in Australia. Adam commenced his career at Ernst & Young and is a qualified Chartered Accountant in Australia. Adam has a Masters of Science in Real Estate Finance and Investment from New York University as well as a Bachelor of Commerce from Monash University.



C) PRISCILLA LEBRON DIRECTOR, PROPERTY MANAGEMENT

Priscilla has spent over 13 years in Residential Real Estate Management in the New York Metropolitan area. Priscilla is currently leading the team of 8 property professionals who are responsible for all aspects of leasing and property management. She has extensive experience in all the major property types including high rise apartments, town homes and freestanding houses. Previously she was responsible for managing 1,500 unit apartment building complex in Queens, New York with over 55 staff. Over the years, Priscilla has been instrumental in the process of implementing methods that have proved to work on large apartment buildings to the individual residential housing market. This is crucial to achieving the long term property management goals for the Fund.



D) EZEQUIEL ORTIZ DIRECTOR, ACQUISITIONS

Ezequiel (Zeke) brings to the US Masters Residential Property Fund 12 years of experience in Hudson County Real Estate. Through his career, Zeke has completed over \$50 million of property transactions and 300 appraisals of New Jersey Property. Zeke is responsible for the co-ordination and management of the acquisition and evaluation teams to ensure a highly streamlined process for the identification, evaluation and acquisition of Hudson County Real Estate for the Fund. Since joining the Fund, he has worked to provide a consistent and dependable set of methodology for the Acquisition team to achieve the highest quality results on a timely basis. Prior to joining the Fund he has held positions across valuations, sales, brokerage and construction roles. Zeke is a licensed New Jersey Real Estate Broker.





E) MATTHEW LUSKY BSC (CORNELL); ACQUISITIONS MANAGER

Matthew joins the team from Bramhall Summit Management, a New Jersey based property management company, where he was responsible for day to day operations including rental and construction management. Prior to this, Matthew was a Leasing Manager for Avalon Bay Communities, where his team managed a 500 unit property portfolio. Matthew has a Bachelor of Science (Biology, Concentrated Applied Economics and Business Management) from Cornell University.



F) CHARLAINE MERCADO BA (STONY BROOK); ACQUISITIONS MANAGER

Charlaine joins the Fund from Weichert Realtors, where she was a real estate agent and involved in over \$50 million of real estate transactions. Charlaine was also previously a real estate agent at Liberty Realty. She commenced her career in the investment banking industry at Morgan Stanley. Charlaine has a Bachelor of Arts from Stony Brook University.

G) INVESTMENT CONSULTANT – GERALD LUCAS

Gerald has spent over a decade investing in US residential property markets and is the founder of Performance Property, LLC, a real estate investment and short sale negotiation company in the New York Metropolitan area, with headquarters in Jersey City. Gerald is a licensed real estate agent in New Jersey. As a licensed real estate agent, Gerald is entitled to receive commissions in line with market practice.

H) TITLES – SCOTT LEVER

Scott is the owner and founder of All Jersey Title, LLC. Scott has been in the title business for about 19 years and operates one of New Jersey's busiest and most productive title agencies. During his time serving homeowners and prospective buyers, Scott has insured more than 100,000 titles for purchase and mortgage transactions.

All Jersey Title, LLC has four title insurance companies it writes titles under including Fidelity National Title Insurance Company, Chicago Title Insurance Company, Old Republic Title Insurance Company and Westcor Land Title Insurance Company.

I) INSURANCE – JUDY PETROCCI

Judy is the owner and operator of Petrocci Agency LLC. Petrocci Agency LLC was established in 1950 as a Property and Casualty Insurance Agency in Jersey City. The Agency services the insurance needs of individuals, families and business concerns in Hudson County and throughout New Jersey.

J) TENANT MANAGEMENT ATTORNEY – ROBERT BRESCIA

Robert has held numerous legal roles that have focused on land use and real property law. Robert has significant experience representing both private lenders and banks in the residential loans space as well as experience in real estate development, land use, condominiums and code enforcement. Prior to this, Robert was a Public Defender in the Jersey City Municipal Court. Robert has also held many social services positions including Deputy Director of the Jersey City Human Resources Department and Secretary of Youth Consultation Service, a non-profit agency providing a broad range of services to children.

Robert was admitted to the Bar of the State of New Jersey and the Federal Court for the District of New Jersey in 1976 and is a member of the Hudson County Bar Association.



K) CLOSING ATTORNEY – JOHN MILLER

John has been a partner with Amadeo & Miller since 1981. In 1981, John served as the Jersey City Mayor's Ward A Coordinator and was appointed as the Assistant Municipal Prosecutor for the Jersey City Municipal Court. As a prosecutor, he represented the State in criminal matters and the City in housing violations.

In 1985, he was appointed the Chief Municipal Prosecutor and served in that capacity until his resignation in 1988, due to the increase in his private practice volume. His current main focus is in residential and commercial real estate – primarily its purchase, sale and financing.

John has also served as the Hudson County REO Attorney for Fannie Mae from 1994 to 2002, gaining experience in representing both individual clients as well as institutional clients in real estate transactions. Throughout his career in real estate law, John has closed more than 15,000 titles.

6.6. Joint venture partner

Urban American has 15 years of experience acquiring, improving and operating housing in the New York metropolitan area. It currently owns and manages approximately 12,000 apartments in over 150 buildings located throughout all boroughs of New York City, Westchester County, New York and in Hudson County, New Jersey. Urban American has a strong track record of upgrading occupancy and increasing income through the rehabilitation of apartment buildings, strict adherence to municipal regulations, and the reduction of expenses through various cost savings measures and capital expenditures that increase operating efficiency.

The profiles of the Urban American management team are provided below:



A) PHILIP EISENBERG (URBAN AMERICAN, FOUNDER AND CHIEF EXECUTIVE OFFICER)

Philip is a Founding Partner and CEO of Urban American Partners. Over the past 25 years, Philip has participated as owner or general partner in the construction or rehabilitation and rental of apartment buildings and complexes in New York, New Jersey, California, Florida and Nevada. He was previously a partner at the law firm Javits, Trubin, Sillocks, Edelman & Knapp. Philip holds a Bachelor of Arts from New York University and a Juris Doctorate from Cornell Law School.



B) JAMES EISENBERG (URBAN AMERICAN, EXECUTIVE VICE PRESIDENT AND HEAD OF CONSTRUCTION)

James is a Partner of Urban American Partners and the President of UA Development and is currently responsible for the physical plant operations, maintenance and rehabilitation of Urban American's investments. Prior to joining Urban American in 2002, he was a Captain in the US Army. James holds a Bachelor of Science in City and Regional Planning from Cornell University and a Masters in Real Estate from Cornell University.



C) JOSHUA EISENBERG (URBAN AMERICAN, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL)

Joshua is a Partner of Urban American and is responsible for the legal aspects of all Urban American's real estate acquisitions, sales, commercial leasing and finance. Prior to joining Urban American in 2004, Joshua was a real estate lawyer. Joshua holds a Bachelor of Science in Urban and Regional Planning from Cornell University and a Juris Doctorate from Cornell Law School.



D) SANJAY CHAUHAN (URBAN AMERICAN, CHIEF FINANCIAL OFFICER)

Sanjay is responsible for all aspects of accounting and financial reporting functions. Prior to joining Urban American, he held CFO and senior financial and management roles in numerous companies in the US and UK. Sanjay is a Certified Public Accountant and Chartered Financial Analyst. He holds a Masters in Economics from University of Kent at Canterbury and Oxford University, where he was a Rhodes Scholar.



6.7. Compliance committee

A compliance committee comprising a majority of members who are independent of Dixon Advisory monitors compliance of the Fund with the compliance plan. Membership of the compliance committee comprises:

A) TRISTAN O'CONNELL (INTERNAL MEMBER)

Refer to Section 6.3

B) CLAIRE WIVELL PLATER (INDEPENDENT MEMBER)

Claire is one of two independent members of the compliance committee. Claire is the managing director of Gold Seal Management Services Pty Limited and Gold Seal Legal Pty Limited which provide legal and compliance services to AFS licensees of all types. Claire spent the first 17 years of her career at Phillips Fox before joining ING to work with its financial planning dealer groups and on mergers and acquisitions and strategy. Claire co-founded Gold Seal in 2002 which has grown to become a leading compliance provider to the financial services industry.

C) BARRY SECHOS (INDEPENDENT MEMBER)

Barry is one of two independent members of the compliance committee. Barry is a Director of Sherman Group Limited, a privately owned investment company, and is responsible for managing the legal, financial and operational affairs of the Group. Barry has 25 years experience in corporate law and finance having spent seven years as a banking and finance lawyer at Allen Allen & Hemsley (Sydney, Singapore and London), and eight years as a Director of EquitiLink Funds Management and Aberdeen Asset Management Australia. Barry is also a Director of ASX listed iCash Payment Systems Limited (ASX:ICP), See-Saw Films, a film production and finance group and winner of the 2011 Academy Award for Best Picture, DIF Capital Partners Limited, a licensed funds management company and a Director of Sherman Contemporary Art Foundation, a charitable cultural organisation.

6.8. Corporate governance policies

A) CORPORATE GOVERNANCE

The Directors monitor the business affairs of the Fund on behalf of Unitholders and have adopted a corporate governance policy which is designed to focus Directors' attention on accountability, risk management, ethical conduct and conflicts of interest. The Fund has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Directors are committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Fund's needs.

B) CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

The Directors consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Responsible Entity.

The corporate governance policies of the Fund require that such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

C) EMPLOYEE TRADING POLICY

The Responsible Entity has adopted a Unit Trading Policy that regulates dealings by Directors and key employees involved in the management of the Fund in Units. The purpose of the Policy is principally to ensure that all Directors and key employees understand the law in relation to 'insider trading' (under the Corporations Act), and the legal and Fund imposed restrictions on trading in Units while in possession of price-sensitive information.

D) CONTINUOUS DISCLOSURE POLICY

The Fund is a disclosing entity for the purposes of the Corporations Act and is required to comply with the continuous disclosure regime under the Listing Rules. The Responsible Entity has established internal systems and procedures to ensure that timely disclosure is made to support an informed market.

The Fund also provides periodic reports to Unitholders such as to meet its financial reporting obligations and place announcements on its website where appropriate.



7. Overview of the Fund

7.1. About the Fund

The Fund was established to provide Unitholders with exposure to a portfolio of US residential property. The Fund achieves this by investing in a Maryland real estate investment trust controlled by the Fund called the US Masters Residential Property (USA) Fund (US REIT).

The US REIT has an investment mandate to acquire US residential property from the open market with an initial focus on the New York metropolitan area and specifically, Hudson County, New Jersey. The Responsible Entity believes it will likely be able to invest substantially all of the Fund's existing cash plus the proceeds of the Offer into the New York metropolitan area.

Should the Responsible Entity be unable to identify attractive opportunities for investment in the New York metropolitan area, the Responsible Entity will examine other areas of the US real estate market for investment. Further detail on the location and types of property that will be purchased as part of the initial investment is provided in Section 5.

The Fund is an Australian registered managed investment scheme currently listed on the NSX. Unitholders hold Units in the Fund and receive the benefit of income and profits generated by property investments held by the US REIT by way of distributions and other income (such as interest income).

7.2. Summary of asset acquisitions

Since listing on the NSX in June 2011, the Fund has been actively acquiring residential property in the New York metropolitan area. As at 30 April 2012, the Fund had successfully secured commitments (including closed properties and conditional contracts) to purchase 231 freestanding residential properties for a total acquisition cost of US\$50.5 million.

The table in Section 7.18 summarises the 132 properties successfully acquired by the Fund as at 30 April 2012. To acquire these 132 properties, the Fund incurred total upfront acquisition costs of US\$27.5 million.

Further details on each property the Fund acquires are available to Unitholders via the monthly purchasing update that will be released by the Fund on the ASX announcements platform on or around the 15th day of each month.

In addition to the properties in the table on pages 46 to 50, as at 30 April 2012, 99 freestanding properties were subject to conditional contracts. There is no guarantee that the properties subject to conditional contracts will be successfully acquired by the Fund. The Responsible Entity estimates that the properties subject to conditional contracts will, if completed, have upfront acquisition cost of US\$23.0 million (before fees to the Responsible Entity).

The Fund has also signed a joint venture agreement to invest an estimated US\$10.2 million of equity to acquire a 67.5% stake in a portfolio of 13 multi-dwelling properties at an acquisition cost of US\$38 million with joint venture partner, Urban American through a jointly owned company. The joint venture will also source debt funds representing up to 60% of the purchase price for these properties. The joint venture agreement is conditional upon satisfactory due diligence by the Fund and there is no guarantee that the joint venture will proceed.

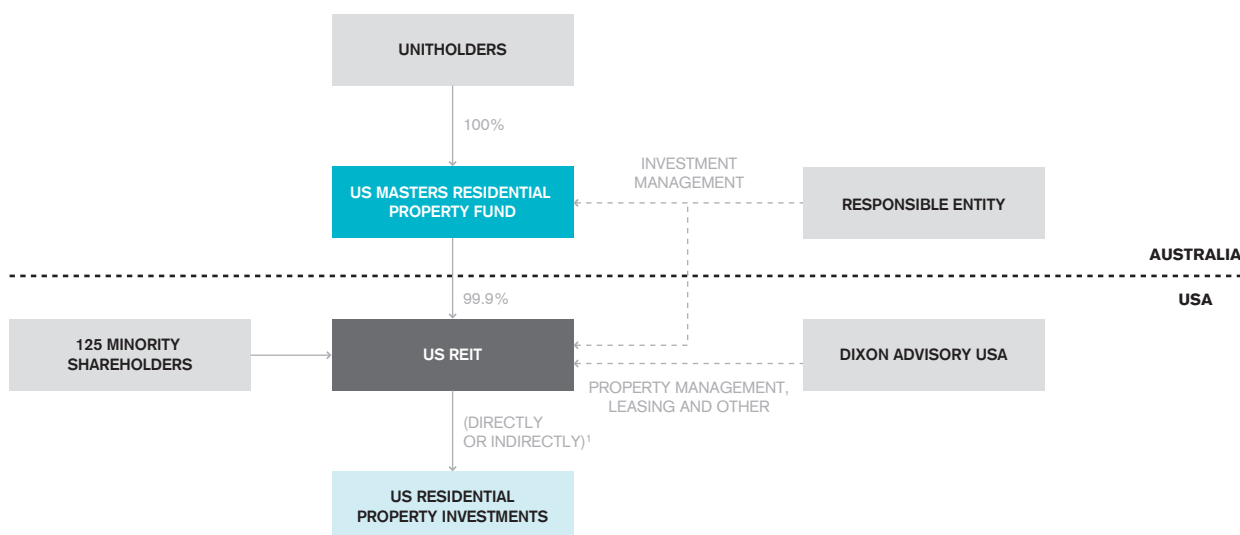
In addition to property investments, as at 30 April 2012, the Fund, directly or indirectly through its subsidiaries, held \$66.7 million in cash of which \$59.5 million was denominated in US dollars (assuming a US\$/A\$ exchange rate of 1.043). The Fund expects to invest US\$10.2 million of this cash into the joint venture with Urban American.



7.3. Fund structure

Figure 21 sets out the ownership structure and management arrangements for the Fund and its controlled entities that apply:

FIGURE 21: OVERVIEW OF THE FUND STRUCTURE



Notes: 1. US residential properties, may be held by the US REIT directly or indirectly through one or more wholly or partially owned entities.

All of the Fund’s real estate assets are held through the US REIT which has elected to be treated as a real estate investment trust (**REIT**) as defined in the Code and US Treasury Department regulations promulgated under the Code for US federal income tax purposes.

The Fund holds all of the common shares in the US REIT. To comply with the US Treasury Department regulations, an additional 125 US persons hold minority interests in the US REIT with an aggregate equity value of less than approximately 0.1% of the aggregate contributed equity of the US REIT. These interests take the form of non-voting preferred shares (except for such voting rights provided by the declaration of trust of the US REIT and under Maryland law) and are entitled to a fixed cumulative distribution per annum from the US REIT when, as and if declared by the US REIT’s board of trustees. For a detailed summary of the rights attaching to shares issued by the US REIT, see Section 13.4.

As at the date of this PDS, the US REIT has 3 wholly owned subsidiary, EMU LLC, Melbourne LLC and US Masters Residential Property LLC. EMU LLC will, if the joint venture with Urban American proceeds, hold a 67.5% equity stake in the joint venture entity, Golden Peak II Holdings LLC. Urban American will control the remaining 32.5% of the joint venture entity.

Dixon Advisory is the Responsible Entity of the Fund and manages the investments of both the Fund and the US REIT (and its wholly owned entities).

Dixon Advisory is responsible for investing on behalf of the Fund and its wholly owned entities, providing strategic direction and monitoring their operational and financial position of both the Fund and the US REIT (and its wholly owned entities, if any). An appropriate corporate governance framework has been established and the Responsible Entity will carry out its responsibilities in accordance with the Fund’s investment objectives.

Dixon Advisory Group has also established a wholly owned US subsidiary (**Dixon Advisory USA**) which is responsible for providing ongoing property management and other support services to the US REIT. These services are provided through a mix of in-house capabilities and external consultants and contractors.

Urban American has been engaged to provide property management services to the joint venture. See Section 13.3 for details.

For summaries of the external contractors see Section 6.5.



7.4. Capital structure

As at the date of this PDS, there are a total of 62,393,685 Units on issue.

The table below shows the capital structure of the Fund on completion of the Offer assuming an Application Price of \$1.63 and an Offer size of \$10 million, \$30 million, \$50 million and \$100 million.

Funds raised	New Units	Total Units post issue	Units as % of post - total
\$10 million	6,134,969	68,528,654	9.0%
\$30 million	18,404,908	80,798,593	22.8%
\$50 million	30,674,847	93,068,532	33.0%
\$100 million	61,349,693	123,743,378	49.6%

The Offer will not impact control of the Fund. For the US REIT to qualify as a REIT under US law, no more than 50% (in value) of the issued capital in the Fund may be owned, directly or indirectly by five or fewer individuals (5/50 Rule). The Responsible Entity will exercise its discretion and not issue Units under the Offer to an Applicant if it reasonably considers that, upon issue, the investor would control 9.8% or more of the total number of Units on issue. This percentage reflects the terms of the trust deed establishing the US REIT and is to ensure ongoing compliance with the 5/50 Rule. See Section 12.2(d) for details regarding the 5/50 Rule.

The anticipated effect of the Offer on the Fund is illustrated in the unaudited pro forma statements of financial position set out in Section 9.

7.5. Trading history and reported NAV

The following table summarises the monthly trading data of the Fund since trading of Units commenced on the NSX in June 2011 and reported NAV:

Month	High (\$/Unit)	Low (\$/Unit)	Average daily volume (Units)	NAV range ¹ (\$/Unit)
June	1.61	1.61	21,100	1.53
July	1.61	1.6	65,560	1.52 - 1.53
August	1.65	1.61	1,661	1.53 - 1.55
September	1.61	1.61	284	1.52 - 1.63
October	1.71	1.62	1,000	1.50 - 1.63
November	1.70	1.6	5,483	1.54 - 1.61
December	1.67	1.6	4,375	1.55 - 1.63
January	1.67	1.57	1,491	1.50 - 1.55
February	1.61	1.55	1,012	1.48 - 1.49
March	1.60	1.54	4,841	1.48 - 1.53
April	1.62	1.6	1,111	1.51 - 1.53

Source: Bloomberg, NSX.

Note: 1. The fund reports NAV on a weekly basis to the NSX. The range reflects the highest and lowest NAV reported to NSX in the specific month.
2. Bloomberg and NSX have not provided their consent to the inclusion of trading data attributed to them in this PDS.

As NAV is reported in A\$, fluctuations in NAV reported to NSX are primarily due to changes in the US\$/A\$ exchange rate.

The Fund has experienced limited liquidity on NSX since its initial public offer. Since the last completed capital raising on 13 January 2012 until 14 May 2012, 208,272 Units have traded on NSX, representing 0.33% of the portfolio. Based on publicly available bid and offer information this has primarily been a function of limited selling by investors rather than lack of interest from potential new investors.



7.6. Investment objectives of the Fund

The Responsible Entity will seek to meet the Fund's aim to provide Unitholders with:

- a) exposure to a diversified portfolio of US based residential property assets;
- b) regular, tax-effective distributions of income, derived from attractive rental yields; and
- c) potential for capital growth in the underlying property portfolio over the long term.

There is no guarantee that the Responsible Entity will be successful in achieving these objectives.

As the Fund was established in 2011, it has a limited track record of performance.

7.7. Investment philosophy and strategy

The Responsible Entity intends to make selective property investments based on an assessment of value, taking into account the risks inherent in each property and the ability for these risks to be mitigated by experienced management.

The Responsible Entity will seek to meet the Fund's objectives by:

- a) investing in a portfolio of US residential property and holding these properties with the aim of deriving a steady rental income stream from long term holdings;
- b) investing in US property in regions that the Responsible Entity believes have positive investment dynamics in the residential market;
- c) using gearing in cases where gearing will enhance after-tax returns;
- d) holding the property investments for the long term and does not intend to actively trade these investments. Property investments (either in part or whole) will only be sold if this is considered to be in the best interest of Unitholders; and
- e) liquidating and winding up the Fund if this is considered to be in the interest of Unitholders.

The Responsible Entity will review its investment strategy from time to time and may amend the strategy without Unitholder approval.

7.8. Permitted investments

The Fund is restricted to investments in the US REIT and appropriate financial products. The US REIT is restricted to investments in US residential real estate and appropriate financial products which are of a type treated as qualifying assets for the purposes of the REIT qualification tests under the Code.

All acquisitions are subject to property and legal due diligence, consistent with standard US market practice.

The Responsible Entity will continue to invest in US residential property consistent with the above strategy. The Responsible Entity has primarily targeted investments in the Initial Target Investment Area. The Responsible Entity will continue to target investments in the Initial Target Investment Area and may allocate up to 100% of the US REIT's gross asset value to the Initial Target Investment Area.

For more information about the Initial Target Investment Area, see Section 5.

While the Responsible Entity is identifying suitable investments, the Responsible Entity may elect to hold cash, term deposits and cash equivalents.

The Responsible Entity aims to substantially invest the cash raised by the Offer within 12 months of the issue. However, it may take up to 12 to 24 months to identify the most attractive opportunities for investment and to invest the cash raised.

With respect to funds raised during the Fund's initial public offer (\$69.4 million) and the subsequent capital raising in October 2011 (\$31.1 million), the Responsible Entity remains on track to achieve its stated goal of substantially investing these funds within 6 to 12 months of the respective offerings. See Section 7.2 for details.

7.9. Investment process

The Responsible Entity's primary role in the investment process is to:

- a) review information, research and analysis compiled by Dixon Advisory USA with respect to prevailing residential property market conditions, available investment opportunities and property due diligence information;
- b) determine the specific property investments to be acquired by the US REIT on behalf of the Fund; and
- c) monitor the portfolio on an ongoing basis.

Dixon Advisory USA is responsible for the identification of new investment opportunities, property due diligence and execution of the investment and divestment decisions made by the Responsible Entity.

7.10. Borrowings policy

The Fund does not intend to undertake borrowings directly except as described in Section 7.13 below. However, it will be exposed indirectly to any borrowings which the US REIT and the entities the US REIT invests in undertakes. The US REIT or its directly or indirectly owned entities may borrow, or assume debt, to fund the purchase of properties. Any borrowings undertaken by the US REIT or these entities will be denominated in US dollars and



may be secured against the properties held by the borrower. As at the date of this PDS, the US REIT has agreed terms and signed a commitment letter for a US\$3 million limited recourse 10 year term loan from Investors Bank at a cost of 3.99% p.a. (fixed for 5 years) secured against 32 properties.

The Fund has a finance and borrowing policy that addresses the Fund's approach to managing risks associated with borrowing. The policy includes the following key elements in relation to borrowings:

- a) the consolidated long-term gearing or leverage ratio of the Fund will be no greater than 50%. However, the Fund may obtain on a temporary basis, financing which may result in the consolidated gearing ratio exceeding 50%;
- b) the US REIT is only permitted to borrow funds denominated in US dollars; and
- c) the US REIT may maintain access to borrowings to ensure it has sufficient working capital to carry out its objectives.

7.11. Risk management policy

The Responsible Entity has a risk management process in place that includes maintaining a compliance plan (which is audited every year) and a compliance committee. The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the constitution when operating the Fund. The compliance committee, comprising a majority of members who are independent of the Responsible Entity (one representative from the Responsible Entity and two external representatives), monitors compliance with the compliance plan.

The risk management processes of the Fund include a comprehensive compliance framework including compliance policy, training and monitoring elements. The compliance plan of the Fund is audited externally on an annual basis, in addition to an audit of financial statements to be performed annually.

7.12. Foreign exchange hedging policy

The Fund receives income streams and holds assets which are denominated in US dollars. The Fund does not presently intend to hedge these for currency risk. The Fund may re-evaluate the hedging policy in the event of changes to prevailing exchange rates and economic conditions. It is intended that the net proceeds raised by the Offer will be converted into US dollars over a period of up to 6 months commencing on the date Units are allotted.

As the majority of the underlying assets of the Fund are currently denominated in US dollars and will continue to be denominated in US dollars, the value of the assets held by the Fund expressed in Australian dollars fluctuate with changes in the exchange rate between the Australian dollar and the US dollar.

Any US dollar denominated borrowings taken out by the Fund will act as a natural hedge against this foreign currency exposure.

The NAV reported to the NSX on a weekly basis reflects the value of the investments converted to Australian dollars at the then prevailing spot exchange rate. The Fund proposes to adopt the same approach in reporting its monthly NAV in accordance with the ASX Listing Rules following admission to the Official List of ASX.

7.13. Capital Management Policy

Subject to any restrictions imposed under the Corporations Act, Listing Rules and the Constitution, the Fund aims to apply active capital management strategies.

The Fund may undertake a buyback of its Units in the event that they trade at a sizable discount to NAV backing. The Fund will need to obtain Unitholder approval for the buyback and comply with any Corporations Act, Listing Rules and Constitution restrictions if it intends to buyback more than 10% of the smallest number of Units on issue over the previous 12 months. To fund the buyback of Units, the Fund may employ gearing at up to 10% and/or look to liquidate some of its investments.

7.14. Distribution policy

The Fund intends to distribute 100% of its operating income (which excludes unrealised gains and losses) and will consider distributing greater amounts. The Fund intends to make half yearly distributions.

For the calendar year ending 31 December 2012, the Fund will make a minimum distribution of \$0.10 per Unit. Payment of the minimum distribution will be funded from operating income of the Fund and, to the extent there is insufficient operating income, from funds raised through the issue of additional Units under the distribution reinvestment plan and distribution of capital.

Unitholders should include their share of the taxable income of the Fund in their assessable income for the purposes of determining their Australian tax payable. This share of taxable income may be different from the cash distributions received from the Fund. Reference is made to the Australian Tax Opinion in Section 12.

Cash distributions will be made electronically to the bank account you nominate to the Responsible Entity in writing.

7.15. Valuation and appraisal policy

The Fund uses fair market value to determine the carrying amount of the property investments in which it has an interest. The best evidence of fair market value is given by the amount for which a similar property in the same location and condition could be exchanged in an active market between knowledgeable and willing parties in an arm's length transaction. The Fund will engage suitably qualified independent valuers to assist in their assessment of fair market value at each reporting date.



7.16. Raising further capital

The Fund may, at a future date, decide to raise further capital in the Fund. A further issue may be contemplated if there is significant demand for investment in the Fund, there remain attractive opportunities for investment in US residential property which the Responsible Entity can pursue with additional capital and it is beneficial to existing Unitholders to do so.

Under the Listing Rules, the Fund is limited to issuing Units representing up to 15% of its capital in any 12 month period unless member approval is granted or another relevant exception applies.

7.17. Reports to Unitholders

The Responsible Entity will provide, at least:

- monthly NAV reports (in accordance with the ASX Listing Rules);
- half yearly reports;
- annual reports;
- half yearly distribution statements; and
- regular income tax statements.

The Responsible Entity will also comply with all laws and the Listing Rules as they relate to reports to be provided to investors.

7.18. Freestanding properties acquired by the Fund as at 30 April 2012

The table below summarises the 132 freestanding properties closed as at 30 April 2012. To acquire the properties set out in the above table, the Fund incurred total upfront acquisition costs of US\$27.5 million (before fees to the Responsible Entity).

	Address	Region	Date settled	Units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
1	Virginia Ave - 203, Jersey City	West Bergen	13-Jul-11	2	250,000	2,407	252,407
2	Claremont Ave - 363, Jersey City	West Bergen	14-Jul-11	2	165,000	4,086	169,086
3	Condict St - 53, Jersey City	Greenville	20-Jul-11	2	250,000	4,172	254,172
4	Orient Ave - 120 , Jersey City	Journal Square	19-Jul-11	2	175,000	3,830	178,830
5	Stevens Ave - 146, Jersey City	Greenville	18-Jul-11	2	184,000	3,971	187,971
6	Fulton Ave - 207, Jersey City	Greenville	29-Jul-11	2	128,800	3,923	132,723
7	Boyd Ave – 133, Jersey City	West Bergen	3-Aug-11	2	230,000	4,318	234,318
8	Claremont Ave - 109, Jersey City	Greenville	5-Aug-11	3	241,000	4,456	245,456
9	Gardner Ave - 66, Jersey City	Journal Square	5-Aug-11	3	235,000	4,112	239,112
10	Dwight St – 2A, Jersey City	Greenville	12-Aug-11	1	115,000	3,743	118,743
11	Boyd Ave -76, Jersey City	West Bergen	18-Aug-11	2	240,000	3,537	243,537
12	Bergen Ave - 198, Jersey City	Greenville	22-Aug-11	3	242,000	3,650	245,650
13	Bartholdi Ave - 42, Jersey City	Greenville	23-Aug-11	2	114,000	2,345	116,345
14	Belmont Ave -69, Jersey City	Journal Square	26-Aug-11	2	205,000	3,399	208,399
15	New York Ave - 181, Jersey City	Jersey City Heights	30-Aug-11	2	250,000	4,277	254,277
16	Ege Avenue - 349, Jersey City	West Bergen	6-Sep-11	2	188,000	3,932	191,932
17	Armstrong Avenue - 314, Jersey City	West Bergen	6-Sep-11	2	175,000	3,875	178,875
18	Winfield Avenue - 278, Jersey City	West Bergen	7-Sep-11	2	235,000	4,362	239,362
19	Clendenny Avenue - 114, Jersey City	West Bergen	7-Sep-11	2	228,000	4,165	232,165
20	Jewett Avenue - 42.5, Jersey City	Journal Square	9-Sep-11	2	167,000	3,494	170,494
21	Bidwell Avenue - 66, Jersey City	Greenville	9-Sep-11	2	217,000	4,096	221,096



	Address	Region	Date settled	Units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
22	Clendenny Avenue - 98, Jersey City	West Bergen	9-Sep-11	2	192,000	3,942	195,942
23	Delaware Avenue - 202, Jersey City	Journal Square	12-Sep-11	2	125,000	3,873	128,873
24	Orient Avenue - 112.5, Jersey City	Greenville	16-Sep-11	2	112,000	3,956	115,956
25	Winfield Avenue - 111, Jersey City	Greenville	16-Sep-11	2	162,000	3,974	165,974
26	Bostwick Avenue - 89, Jersey City	Greenville	20-Sep-11	4	235,000	3,892	238,892
27	Clendenny Avenue - 136A, Jersey City	West Bergen	20-Sep-11	2	225,000	3,363	228,363
28	Myrtle Avenue - 211, Jersey City	Greenville	22-Sep-11	2	165,000	4,116	169,116
29	Warner Avenue - 73, Jersey City	Greenville	26-Sep-11	2	185,000	3,345	188,345
30	Bergen Avenue - 268, Jersey City	Greenville	27-Sep-11	2	184,900	4,290	189,190
31	Wegman Parkway - 185, Jersey City	Greenville	30-Sep-11	3	218,000	3,470	221,470
32	Bergen Avenue - 17, Jersey City	Greenville	30-Sep-11	2	155,000	2,926	157,926
33	Weldon Street - 16, Jersey City	Journal Square	30-Sep-11	4	199,000	4,015	203,015
34	Lexington Ave - 65, Jersey City	West Bergen	3-Oct-11	2	250,000	4,267	254,267
35	Clinton Ave - 167, Jersey City	Greenville	5-Oct-11	2	235,000	4,212	239,212
36	Myrtle Ave - 150, Jersey City	Greenville	7-Oct-11	2	175,000	4,330	179,330
37	Dwight St - 193, Jersey City	Greenville	7-Oct-11	2	165,000	4,323	169,323
38	Emory St - 26, Jersey City	Journal Square	7-Oct-11	2	222,000	4,116	226,116
39	Kennedy Blvd - 1532, Jersey City	Greenville	7-Oct-11	2	225,000	4,029	229,029
40	Palisdale Avenue - 121, Jersey City	Jersey City Heights	7-Oct-11	3	350,000	4,917	354,917
41	Bidwell Avenue - 9, Jersey City	Greenville	7-Oct-11	3	195,000	4,074	199,074
42	Freeman Ave - 203, Jersey City	Greenville	14-Oct-11	2	195,000	4,254	199,254
43	Grant Ave - 226, Jersey City	Greenville	14-Oct-11	2	172,000	3,946	175,946
44	Orient Ave - 130, Jersey City	Journal Square	13-Oct-11	2	150,000	4,047	154,047
45	Van Nostrand Ave - 31, Jersey City	West Bergen	13-Oct-11	2	170,000	4,136	174,136
46	Rose Ave - 35, Jersey City	Greenville	18-Oct-11	2	170,000	3,906	173,906
47	Deklab Avenue - 136, Jersey City	Journal Square	18-Oct-11	2	262,500	6,331	268,831
48	Dwight St - 10, Jersey City	Greenville	20-Oct-11	2	150,000	3,558	153,558
49	Vreeland Terrace - 6, Jersey City	Greenville	21-Oct-11	2	135,000	3,567	138,567
50	Dwight Street - 60, Jersey City	Greenville	24-Oct-11	2	159,000	3,892	162,892
51	Bergen Ave - 479, Jersey City	Greenville	27-Oct-11	2	190,000	4,147	194,147
52	Forrest St - 366, Jersey City	Greenville	28-Oct-11	4	218,000	4,138	222,138
53	Myrtle Ave - 213, Jersey City	Greenville	28-Oct-11	2	115,000	3,848	118,848
54	Danforth Ave - 350, Jersey City	West Bergen	31-Oct-11	4	390,000	4,850	394,850



	Address	Region	Date settled	Units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
55	Audubon Ave - 47, Jersey City	West Bergen	31-Oct-11	2	245,000	4,027	249,027
56	Clerk St - 42, Jersey City	Greenville	3-Nov-11	2	107,000	4,032	111,032
57	Bramhall Ave - 596, Jersey City	Bergen-Lafayette	3-Nov-11	2	221,000	4,172	225,172
58	Princeton Ave - 385, Jersey City	Greenville	4-Nov-11	2	182,000	3704	185,704
59	Dwight St - 23, Jersey City	Greenville	4-Nov-11	2	170,000	3,681	173,681
60	Old Bergen Rd - 285, Jersey City	Greenville	8-Nov-11	3	250,000	4527	254,527
61	90 Arlington Ave, Jersey City	Greenville	8-Nov-11	3	75,400	3909	79,309
62	138 Woodlawn Ave, Jersey City	Greenville	10-Nov-11	4	280,000	4,110	284,110
63	171 Wegman Pkwy, Jersey City	Greenville	10-Nov-11	2	179,000	4,116	183,116
64	Armstrong Ave - 402, Jersey City	West Bergen	10-Nov-11	2	190,000	5,858	195,858
65	153 Myrtle Ave, Jersey City	Greenville	10-Nov-11	2	175,000	4,157	179,157
66	Stegman St - 132, Jersey City	Greenville	10-Nov-11	3	250,000	4,567	254,567
67	Spruce St - 53, Jersey City	Jersey City Heights	10-Nov-11	2	160,000	3,726	163,726
68	Baldwin Ave - 15, Jersey City	Journal Square	15-Nov-11	2	175,000	3,955	178,955
69	Randolph Ave - 98, Jersey City	Greenville	16-Nov-11	2	160,000	3,566	163,566
70	Sheffield St - 13, Jersey City	Greenville	16-Nov-11	2	180,000	4,080	184,080
71	Clarke Ave - 188, Jersey City	West Bergen	18-Nov-11	2	193,000	4,021	197,021
72	Warner Ave - 80, Jersey City	Greenville	21-Nov-11	2	175,000	3,905	178,905
73	Myrtle Ave - 198, Jersey City	Greenville	22-Nov-11	2	170,000	3,616	173,616
74	Duncan Ave - 294, Jersey City	Journal Square	30-Nov-11	2	143,076	3,897	146,973
75	Wayne St - 448, Jersey City	Journal Square	30-Nov-11	2	185,000	3,850	188,850
76	Chestnut Avenue - 126, Jersey City	Journal Square	6-Dec-11	3	355,000	4,731	359,731
77	Sherman Avenue - 152, Jersey City	Jersey City Heights	6-Dec-11	2	169,000	3,662	172,662
78	Wegman Parkway - 180, Jersey City	Greenville	6-Dec-11	2	170,000	4,196	174,196
79	Brown Place - 85, Jersey City	Greenville	12-Dec-11	3	174,850	3,870	178,720
80	44th Street - 1320, NB	North Bergen	13-Dec-11	2	230,000	4,143	234,143
81	Belmont Avenue - 166, Jersey City	Greenville	15-Dec-11	2	225,000	4,628	229,628
82	Garfield Avenue - 603, Jersey City	Journal Square	15-Dec-11	2	165,000	3,771	168,771
83	Bramhall Avenue - 614, Jersey City	Bergen-Lafayette	16-Dec-11	3	285,000	4,390	289,390
84	Bidwell Avenue - 219, Jersey City	Greenville	22-Dec-11	2	145,000	4,002	149,002
85	Bramhall Avenue - 590, Jersey City	Bergen-Lafayette	22-Dec-11	2	136,100	3,030	139,130
86	Van Nostrand Avenue - 142, Jersey City	Greenville	22-Dec-11	2	142,500	3,605	146,105



	Address	Region	Date settled	Units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
87	Bergen Avenue - 58, Jersey City	West Bergen	28-Dec-11	4	332,000	4,575	336,575
88	Eastern Parkway - 27, Jersey City	Greenville	28-Dec-11	4	300,000	4,569	304,569
89	Mallory Avenue - 94, Jersey City	Greenville	28-Dec-11	2	155,000	3,971	158,971
90	Clinton Avenue - 208, Jersey City	West Bergen	29-Dec-11	2	180,000	3,795	183,795
91	Grant Avenue - 222, Jersey City	Greenville	29-Dec-11	2	170,000	4,306	174,306
92	Stegman Street - 64, Jersey City	Greenville	29-Dec-11	2	210,000	4,234	214,234
93	Wegman Parkway - 139, Jersey City	West Bergen	29-Dec-11	2	167,000	3,624	170,624
94	Union St - 397, Jersey City	West Bergen	11-Jan-12	2	139,000	3,683	142,683
95	Dwight St - 15, Jersey City	Greenville	12-Jan-12	2	170,000	3,891	173,891
96	W 28th St - 11, Bayonne	Bayonne	12-Jan-12	2	200,000	4,075	204,075
97	Bayview Ave - 11, Jersey City	Greenville	13-Jan-12	2	170,000	3,761	173,761
98	Audubon Ave - 45, Jersey City	West Bergen	17-Jan-12	2	230,000	3,898	233,898
99	Exeter Rd - 5, Jersey City	West Bergen	17-Jan-12	2	210,000	3,959	213,959
100	Pearsall Ave - 35, Jersey City	Greenville	26-Jan-12	3	200,000	3,655	203,655
101	West 47th St - 41, Bayonne	Bayonne	27-Jan-12	2	135,000	3,678	138,678
102	Avenue F - 111, Bayonne	Bayonne	3-Feb-12	2	164,200	4,111	168,311
103	East 22nd St - 86, Bayonne	Bayonne	3-Feb-12	2	100,200	3,887	104,087
104	East 22nd St - 88, Bayonne	Bayonne	3-Feb-12	2	196,200	4,237	200,437
105	East 22nd St - 90, Bayonne	Bayonne	3-Feb-12	2	140,200	4,041	144,241
106	East 22nd St - 92, Bayonne	Bayonne	3-Feb-12	2	258,200	4,482	262,682
107	Warner Ave - 122, Bayonne	Bayonne	6-Feb-12	2	128,000	3,640	131,640
108	Orient St - 174, Bayonne	Bayonne	3-Feb-12	2	222,000	4,648	226,648
109	Wilkinson Ave - 70	Bergen-Lafayette	7-Feb-12	2	133,000	4,019	137,019
110	Carteret Ave - 166, Jersey City	Greenville	9-Feb-12	2	170,000	3,766	173,766
111	Custer Ave - 123, Jersey City	Greenville	10-Feb-12	2	140,000	4,268	144,268
112	West 19th St - 36, Bayonne	Bayonne	14-Feb-12	2	189,000	3,943	192,943
113	Warner Ave - 49, Jersey City	Greenville	16-Feb-12	2	135,000	4,277	139,277
114	Grant Ave - 190, Jersey City	West Bergen	17-Feb-12	2	163,000	4,413	167,413
115	Grant Ave - 126, Jersey City	Greenville	22-Feb-12	2	225,000	4,193	229,193
116	Grant Ave - 283, Jersey City	West Bergen	29-Feb-12	2	205,000	3,854	208,854
117	Myrtle Ave - 181, Jersey City	Greenville	29-Feb-12	2	160,000	4,236	164,236
118	Van Nostrand Ave - 89, Jersey City	Greenville	29-Feb-12	4	260,000	4,071	264,071
119	Old Bergen Road - 156	Greenville	7-Mar-12	2	125,000	4,233	129,233
120	Garfield Avenue - 754	Greenville	7-Mar-12	2	160,000	4,001	164,001



	Address	Region	Date settled	Units	Purchase price (US\$)	Closing costs (US\$)	Total acquisition cost (US\$)
121	Summit Ave - 888	Jersey City Heights	27-Mar-12	2	185,000	3,775	188,775
122	Bramhall Ave - 340	Bergen-Lafayette	28-Mar-12	2	120,000	3,853	123,853
123	Randolph Ave - 140	Greenville	4-Apr-12	2	180,000	3,975	183,975
124	Newman Ave - 123-125	Bayonne	19-Apr-12	3	325,000	4,896	329,896
125	Mercer St - 466	Journal Square	20-Apr-12	2	199,000	3,958	202,958
126	Pavonia Ave - 342	Jersey City Downtown	20-Apr-12	3	840,000	6,311	846,311
127	Bramhall Ave - 338	Bergen-Lafayette	20-Apr-12	3	185,000	3,977	188,977
128	5th St - 351	Jersey City Downtown	20-Apr-12	2	430,000	5,128	435,128
129	Kennedy Blvd - 3709	Jersey City Heights	26-Apr-12	4	370,000	5,104	345,104
130	2nd Street - 330	Jersey City Downtown	30-Apr-12	4	780,000	9,655	789,655
131	50th Street - 1137	North Bergen	30-Apr-12	2	180,000	3,972	183,972
132	Virginia Ave - 281	West Bergen	30-Apr-12	2	165,000	3,817	168,817
			Total	532	26,950,126	540,119	27,490,246

Note: Closing costs include attorney fees, title charges, survey costs, government recording and transfer charges and bulk sale compliance fees.





8. Fees and Expenses

Government regulation requires the inclusion of the following standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all product issuers and does not provide any specific information on the fees and charges in this Fund.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a superannuation calculator to help you check out different fee options.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The tables in Sections 8.1 and 8.2 below show fees and other costs you may be charged. These fees and costs may be deducted from the returns on the holder's investment or from the Fund's assets as a whole. Taxes cost are set out in another part of this document.

8.1. Fees and expenses of the Offer Application Costs

Fee type or cost	Amount	How & when paid
Structuring & Arranging Fee The fee for structuring and arranging the Offer	2.00% (exclusive of GST) of gross equity proceeds raised by the Offer.	Payable after Allotment by the Fund
Handling Fee Fee for handling and arranging Applications for the Offer	2.00% (exclusive of GST) of gross equity proceeds raised by the Offer.	Payable after Allotment by the Fund
Establishment Fee The fee to open your investment	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination Fee The fee to close your investment	Nil	Not applicable



8.2. Operating fees and expenses payable directly or indirectly by the Fund

Fee Type or cost	Amount and description	How & when paid
<p>Responsible Entity Fee</p> <p>The fee payable to the Responsible Entity by the Fund for management of the Fund.</p>	0.08% per annum (exclusive of GST) of the gross asset value of the Fund.	The fee is charged on the gross asset value of the Fund and is payable monthly by the Fund.
<p>Custodian Fee</p> <p>The fee payable to the Responsible Entity by the Fund for holding and maintaining the Fund's assets.</p>	0.02% per annum (exclusive of GST) of the gross asset value of the Fund.	The fee is charged on the gross asset value of the Fund and is payable monthly by the Fund.
<p>Administration Fee</p> <p>The fee payable to the Responsible Entity by the Fund for the administration of the Fund.</p>	0.25% per annum (exclusive of GST) of the gross asset value of the Fund.	The fee is charged on the gross asset value of the Fund and is payable monthly by the Fund.
<p>Investment Management Fee</p> <p>The fee payable to the Responsible Entity, in its capacity as Investment Manager, by the US REIT associated with the investment management of the US REIT.</p>	<p>1.24% per annum of the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting.</p> <p>Note the Investment Manager has elected to waive this fee for an indefinite period on the first \$100 million of the gross assets.</p>	The fee is charged on the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting, and is payable monthly by the US REIT.
<p>Asset Acquisition Fee</p> <p>The fee payable to the Responsible Entity, in its capacity as Investment Manager, by the US REIT for acting as agent/adviser on the purchase of the underlying Fund assets.</p>	1.99% of the purchase price of assets acquired by the US REIT (directly or indirectly through a subsidiary or joint venture entity).	Payable upon the transfer of title to the US REIT, a subsidiary of the US REIT or joint venture entity (as applicable).
<p>Asset Disposal Fee</p> <p>The fee payable to the Responsible Entity, in its capacity as Investment Manager, by the US REIT for acting as agent/adviser on the sale of the underlying Fund assets.</p>	2.49% of the sale price of assets disposed of by the US REIT (directly or indirectly through a subsidiary or joint venture entity).	Payable upon the transfer of title from the US REIT, a subsidiary of the US REIT or joint venture entity (as applicable).
<p>Leasing Fee</p> <p>The fee payable to the Responsible Entity, in its capacity as Investment Manager, by the US REIT for acting as the leasing agent/adviser.</p>	1 month's gross rent on leases payable to the US REIT.	Payable by the US REIT upon execution of a lease.
<p>Debt Arranging Fee</p> <p>The fee payable to Dixon Advisory, in its capacity as Investment Manager, by the US REIT for arranging debt financing for the US REIT.</p>	2% of the gross amount of debt financing arranged (directly or indirectly through a subsidiary or joint venture entity).	Payable upon execution of each debt financing agreement with an external lender.
<p>Other expenses</p> <p>The fees and costs associated with the administration of the Fund and the US REIT which are reimbursed to the Responsible Entity by the Fund and the US REIT including registry fees, tax and audit fees.</p> <p>The fees and costs associated with the administration of a joint venture entity will be paid indirectly by the Fund through the joint venture entity.</p>	Dependent on costs and size of the Fund, US REIT and each joint venture arrangement. External administration fees and expenses are paid by the Fund, the US REIT or relevant joint venture entity.	Paid directly out of the assets of the Fund, the US REIT, or the joint venture entity.



Dixon Advisory as the Responsible Entity or the Investment Manager may change the fees. There may be changes in regulations or economic conditions which necessitate a change in fees. Fees will only be changeable if three months prior written notice of the proposed changes is given to Unitholders. Further detail about the maximum fee limits that can be charged are set out in Section 8.3 and 13.1 of this PDS.

The Fund is expected to be able to recover at least 75% of the GST component of fees charged to it by the Responsible Entity under the reduced credit acquisition provisions of the GST act. It is not anticipated that GST will apply to fees charged by the Responsible Entity to the US REIT.

The following tables gives you an idea of the initial and outgoing fees (exclusive of GST), excluding asset acquisition, asset disposal, leasing and debt arranging fees, assuming a \$5,000 investment:

INITIAL FEES AND ONGOING FEES

Initial Fees	Amount	Dollar Value
Structuring & Arranging Fee	2.00%	\$100.00
Handling Fee	2.00%	\$100.00
Total initial cost of fund	4.00%	If you made an investment of \$5,000 in the Fund, you would be charged initial upfront fees of \$200.00

Ongoing Fees	Amount	Dollar Value
Responsible Entity Fee	0.08%	\$4.00
Custodian Fee	0.02%	\$1.00
Administration Fee	0.25%	\$12.50
Investment Management Fee	1.24% ¹	\$62.00
Total ongoing cost of fund²	1.59%	If you made an investment of \$5,000 in the Fund at the beginning of the year, you would be charged fees of \$79.50

Notes: 1. The Investment Manager has elected to waive this fee for an indefinite period on the first \$100 million of gross assets of the US REIT.

2. The table excludes acquisition and leasing fees. Refer to Sections 8.3(e)-(f) for worked examples of these fees.

8.3. Additional explanation of fees and costs

A) MANAGEMENT FEES

The Constitution of the Fund provides that the Responsible Entity may charge management fees (referred to as the responsible entity fee, custodian fee and administration fee, in aggregate, above) of up to 0.50% per annum (exclusive of GST) of the gross asset value of the Fund and accordingly, the Responsible Entity can increase the management fees it charges the Fund up to that amount without seeking Unitholder approval.

B) APPLICATION FEES

The Constitution of the Fund provides that the Responsible Entity may charge application fees (referred to as a structuring and arranging fee and handling fee above) of up to 5% per annum (exclusive of GST) of the price at which Units in the Fund are issued and accordingly, the Responsible Entity can increase the application fees it charges, up to that amount without seeking Unitholder approval.

C) INVESTMENT MANAGEMENT FEE

The Responsible Entity will receive an Investment Management fee equivalent to 1.24% per annum of the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting, in return for investment management services provided to the US REIT. A summary of the agreement relating to this fee and further details regarding this fee are summarised in Section 13.1.



The Responsible Entity has elected to waive this fee for an indefinite period on the first \$100 million of gross assets. The Responsible Entity will review this partial waiver of its fees on an ongoing basis and reserves its right to alter this waiver at any point in the future. Should the Responsible Entity decide to alter this waiver, it will provide Unitholders with three months' prior written notice.

D) EXPENSES RELATING TO THE MANAGEMENT OF THE FUND AND THE US REIT

The Responsible Entity is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes expenses such as registry services, listing fees, investor communications, taxes and bank fees, preparation of financial statements and tax returns, audit, insurance, compliance costs, travel and other expenses.

Dixon Advisory USA has established an office in Exchange Place, Jersey City. Dixon Advisory USA is entitled to be reimbursed out of the assets of the US REIT for all expenses incurred during the performance of its services including all office personnel, office space, office facilities and all other expenses incidental to its operations. Dixon Advisory USA is also entitled to be paid an administrative fee out of the assets of the US REIT that will not exceed 20% of the reimbursed expenses. See Section 13 for further details.

E) ASSET ACQUISITION FEE

The Investment Manager receives an asset acquisition fee of 1.99% of the purchase price of assets acquired by the US REIT (directly or indirectly through a subsidiary or joint venture entity). A summary of the agreement relating to this fee and further details regarding this fee are summarised in Section 13.1.

Accordingly, if the US REIT acquires a residential property for US\$250,000 the Investment Manager will be entitled to a fee of US\$4,975 from the US REIT on that transaction. Alternatively, if the US REIT holds a 50% equity stake in a joint venture entity that acquires residential property for US\$250,000 the Investment Manager will be entitled to a fee of US\$2,488 from the US REIT on that transaction.

F) ASSET DISPOSAL FEE

The Investment Manager will receive an asset disposal fee of 2.49% of the sale price of assets acquired by the US REIT (directly or indirectly through a subsidiary or joint venture entity). A summary of the agreement relating to this fee and further details regarding this fee are summarised in Section 13.1.

Accordingly, if the US REIT sells a residential property from its portfolio for US\$250,000 the Investment Manager will be entitled to a fee of US\$6,225 from the US REIT on that transaction.

Alternatively, if the US REIT holds a 50% equity stake in a joint venture entity that acquires residential property for US\$250,000 the Investment Manager will be entitled to a fee of US\$3,113 of from the US REIT on that transaction.

G) LEASING FEE

The Investment Manager receives a leasing fee of 1 month's gross rent of properties leased out by the US REIT. A summary of the agreement relating to this fee and further details regarding this fee are summarised in Section 13.1.

Accordingly, if the US REIT rents out a residential property that forms part of its portfolio for US\$1,200 per month the Investment Manager will be entitled to a one off fee of US\$1,200 from the US REIT. The Investment Manager will not receive a leasing fee with respect to property interest held through joint venture arrangements.

H) DEBT ARRANGING FEES

The Investment Manager will receive a debt arranging fee of 2% of the gross amount of external borrowings obtained by the US REIT (directly or indirectly through a subsidiary or joint venture entity). A summary of the agreement relating to this fee and further details regarding this fee are summarised in Section 13.1.

Accordingly, if the US REIT enters into an agreement to obtain US\$50,000,000 in borrowings from an external lender, the Investment Manager will be entitled to a one off fee of US\$1,000,000 from the US REIT. Alternatively, if the US REIT hold a 50% equity stake in a joint venture entity that enters into an agreement to obtain US\$50,000,000 in borrowings from an external lender, the Investment Manager will be entitled to a fee of US\$500,000.

I) FORM OF PAYMENT OF FEES

Fees may be paid to Dixon Advisory in cash or, in the case of fees paid under the Constitution, subject to the Corporations Act, in the form of ordinary Units.

J) WAIVER OR DEFERRAL OF FEES

Dixon Advisory may waive or defer the payment of any fees or accept payment of lower fees in any amount and for any period it determines. It may also reinstate the payment of fees up to the levels prescribed in the Constitution and the investment management agreement (in its capacity as Investment Manager of the US REIT) between it and the US REIT at any time.

K) ADVISER REMUNERATION

The Responsible Entity may pay commissions to advisers who introduce Applicants to the Offer. The Responsible Entity will pay these commissions from the handling fee it is entitled to receive if it chooses to do so or out of its own resources.



8.4. Expenses of the Offer

The Responsible Entity has elected to incur the costs and expenses associated with the Offer. This includes expenses such as legal, tax and accounting advice costs, printing and other expenses.

8.5. Unitholder administration

If you ask us to do something outside our normal administration function, we might charge you a fee. The fees vary depending on what you ask us to do.

8.6. Benefits to the Responsible Entity

Except for the interest, fees and remuneration disclosed in this PDS, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer.

Subject to law, Directors may receive a salary as employees of the Responsible Entity, consulting fees, directors fees, dividends and may from time to time hold interests (directly or indirectly) in the Units in the Fund or shares in entities making up the Dixon Advisory Group.



9. Financial Information

9.1. Historical and Pro forma Statements of Financial Position

The historical Statement of Financial Position as at 31 December 2011 has been extracted from the audited accounts of the Fund.

The pro forma Statements of Financial Position set out below have been prepared to illustrate the financial position of the Fund and its subsidiaries following completion of the Offer and expenditure of funds associated with the Offer and to reflect certain other adjustments relating to direct property acquisitions to 30 April 2012 and a property related joint venture investment and a loan facility offer at the date of the PDS, as set out in Section 9.2 below. These pro forma Statements of Financial Position are intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer. Specifically they do not reflect the impact of operating trading results during the period from 31 December 2011 to the date of this PDS, nor the impact of foreign exchange differences.

The pro forma Statements of Financial Position have been prepared in accordance with the accounting policies set out in Section 9.3 below.

The pro forma Statements of Financial Position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards.

HISTORICAL AND PRO FORMA STATEMENTS OF FINANCIAL POSITION

A\$ unless otherwise stated	Historical 31 December 2011	Pro- forma Offer raises \$10 million	Pro- forma Offer raises \$30 million	Pro- forma Offer raises \$50 million	Pro- forma Offer raises \$100 million
Cash	77,062,349	47,504,308	66,684,308	85,864,308	133,814,308
Investment properties	18,735,472	49,757,135	49,757,135	49,757,135	49,757,135
Property related Joint Venture investment	-	11,002,972	11,002,972	11,002,972	11,002,972
Other assets	912,485	912,485	912,485	912,485	912,485
Total Assets	96,710,306	109,176,900	128,356,900	147,536,900	195,486,900
Borrowings	-	2,876,594	2,876,594	2,876,594	2,876,594
Other Liabilities	1,097,348	1,097,348	1,097,348	1,097,348	1,097,348
Total Liabilities	1,097,348	3,973,942	3,973,942	3,973,942	3,973,942
Net Assets	95,612,958	105,202,958	124,382,958	143,562,958	191,512,958

9.2. Notes to the pro forma Statements of Financial Position and Assumptions

A reconciliation of the pro forma cash balances is shown below.

A\$ unless otherwise stated	Offer raises \$10 million	Offer raises \$30 million	Offer raises \$50 million	Offer raises \$100 million
Historical cash position at 31 December 2011	77,062,349	77,062,349	77,062,349	77,062,349
Pro forma adjustment - Proceeds of the Offer	10,000,000	30,000,000	50,000,000	100,000,000
Pro forma adjustment - Expenses of the Offer (refer to section 8.1)	(410,000)	(1,230,000)	(2,050,000)	(4,100,000)
Pro forma adjustment –Investment property acquisitions completed/conditionally contracted from 1 January 2012 to 30 April 2012 (refer to section 3.2) ¹	(31,021,663)	(31,021,663)	(31,021,663)	(31,021,663)
Pro forma adjustment –Investment in property related Joint Venture (refer to section 3.3) ¹	(11,002,972)	(11,002,972)	(11,002,972)	(11,002,972)
Pro forma adjustment –Loan facility offer (refer to section 7.10) ¹	2,876,594	2,876,594	2,876,594	2,876,594
Pro forma net cash position	47,504,308	66,684,308	85,864,308	133,814,308

Notes: 1. Translated to Australian dollars at an exchange rate of 1.0429 as at 30 April 2012.



A) ASSUMPTIONS

The pro forma Statements of Financial Position have been prepared on the basis of the following assumptions:

- a) Application of the significant accounting policies set out in Section 9.3;
- b) Each of the columns headed "Offer raises \$10 million", "Offer raises \$30 million", "Offer raises \$50 million" and "Offer raises \$100 million" have been prepared to reflect the following pro forma adjustments:
 - I) Acquisition costs of \$8,614,227 in respect of completion and settlement of 39 residential properties during the period 1 January 2012 through to 30 April 2012
 - II) Acquisition costs of \$22,407,436 in respect of 99 conditionally contracted residential property acquisitions as at 30 April 2012
 - III) Investment costs of \$11,002,972 in respect of a property-related Joint Venture arrangement entered into on 9 May 2012 in connection with the purchase of 13 residential multi-dwelling apartment blocks of which \$9,801,707 relates to the acquisition cost and the remaining amount is for future refurbishments and initial working capital. The investment amount is contingent on the joint venture entity securing, acquisition financing equating to 60% of the contracted purchase price of the property acquisition.
 - IV) Proceeds of \$2,876,594 in connection with a loan facility offer made to the REIT on 27 April 2012
- c) The column headed "Offer raises \$10 million", has been prepared as if the Offer raises \$10,000,000 under this PDS;
- d) The column headed "Offer raises \$30 million", has been prepared as if the Offer raises \$30,000,000 under this PDS;
- e) The column headed "Offer raises \$50 million", has been prepared as if the Offer raises \$50,000,000 under this PDS;
- f) The column headed "Offer raises \$100 million", has been prepared as if the Offer raises \$100,000,000 under this PDS;
- g) Expenses related to the Offer to be paid by the Fund include a Structuring & Arranging Fee and Handling of 4% (excluding GST) of the gross proceeds raised by the offer and the 25% portion of the full input tax credit not entitled to; and
- h) No interest is earned by the Fund during the Offer Period.

9.3. Significant accounting policies

The accounting policies set out below represent the significant accounting policies which have been adopted in the preparation of the pro forma Statements of Financial Position and which will be adopted prospectively for the Fund.

A) BASIS OF CONSOLIDATION

The pro forma Statements of Financial Position comprise the consolidated pro forma Statements of Financial Position of the Fund and its subsidiaries (collectively referred to as 'the Group').

Subsidiaries are all those entities over which the Fund has the power to govern the financial and operational policies so as to obtain benefits from their activities.

All inter-entity balances and transactions, income and expenses, and profits and losses resulting from intra-group transactions have been eliminated in full.

B) FOREIGN CURRENCIES

i) Translation of foreign currency transactions

The functional and presentation currency of the Fund is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that item is fixed in the contract) are retranslated at the rate of exchange ruling at the Statement of Financial Position date.

Exchange differences on monetary items are recognised in the statement of comprehensive income in the period in which they arise. Differences arising on a monetary item forming part of the net investment in a foreign operation are taken to the foreign currency translation reserve on consolidation.

ii) Translation of financial reports of foreign operations

The functional currency of US Masters Residential Property Fund's subsidiaries is United States dollars. As at the reporting date, the assets and liabilities of these entities are translated into Australian dollars at the rate of exchange ruling at the Statement of Financial Position date and the Statement of Comprehensive Income is translated at the average exchange rates for the year. The exchange differences arising on the translation are taken directly to the foreign currency translation reserve.

C) INVESTMENT PROPERTY

Investment property comprising residential real estate assets held to earn rental income and/or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, representing the assessed amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition and subject to similar lease terms. The Fund engages suitably qualified property valuers to assist in the assessment of property fair values (active market prices). Changes in the fair value of investment property are recorded in the Statement of Comprehensive Income as and when they arise.

At each reporting date, the fair values of investment properties are assessed using management's knowledge of relevant market factors impacting the residential markets in which the Fund invests, and supported by engagement of suitable



qualified external property valuers to assist in determination of active market prices (fair values). Properties are categorized into homogenous groupings displaying similar characteristics in respect of geography, size and condition for the purpose of assessing fair value movements.

D) INTERESTS IN JOINT VENTURE ENTITIES

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (ie. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

The Fund reports its interests in jointly controlled entities using the equity method. Under this method an investment in a jointly controlled entity is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit and other comprehensive income of the jointly controlled entity.

E) TAXES

i) Income tax

Under current Australian income tax legislation, the Fund is not liable to pay income tax provided Unitholders are presently entitled to the Fund's distributable income.

The US REIT has timely elected to be taxed as a REIT under US federal taxation law, and on this basis should generally not be subject to US income taxes on that portion of the US REIT's taxable income or capital gains which are distributed to the US REIT's Shareholders, provided that the US REIT has complied with and continues to comply with the requirements of the Code and maintains its REIT status.

The US REIT may ultimately realise a capital gain or loss on disposal which may result in a US income tax liability if the proceeds from disposal are not reinvested in a qualifying asset.

If the capital gain is realised, it may give rise to a foreign income tax offset which would be available to Unitholders. A deferred tax liability is recognised based on the temporary difference between the carrying amount of the assets in the Statement of Financial Position and their associated tax cost bases.

A current tax liability is recognised in the financial statements for realised gains on disposals of US investment properties, except where the proceeds of such disposals are reinvested in a qualifying asset.

F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G) LOANS AND RECEIVABLES

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

H) PAYABLES

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Fund.

I) OTHER FINANCIAL LIABILITIES INCLUDING BORROWINGS

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities, including borrowings, are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

J) IMPAIRMENT OF ASSETS

The directors of the Responsible Entity assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

K) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements include estimation of fair value of Investment Properties and related investments and judgments in selecting Australian dollars as the financial currency of the Fund.





10. Risks

Prior to investing, you should consider the risks involved in investing in the Fund and whether the Fund is appropriate for your objectives and financial circumstances. Some of the risks are outside the control of the Responsible Entity and you should read this PDS in its entirety to fully understand the risks associated with an investment in the Fund.

This PDS contains forward looking statements based on certain assumptions that are inherently uncertain. Actual events and results of the Fund's operations could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions but some are outside the control of the Responsible Entity and cannot be mitigated.

The Responsible Entity does not guarantee any rate of return in terms of income or capital or investment performance of the Fund. The value of the Units will reflect the performance of the investments made by the Fund and current market conditions. There can be no certainty that the Fund will generate returns or distributions to the satisfaction of the investor.

Investors can undertake several steps to help minimise the impact of risk. First, seek professional advice suited to your personal investment objectives, financial situation and particular needs. Nothing in the PDS can replace or offer that. Second, invest for at least the time frame recommended by your professional adviser.

This section describes the areas believed to be the major risks associated with an investment in the Fund. These risks have been separated into general investment risks and specific investment risks. Prospective investors should note that this is not an exhaustive list of the risks associated with the Fund.

10.1. General investment risks

A) MACROECONOMIC RISKS

The US residential property market and the value of the assets of the Fund can be affected by changes in various macroeconomic conditions. Changes in the US or international economic, technological, political or regulatory environment, as well as inflation and market sentiment, can have a negative or positive impact on asset values.

The Fund always tries to minimise these risks by drawing on the experience of the Responsible Entity as well as engaging its contacts and research in the marketplace.

B) STOCK MARKET RISK

There are pricing and other risks associated with any investment in a publicly listed Fund. The price of Units may rise and fall due to numerous factors which may affect the market performance of the Fund, such as variations in the local and global markets for listed stocks in general or for listed property trusts in particular.

In the future, the sale of large parcels of Units may cause a decline in the price at which the Units trade. No assurances can be made that the performance of the Units will not be adversely affected by any such market fluctuations or factors. Neither the Fund, the Responsible Entity nor any other person guarantees the performance of the Units.

C) REGULATORY RISK

Changes in Government legislation, regulation and policy may affect future earnings and values of assets held by the Fund. Changes in accounting standards may also affect the reported earnings and financial position of the Fund in future financial periods.

D) TAXATION RISK

Changes to the taxation laws in Australia and the US, in particular income tax, the United States/Australia double income tax treaty (**Double Tax Treaty**), property tax, transfer tax or other property related tax legislation and/or changes to the taxation status of the Fund or the US REIT may affect the tax treatment of the Fund or the US REIT and may differ between Unitholders.

E) COUNTERPARTY RISK

There is a risk that counterparties with the Fund and the US REIT do not perform their obligations which may affect the value of, and returns from, an investment in the Fund. The Fund seeks to reduce these risks by engaging only with reputable parties. See also Section 10.1(i)

F) POOR INVESTMENT PERFORMANCE

Neither the Fund, Responsible Entity nor any other person gives a guarantee regarding the amount of income, distribution or capital return to Unitholders or the performance of the Fund, nor do they guarantee the repayment of capital.

G) LIQUIDITY RISK

Liquidity refers to the ease with which an asset can be traded (bought and sold). Units are presently listed on the NSX and liquidity has been low due to limited volume of Units offered for sale. The Fund will seek admission to the Official List of ASX as a part of the Offer. Despite this, if the Offer proceeds, there can be no guarantee that a liquid market for Units will be available in the future. Applicants in the Fund should be aware that this may limit their ability to realise a return or recover their capital.

H) LITIGATION RISK

In the course of its operations, the Fund (directly or indirectly through the US REIT, a subsidiary of the US REIT or a joint venture arrangement) may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained at this time, but there are risks that costly disputes or litigation may adversely affect the profitability of the Fund, value of its assets or market price of the Units.

I) FORCE MAJEURE

Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, hurricanes, blizzards, wars and strikes. These events may affect returns to investors.

J) KEY PERSONNEL RISK

There is a risk that the departure of key staff or consultants with particular expertise in US residential property investment and management, whether they are the staff or directors of the Fund,



Responsible Entity, the US REIT or Dixon Advisory USA or, with respect to investment through joint ventures that are externally managed, the joint venture management entity, may have an adverse affect on the future earnings or value of the Fund.

10.2. Specific investment risks to the Fund

A) RISKS OF THE US AND HUDSON COUNTY RESIDENTIAL PROPERTY MARKET

There are numerous risks associated with an investment in US residential property. Over the period from 1997 to 2005, the US saw a sharp increase in residential property prices across the entire country. Recently, however, the US property market has experienced significant reductions in value across the majority of states and counties, including Hudson County.

A number of risks regarding an investment in US and Hudson County real estate, without limitation, include:

- further declines in the value of US real estate, both in Hudson County and across the broader property market in general;
- fluctuating vacancy rates and the ability of the US REIT to have the properties fully tenanted;
- a downturn in the US economy or a further recession that may place downward pressure on rents achievable in the marketplace and future capital growth prospects;
- the possibility of default by tenants on their obligations which would reduce the income to the Fund, thereby reducing the amount available for distributions;
- US interest rate fluctuations which may lead to further housing foreclosures; and
- any other factor which may impede the recovery of the US and specifically, Hudson County, residential property market.

B) AUSTRALIAN AND US TAXATION LAWS AND ACCOUNTING STANDARDS

Under the existing law, the US REIT has timely elected to be taxed as a REIT and it is intended that the US REIT will be owned and operated so it qualifies as a REIT under the Code. Given the highly technical and complex nature of the rules governing status as a REIT, the importance of factual determinations and the possibility of future changes in circumstances or law, no assurance can be given that the US REIT has qualified or remains qualified as a REIT.

The US laws relating to taxation of REITs are constantly being examined and any change to such laws could adversely affect the ability of the US REIT to qualify as a REIT for US federal income tax purposes. Any changes to the tax rate of the Fund may affect Unitholder returns. In addition, changes to accounting standards by the Australian Accounting Standards Board may affect the reported earnings and financial position of the Fund.

C) REIT QUALIFICATION AND DOUBLE TAX TREATY RISKS

Although the Fund believes that, under current law, the US REIT has timely elected to be taxed as a REIT and it is intended that the US REIT will be owned and operated so that it will qualify

as a REIT under the Code, because of the highly technical and complex nature of the rules governing status as a REIT, the importance of factual determinations, and the possibility of future changes in circumstances or law, no assurance can be given that the US REIT has qualified, or will remain qualified, as a REIT.

Currently, the distributions from the US REIT are expected to have some portion which is tax deferred. However, the distributions from the US REIT and the distributions from the Fund could be adversely affected if the US REIT is not recognised under the US taxation laws as a REIT and the Fund does not qualify as a regularly traded listed Australian property trust for the purposes of the protocol to the Double Tax Treaty.

If the US REIT were to fail to qualify for US federal income tax purposes as a REIT in any taxable year, its taxable income would be subject to US tax at regular corporate rates in that year and possibly in future years. This would significantly affect the amount of cash available for distribution. Unless entitled to relief under specific statutory provisions, the US REIT would be disqualified from re-electing taxation as a REIT for the four taxable years following the year during which qualification was lost.

For the US REIT to qualify as a REIT under the Code, no more than 50% of the value of its shares may be owned directly or indirectly, by five or fewer individuals (including holders of Units in the Fund) during the last half of any taxable year of the US REIT (**5/50% Rule**). If the US REIT were to fail to satisfy the 5/50% Rule, it is likely it would not qualify as a REIT and would be required to pay US federal income tax at ordinary corporate rates.

In general, if distributions are paid by a REIT to a non-US Unitholder and these distributions are not attributable to capital gains, they are subject to 30% US withholding tax to the extent of the US tax based earnings and profits (**Ordinary Dividends**). The Double Tax Treaty generally provides that Ordinary Dividends paid by a REIT to a regularly traded listed Australian property trust are generally subject to a 15% US withholding tax. However, if the Fund has reason to know that any Unitholder owns 5% or more of the beneficial interest in the Fund, then the Unitholder will generally be deemed to hold a corresponding portion of the Fund's interest in the US REIT and will be generally deemed to be beneficially entitled to the US REIT Ordinary Dividends paid on such interest. In general, the US REIT Ordinary Dividends paid in respect of such a Unitholder will be subject to a reduced 15% withholding tax rate only if:

- the Unitholder is an individual treated as owning an interest of not more than 10% in the US REIT;
- the Unitholder is treated as owning an interest of not more than 5% of any class of shares in the US REIT and the Ordinary Dividends are paid with respect to a class of shares that is publicly traded; or
- the Unitholder is treated as owning an interest of not more than 10% of the US REIT and the gross value of no single interest in real property held by the US REIT exceeds 10% of the gross value of the US REIT's total interest in real property.

These matters, including the US taxation of capital gains recognised by the US REIT or by the Fund on the disposition



of its interests in the US REIT are more fully discussed in the US tax advice in Section 12.

The Fund should not be liable to pay Australian income tax on the basis that the Unitholders will be presently entitled to all of the distributable income of the Fund. The Fund may be liable to pay income tax if, in any given year, it is classified as either a public trading trust or a corporate trading trust. Although the intention is that the Fund should not be classified as a public trading trust or a corporate unit trust, the activities of the Fund need to be reviewed on an annual basis to confirm that this is, in fact, the case.

It is noted that the Australian Government is likely to put in place a new tax system for managed investment trusts (referred to as "Regime MITs") which is proposed to take effect from 1 July 2013. The Government is still undertaking further sector and community consultation on the details of the proposed legislation. The proposed Regime MITs tax amendment should be monitored to determine their impact on the Fund. The Australian taxation consequences are more fully discussed in the Australian taxation opinion in Section 12.

D) OTHER TAX CONSIDERATIONS

Changes in government legislation, including changes to the Double Tax Treaty, changes to taxation laws in the US and Australia, and changes in interpretation of the tax legislation by the US or Australian tax authorities, may affect future earnings and the relative attractiveness of investing in the Fund. As substantially all of the investments in the Fund are within the US and the Fund is resident in Australia, changes to the tax laws in the US or Australia or interpretation of tax laws by US or Australian tax authorities may adversely impact the Fund.

E) BORROWING AND DEPOSIT RISK

The Fund, indirectly through the US REIT and the entities the US REIT controls or invests in, will obtain US dollar denominated borrowings. There is a risk that any loan will need to be repaid at short notice or cannot be replaced post expiry. The main reason for this would be if the US REIT breached its obligations to the lender or a new facility was not available in a timely way. The US REIT may then need to sell properties if a new facility could not be secured. This could be at a less than favourable time. The Fund (directly or indirectly) would explore obtaining replacement loans, but this may prove more difficult in some circumstances.

There is also a risk that the provider of the loan may not meet its obligations or may suffer financial difficulty. The Fund, indirectly through the US REIT, will endeavour to borrow only from reputable large financial institutions to minimise this risk.

The Fund manages these borrowing risks by following strict investment and risk guidelines and dealing with respected lenders. It is important to note that borrowing may increase the potential return of the Fund but may also increase its potential losses.

The Fund also has US dollar denominated cash deposits (See Section 7.2). These cash deposits are not insured. The Fund manages this deposit risk by only dealing with financial institutions that passes its rigorous due diligence process and credit risk analysis.

F) REFINANCING RISK

Unitholders are exposed to the risk that the Fund, through the US REIT and the entities it controls or invests in, may not be able to repay or refinance debt facilities it may enter into as they fall due, or that refinancing is only available on terms materially less favourable.

G) INTEREST RATE RISK

Changes in US interest rates may have a positive or negative impact directly on the income of the Fund. Changes in interest rates may also affect the market more broadly and positively or negatively affect the value of the Fund's underlying assets.

To the extent that the Fund's assets are held in cash (see Section 7.2), the distribution yield will be impacted by the applicable interest rate.

H) LIMITED PERFORMANCE HISTORY

Other than as Responsible Entity and investment manager of the Fund and the US REIT, the Responsible Entity has not previously managed a portfolio of US residential properties. However, key personnel of Dixon USA and consultants to the US REIT have considerable experience in this market (see Section 6.5).

I) CONCENTRATED GEOGRAPHIC FOCUS

The Fund will continue to initially invest in the New York metropolitan area, with an initial focus on Hudson County, New Jersey. The Fund's performance will therefore be highly correlated to the performance of the property market in this area. If the property market performs poorly, the Fund's performance is likely to be affected.

J) FUTURE ACQUISITIONS

The Responsible Entity intends to acquire properties as outlined in this PDS. The rate at which this occurs will depend on market conditions and the availability of suitable real estate on appropriate terms at the time.

K) REGULATORY RISK

Multi-dwelling properties are often subject to increased regulation (including statutory limitations on rental increase). Any changes to such regulations may adversely affect the Fund's future income. The Fund has put in place strategies to appropriately manage the regulatory requirements and will only invest where the Fund is satisfied that the benefits of the investment outweigh the additional regulatory requirements.

L) JOINT VENTURE RISK

There is a risk that the joint venture partner may fail to meet its obligations, including managing the properties appropriately, in accordance with the terms of the Joint Venture Agreement. While there are remedies available to the Fund and the US REIT in the event of non-performance by the joint venture partner, the value of the assets held under the joint venture may be negatively impacted by the non-performance.



As the investment is through a joint venture vehicle, the Fund may not undertake instrument decisions (including redistribution of any properties) without the consent of its fellow joint venture investor. This may limit the ability of the Fund to redistribute an investment. As the portfolio is comparatively large, there may be limitations on the ability of the Fund to redistribute its interest in the joint venture portfolio as a whole.

M) FOREIGN EXCHANGE RISK

The Fund's investments are in the US residential property market through the Fund's investment in the US REIT. The assets and liabilities of the US REIT and its controlled entities are denominated in US dollars. The value of the Units will be affected by increases and decreases in the value of the US dollar whenever any of the US REIT's income is distributed to the Fund or the value of the Fund's net assets is calculated. An increase in the value of the US dollar against the Australian dollar will mean the distributions from the US REIT and the value of the US REIT's investments less any liabilities will be worth more when converted into Australian dollars, but if the value of the US dollar falls those distributions and investments will be worth less in Australian dollar terms.

The value of the Australian dollar has been subject to significant fluctuations with respect to the US dollar in the past and may be subject to significant fluctuations in the future.

The capital value of the US assets held by the Fund will not be hedged, though borrowing of US dollar denominated debt provides a partial natural hedge. Investors should accordingly consider the impact of an adverse change in the Australian dollar and the US dollar exchange rate.

N) SUBSTANTIAL UNCOMMITTED FUNDS

Under the Offer the Fund will receive new funds which at the time may be uncommitted to any specific residential real estate investment. It may take longer than expected to identify sufficiently attractive investment for the Fund to fully invest any additional capital which is raised.

Additionally, the joint venture agreement is conditional upon satisfactory completion of due diligence and there is no guarantee it will proceed. In the event the joint venture does not proceed, it may take time to invest that capital.

O) POTENTIAL NEGATIVE IMPACT ON DISTRIBUTION YIELD

The Offer proceeds may in the short term reduce the distribution yield. This may occur if there is a material difference in the exchange rate at which new funds are converted to US dollars, and/or the length of the period over which the Fund will invest the proceeds of the Offer as the Fund is currently unable to realise a significant return on cash held in US dollars. The amount of potential negative impact will depend on the ultimate size and timing of the Offer as well as the exchange rate and the period over which new funds are invested.

10.3. Investor considerations

Before deciding to subscribe for Units, Applicants should consider whether Units are a suitable investment.

There may be tax implications arising from the Application for Units, the receipt of distributions from the Fund and the disposal of Units. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

If you are in doubt about whether you should subscribe for Units you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser.



11. Investigating Accountants' Report



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The Directors
Dixon Advisory & Superannuation Services Limited
As Responsible Entity for the US Masters Residential Property Fund
Level 15
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15 May 2012

Dear Directors

INVESTIGATING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

Introduction

Deloitte Touche Tohmatsu (Deloitte) has been engaged by the Directors of Dixon Advisory & Superannuation Services Limited (the Responsible Entity) as responsible entity for the US Masters Residential Property Fund (the Fund) to prepare this Investigating Accountants' Report (Report) for inclusion in a Product Disclosure Statement to be issued by the Responsible Entity on or about 14 May 2012 in connection with the offer of fully paid ordinary units in US Masters Residential Property Fund to raise up to \$100,000,000 (Product Disclosure Statement).

The offer is not underwritten.

References to US Masters Residential Property Fund and Dixon Advisory & Superannuation Services Limited and other terminology used in this report have the same meaning as defined in the Glossary of the Product Disclosure Statement.

Pro Forma Financial Information

Deloitte has been requested to prepare a report covering the following pro forma financial information:

- The pro forma Statements of Financial Position of the Fund on completion of the Offer as set out in Section 9.1 of the Product Disclosure Statement;
- The pro forma assumptions on which the pro forma Statements of Financial Position are based as described in Section 9.2 of the Product Disclosure Statement; and
- The notes to the above pro forma financial information and significant accounting policies of the Fund as set out in Sections 9.2 and 9.3 of the Product Disclosure Statement.

(Collectively the Pro Forma Financial Information).

The historical statement of financial position included in Section 9.1 of the Product Disclosure Statement has been extracted from the audited accounts of the Fund as at 31 December 2011. The Pro Forma Financial Information has been derived from the historical statement of financial position of the Fund after reflecting the pro forma assumptions as described in Section 9.2 of the Product Disclosure Statement.

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The Directors of the Responsible Entity are responsible for the preparation and presentation of the Pro Forma Financial Information, including the determination of the pro forma assumptions on which the pro forma Statements of Financial Position have been based.

The Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards (including the Australian Accounting Interpretations) applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope

Review of the Pro Forma Financial Information

We have reviewed the Pro Forma Financial Information in order to report whether anything has come to our attention which causes us to believe that the Pro Forma Financial Information set out in Section 9 of the Product Disclosure Statement is not presented fairly in accordance with the basis of preparation as described in Section 9.1 of the Product Disclosure Statement.

Our review has been conducted in accordance with Australian Standard on Review Engagements (ASRE) 2405 "*Review of Historical Financial Information Other than a Financial Report*". We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- Analytical procedures on the Pro Forma Financial Information;
- A review of work papers, accounting records and other documents;
- A review of the pro forma assumptions on which the pro forma Statements of Financial Position are based as described in Section 9.2 of the Product Disclosure Statement;
- A comparison of consistency in application of the recognition and measurement principles in Australian Accounting Standards (including the Australian Accounting Interpretations), and the significant accounting policies adopted by the Fund as disclosed in Section 9.3 of the Product Disclosure Statement; and
- Enquiry of the directors and management of the Fund and the Responsible Entity.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro Forma Financial Information.

Review Statement

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma Statements of Financial Position set out in Section 9.1 do not present fairly, in all material respects, the pro forma financial position of the Fund following completion of the Offer in accordance with the basis of preparation as described in Section 9.1 of the Product Disclosure Statement.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, no other material transactions or events outside of the ordinary business of the Fund have come to our attention that would require comment on, or adjustments to, the information contained in Section 9 of the Product Disclosure Statement, or would cause such information to be misleading or deceptive.



Independence and Disclosure of Interest

Deloitte Touche Tohmatsu does not have any interest in the outcome of this Offer other than the preparation of this Report, Deloitte Tax Services Pty Ltd's Tax Opinion in Section 12 of the Product Disclosure Statement and participation in the due diligence procedures for which normal professional fees will be received. Deloitte Touche Tohmatsu is the auditor of the Fund.

Deloitte Touche Tohmatsu

Michael Kaplan
Partner



12. Taxation

12.1. Australian taxation opinion

Deloitte.

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The Directors
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Responsible Entity of the US Masters Residential Property Fund
100 Pacific Highway
NORTH SYDNEY NSW 2060

15 May 2012

Dear Sirs

**US Masters Residential Property Fund (the Fund)
Australian Taxation Opinion**

This taxation opinion has been prepared for inclusion in a Product Disclosure Statement (PDS) for the offer of Units in the Fund. The PDS is expected to be issued in May 2012.

Defined terms used in this opinion have the same meaning ascribed to them in the PDS, unless otherwise indicated.

This opinion is intended to provide a general overview of the likely Australian income tax, stamp duty and Goods and Services Tax (GST) implications for certain investors in the Fund (the Unit Holders). It does not address all of the taxation consequences of investing in the Fund. The comments are of a general nature and apply only to Unit Holders who are individuals and complying superannuation funds that are residents of Australia for income tax purposes. This opinion does not provide any information in relation to the tax implications for Unit Holders under the tax laws of countries other than Australia. Furthermore, this opinion is only intended to apply to Unit Holders who hold their Units on capital account. It is not intended to apply to Unit Holders who carry on a business of trading in Units or who acquire their Units for the purpose of profit making by sale of their Units.

Potential Unit Holders should be aware that the actual tax implications of investing in the Fund may differ from those summarised in this opinion, depending on their individual circumstances. Applicants should seek advice from their own professional taxation adviser regarding the Australian tax (including GST and stamp duty) consequences of acquiring, holding and selling Units in the Fund, having regard to their particular circumstances.

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Our opinion is based on the provisions of the *Income Tax Assessment Act 1936* (the 1936 Act), the *Income Tax Assessment Act 1997* (the 1997 Act) (collectively the Tax Laws) and the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) and the regulations made under those Acts applicable at the date of this opinion. This opinion is also based on the current international double tax agreement between Australia and the United States (the Australia-US DTA). It is noted that any of the laws referred to are subject to change periodically, as are their interpretation by the courts and the Australian Taxation Office (ATO). We have no obligation to provide an updated opinion to reflect such changes.

In providing this opinion we have relied upon certain facts as set out in the PDS that have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd. The inclusion of this opinion in the PDS is subject to the terms of our consent for its inclusion and to be named in the PDS as set out in Section 14.11 of the PDS.

The representatives of Deloitte Tax Services Pty Ltd involved in preparing this report are not licensed to provide financial product advice as defined by the *Corporations Act 2001* (Corporations Act). Potential investors may consider seeking advice from an Australian financial services licence holder before making any decision in relation to a financial product. Investors should also note that taxation is only one of the matters that need to be considered when making a decision on a financial product.

1. Taxation of the Fund

Generally speaking, unit trusts such as the Fund are treated as 'flow through' entities. That is, they are not liable to pay income tax on their net (i.e. taxable) income, provided that the Unit Holders have a present entitlement to the distributable income of the Fund.

Certain trusts can, however, be taxed as companies if they fall within the definition of a 'public trading trust', as defined within Division 6C of the 1936 Act. Provided that neither the Fund, nor entities that the Fund controls, carry on a 'trading business', it should not be classed as a public trading trust.

In this regard, the Fund should not be taken to be carrying on a 'trading business' where its activities consist wholly of an investment in the US Masters Residential Property (USA) Fund (the US REIT) and the activities of the US REIT and its associates consist primarily of investments in land outside Australia for the purpose, or primarily for the purpose, of deriving rent. Based on the current and proposed activities of the Fund and the US REIT and its associates as disclosed in the PDS, it is considered unlikely that the Fund would be classed as a public trading trust. However, this will need to be considered on a year-by-year basis.

In addition, certain trusts can be taxed as companies if they fall within the definition of a 'corporate unit trust', as defined within Division 6B of the ITAA 1936. We have considered the application of these provisions to the Fund and have formed the view that the Fund should not be considered to be a corporate unit trust.

On the basis that the Fund is neither a public trading trust nor a corporate unit trust and assuming that the Unit Holders are presently entitled to all of the Fund's distributable income each year, the Fund should not be subject to tax. Although the Fund will be required to calculate its net income each year, any income tax liability should be imposed at the Unit Holder level rather than on the Fund.

The Fund may satisfy the requirements to be a 'managed investment trust' (MIT) for tax purposes. Whether the Fund qualifies as a MIT is dependent upon the Fund satisfying certain licensing requirements, the 'widely held' ownership requirements, certain 'closely held' restrictions and other conditions.

Being classified as a MIT allows the Fund to make an irrevocable election to apply the capital gains tax (CGT) provisions as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). In order to avail itself of capital account treatment, broadly, the Fund must make the capital election before the Fund is required to lodge its income tax return for the first income year in which it is a MIT.

We note that it is the intention of the Responsible Entity to seek to ensure that the Fund will qualify as a MIT and that the investments of the MIT are deemed to be held on capital account through the making of the election. In this regard, capital gains made by the Fund from the realisation of investments covered by the MIT rules that have been held for 12 months or more should qualify for discount capital gains treatment.

It is noted that the Government is likely to put in place a new income tax system for MITs (referred to as 'Regime MIT'), which is proposed to have effect from 1 July 2013. In this regard, the Government is still undertaking further sector and community consultation on the details of the proposed legislation. The proposed Regime MIT tax amendments should be monitored to determine their impact on the Fund.

The net income of the Fund will include any distributions paid or credited by the US REIT to the Fund that are characterised as dividends under the Tax Laws.

The amount of US tax withheld from these dividends will also be included in the Fund's net income to, in effect, 'gross up' the dividend to its pre-withholding tax amount. A foreign income tax offset (FITO) may be available to the Unit Holders for a proportionate share of the US withholding tax paid, if certain requirements are met (refer to Section 2 for further details of the US withholding tax and FITO).

The Fund may also receive distributions from the US REIT that will be characterised, for Australian tax purposes, as a return of capital on the US REIT shares. Such returns of capital should not be included in the Fund's net income. Rather, the Fund's CGT cost base in the US REIT shares will be reduced by the amount of the capital returned. If the return of capital, including any previous returns of capital, exceeds the CGT cost base of the shares, a capital gain equal to the excess may arise which will be included in the net income of the Fund. The gain may be eligible for discount capital gains treatment provided the US REIT shares were owned by the Fund for at least 12 months.



The Fund may make a capital gain or capital loss if it disposes of any of its US REIT shares. Any capital gain will be included in the Fund's net income in the year of income the capital gain arose. If US tax is payable on the gain (refer to comments on US tax at Section 12.2 of the PDS), Unit Holders may be entitled to a FITO for the US tax suffered, subject to their own tax position (refer to paragraph 2(b) below for further details). The gain may also be eligible for discount capital gains treatment if the US REIT shares were owned by the Fund for at least 12 months before the disposal.

The US REIT (or any downstream controlled companies of the US REIT) will be controlled foreign companies (CFC) of the Fund for Australian tax purposes. The CFC provisions could potentially apply to include certain income and gains derived by the US REIT in the Fund's net income for a year even if such income or gains are not repatriated to Australia in that year. However, there are specific exemptions which apply to REIT's which invest solely, directly or indirectly, in US real property. This means that, under the current CFC rules, no amount should be attributed for tax purposes to the Fund in respect of its shareholding in the US REIT.

It is noted that the anti-deferral rules, which include the CFC rules, are currently being reviewed by the Australian Government. Exposure draft legislation was released on 17 February 2011 proposing changes to the CFC rules. On the basis that the income derived by the US REIT and its downstream controlled companies will consist primarily of rent from US real property, we consider that it is unlikely that the amended CFC rules will have any significant adverse impact on the Fund. However, at the date of this opinion these legislative amendments to the CFC rules have not been finalised. Consequently, the future development of these new CFC rules should be closely monitored to determine the impact upon the Fund.

If the Fund makes a tax loss, which includes a net capital loss, in any income year, the loss is not transferred to Unit Holders. The tax loss which is not a capital loss (i.e. a revenue loss) may be able to be carried forward and utilised by the Fund against future assessable income including net capital gains subject to satisfying the trust loss provisions of the Tax Laws. A capital loss may only be utilised by the Fund against future capital gains.

2. Taxation of Unit Holders

(a) Acquisition of Units

Each Unit in the Fund will be a CGT asset. A Unit Holder's CGT cost base in a Unit at any particular time should equal the amount the Unit Holder paid to acquire the Unit, including any incidental costs of acquisition and disposal, adjusted for any tax deferred distributions received from the Fund. We refer to paragraph 2(b) below for further details in relation to tax deferred distributions. A Unit Holder's CGT cost base in the Units should not be affected by certain distributions including the receipt of discount capital gains from the Fund (refer below to paragraph 2(b)).

(b) Distributions from the Fund

A Unit Holder should include the proportionate share of the Fund's net income to which they become presently entitled in their assessable income for each relevant year. This will include Fund distributions that a Unit Holder becomes entitled to but may not receive until after year end. Generally speaking, the Unit Holder will be assessed in the same year in which the Fund derived the income.

The Unit Holder's proportionate share of net income will be determined by their proportional present entitlement to the distributable income of the Fund. There may be circumstances where the calculation of the Fund's net income for tax purposes and the distributable income vary.

In circumstances where the distributable income of the Fund in a year of income exceeds its net income, the excess amounts (referred to as tax deferred distributions) should not be subject to income tax in the Unit Holder's hands; however, certain adjustments may be required in respect of the Unit Holder's cost base and capital gains may be triggered (refer below).

Where the Fund's net income exceeds its distributable income for a year of income, the Unit Holder should be assessed on their proportionate share of the net income.

The US tax comments included in Section 12.2 of the PDS notes that dividends paid by the US REIT will generally be subject to a withholding tax rate of 15%. However, if a Unit Holder's interest in the Fund exceeds certain specified thresholds (as discussed in the US tax comments in Section 12.2 of the PDS), the dividend paid by the US REIT attributable to that Unit Holder will be subject to US withholding tax at the rate of 30%.

Interest paid by the US REIT to the Fund should be subject to a withholding tax rate of 10% under the Australia-US DTA.

Furthermore, as also discussed in the US tax comments at Section 12.2 of the PDS, if the US REIT makes a distribution to the Fund that relates to a gain from the sale of US real property (termed a capital gain dividend), there may be US withholding tax imposed at a rate of 35%.

Each component of the Fund's net income should retain its character when assessed in the hands of the Unit Holder. As the income of the Fund should primarily include dividend and interest income derived by the Fund from a foreign source, distributions should also be characterised for tax purposes as foreign source income.

The Unit Holder may, subject to meeting certain conditions, be entitled to a FITO in respect of any foreign taxes incurred by the Fund. The FITO that may be claimed by the Unit Holder in a year of income is, broadly, calculated as the lesser of the Unit Holder's share of the amount of foreign taxes paid by the Fund and the foreign income offset limit for the Unit Holder (the cap). In the event that the total foreign income tax paid exceeds the cap, no offset is allowed for the excess foreign income tax. The Unit Holder may refrain from calculating the cap and instead choose to use the \$1,000 de minimis cap.



FITOs are non-refundable, with the result that, to the extent that a FITO cannot be used by a Unit Holder in a year of income because the Unit Holder's share of foreign taxes paid exceeds the cap, the excess is lost. The excess cannot be carried forward to a later income year.

If a capital gain is included in the Fund's net income (such as may arise from the sale of shares in the US REIT), the Unit Holder will be treated as having derived a capital gain equal to their proportional share of the net capital gain. If the net capital gain included in the Fund's net income is subject to discount capital gains treatment, the Unit Holder will be required to include an additional amount in their assessable income to 'gross up' the amount of the net capital gain to its pre-discount amount. This is required so that the applicable CGT treatment of the capital gain can be determined at the Unit Holder level in accordance with the Unit Holder's particular circumstances. Depending on those circumstances, the capital gain may be eligible for discount capital gains treatment at the Unit Holder level.

Where amounts derived by the Fund are not included in its net income (which may occur, for example, where the US REIT makes a distribution that is treated as a return of capital for Australian tax purposes), those amounts should not be included in the Unit Holder's assessable income. These amounts should be treated as tax deferred distributions, unless specifically excluded; for example, the discount component of a discount capital gain or a capital gain sheltered by capital losses.

Tax deferred distributions should not be assessable to the Unit Holder but, for CGT purposes, should reduce the cost base of the Unit Holder's Units in the Fund. If the CGT cost base of the Units is reduced to nil, the Unit Holder may make a capital gain on any further tax deferred distributions received. Any such capital gain may be eligible for discount capital gains treatment depending on whether the Unit Holder has held the units in the Fund for at least 12 months.

(c) Changes in the tax rules applying to certain trusts

It is noted that there are likely to be changes in the future in respect of the tax rules applying to certain trusts. Certain legislative changes may have the effect of 'deeming' the distributable income of trusts to be the amount calculated in a particular manner (for example, to be equal to taxable income, with specific adjustments) in order to determine who is taxed on the taxable income of the trust. It is possible that certain trusts (such as trusts that are MITs) may be excluded from these rules.

Furthermore, the Australian Taxation Office may issue or finalise taxation rulings in respect of the meaning of income of a trust estate and the income tax consequences of tax deferred distributions to unit holders. It is recommended that the development of new tax legislation and rulings is closely monitored by the Fund.

(d) Disposal of Units

The disposal of Units in the Fund should have CGT implications for the Unit Holder. A capital gain should arise to the Unit Holder where the capital proceeds received from the disposal of the Units is greater than the Unit Holder's cost base for CGT purposes. A capital loss should arise if the capital proceeds on disposal are less than the Unit Holder's reduced cost base for CGT purposes. We refer to paragraph 2(a) above for a discussion of the cost base of the Units for CGT purposes.

Discount capital gains treatment may be available to reduce the capital gain realised by the Unit Holder on the disposal of the Units. If the Units in the Fund had been held for at least 12 months, the Unit Holder may, after offsetting capital losses of the Unit Holder, be able to discount the resulting capital gain by one half in the case of an individual or trust, or by one third in the case of a complying superannuation fund.

Discount capital gains treatment should not be available with respect to capital gains made on the disposal of Units that occurred under an agreement made by the Unit Holder within 12 months of acquiring the Units.

Any capital gain or capital loss derived or incurred by the Unit Holder on the disposal of their Units should be aggregated with any other capital gains or capital losses that the Unit Holder may have in that year to determine the Unit Holder's net capital gain or net capital loss for that year.

A net capital gain is included in the Unit Holder's assessable income. A net capital loss can only be offset against capital gains. Capital losses may, in some cases, be carried forward and offset against future capital gains.

3. Withholding of tax from distributions

The Responsible Entity is required to deduct Pay-As-You-Go (PAYG) withholding tax from distributions paid to a Unit Holder at the highest marginal rate, including Medicare Levy (currently 46.5%) if the Unit Holder has not quoted either their Tax File Number (TFN) or Australian Business Number (ABN) and none of the relevant exemptions apply. The Unit Holder should generally be entitled to an income tax credit for any such tax withheld.

4. GST and Stamp Duty

The acquisition and disposal of Units in the Fund by Unit Holders should not be subject to GST. Similarly, the distributions from the Fund to Unit Holders should not be subject to GST. The Fund itself may not be entitled to recover all of the GST it incurs on purchases. The GST recovery will depend upon the exact nature of the operations of the Fund.



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Unit Holders should not be liable for Stamp Duty in respect of their initial subscription of Units. Future acquisitions and disposals of Units should not be liable to duty provided the Fund remains listed on the National Stock Exchange of Australia Limited or ASX Limited.

Yours faithfully



Joe Galea
Director, Deloitte Tax Services Pty Ltd



12.2. US taxation advice

A) INTRODUCTION

Based on the advice of Blank Rome LLP, the following is a summary of certain of the material US tax issues relating to the Fund's interest in the US REIT.

To ensure compliance with US Treasury Department circular 230, Fund Unitholders are hereby notified that:

- a) any discussion of US federal tax issues in this PDS is not intended or written to be used, and cannot be relied upon by Unitholders for the purpose of avoiding penalties that may be imposed on Unitholders under the Internal Revenue Code;**
- b) such discussion is included herein by the Fund in connection with the promotion or marketing (within the meaning of circular 230) by the Fund of the transactions or matters addressed herein; and**
- c) qualifying Unitholders should seek advice based on their particular circumstances from an independent tax adviser.**

B) TAXATION OF THE US REIT

The US REIT has elected to be taxed as a REIT under US tax legislation and it is intended that the US REIT will be owned, organised and operated in a manner so as to qualify as a REIT for US federal income tax purposes. Consequently, the US REIT is not expected to be subject to US federal corporate income tax on its taxable income. However, the determination of whether an entity qualifies as a REIT involves the application of a number of highly technical and complex rules for which there are limited judicial and administrative interpretations. In addition, no independent investigation of continuing qualification of the US REIT as a REIT has been conducted. Accordingly, no assurance can be given that the US REIT will qualify, or remain qualified, as a REIT.

In order to qualify as a REIT for US federal income tax purposes in any particular year, the US REIT must continually satisfy certain tests concerning, among other things, its sources of income, the nature and diversification of its investments in real estate and related assets, the amount it distributes to shareholders, and the ownership of its shares. The US REIT may also be required to make distributions to shareholders at disadvantageous times or when it does not have funds readily available for distribution. The REIT provisions of the Code could limit the US REIT's ability to hedge its financial assets, currency risk and related borrowings. Thus, compliance with the REIT requirements could hinder the US REIT's ability to operate solely with the objective of maximising profits.

If the US REIT fails to qualify for taxation as a REIT in any taxable year, the US REIT will be subject to tax on its taxable income at regular corporate rates. The US REIT will also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost. The US REIT expects to operate in such a manner so as to qualify for taxation as a REIT through regular reviews of the requirements for qualification.

C) DISTRIBUTIONS

In order to satisfy the provisions under the Code applicable to REITs, the US REIT must distribute to its shareholders at least 90% of its taxable income. The Trustees of the US REIT may authorise a distribution only if the US REIT will be able to pay its debts in the ordinary course of business after making the distribution.

D) CERTAIN RESTRICTIONS ON OWNERSHIP AND TRANSFER

For the US REIT to qualify as a REIT under the Code, the US REIT's shares must be held directly by a minimum of 100 persons for at least 335 days in each taxable year following its first taxable year (or a proportional number of days in any short taxable year). The Responsible Entity has completed an offering of shares sufficient to cause the US REIT to have at least 100 direct shareholders.

In addition, generally no more than 50% in value of the US REIT's shares may be owned, directly or indirectly (by applying certain constructive ownership rules), by five or fewer individuals (as defined for these purposes) at all times during the second half of each taxable year following its first taxable year. If the US REIT complies with the US Treasury Department regulations for ascertaining its actual ownership and did not know, or exercising reasonable diligence would not have reason to know, that more than 50% in value of its outstanding shares were held, actually or constructively, by five or fewer individuals, then it should generally be treated as meeting such requirement. However, even though the Fund is generally excluded from these ownership restrictions, an acquisition of an interest in the Fund that would otherwise cause the US REIT to violate this 50% test would trigger certain measures at the US REIT level designed to prevent this 50% test from being violated.

In this regard, shareholders of the US REIT are also prohibited from directly or indirectly owning or attempting to acquire more than 9.8% (in value or number of shares, whichever is more restrictive) of the US REIT, subject to certain exceptions.



In order to ensure compliance with the 50% test, the Declaration of Trust of the US REIT contains certain (1) restrictions on the direct or indirect transfer of its shares to prevent additional concentration of ownership; and (2) notification requirements in relation to ownership limits of shares in the capital of the US REIT. Moreover, to evidence compliance with these requirements under U.S. Treasury Department regulations, the US REIT must maintain records which disclose the actual ownership of its outstanding shares and such regulations impose penalties on the US REIT for failing to do so.

E) US WITHHOLDING TAXES

i) Interest

Interest payments by the US REIT to the Fund should be subject to a reduced US withholding tax rate of 10% under the Double Tax Treaty.

ii) Dividends

Dividends paid by the US REIT from its earnings and profits and which are not attributable to gains recognised from the sale of US real property should generally be subject to a reduced US withholding tax rate of 15%. This reduced rate from 30% is generally available under the Double Tax Treaty where dividends are paid to a regularly traded (as such term is defined for the purposes of the Double Tax Treaty) listed Australian property trust (e.g., the Fund).

However, if the Responsible Entity knows or has reason to know that any Unitholder owns 5% or more of the beneficial interest in the Fund, then the Unitholder will be deemed to hold a corresponding portion of the Fund's interests in the US REIT and will be deemed to be beneficially entitled to the US REIT dividends paid on such interest. In general, a dividend paid from a US REIT in respect of such Unitholder will be subject to a reduced 15% withholding tax rate only if:

- the Unitholder is an individual treated as owning an interest of not more than 10% in the US REIT;
- the Unitholder is treated as owning an interest of not more than 5% of any class of shares in the US REIT and the dividends are paid with respect to a class of shares that is publicly traded; or
- the Unitholder is treated as owning an interest of not more than 10% in the US REIT and the gross value of no single interest in real property held by the US REIT exceeds 10% of the gross value of the US REIT total interest in real property.

Distributions made by the US REIT in excess of its earnings and profits will be treated as non-taxable returns of capital of the US REIT and a refundable gross withholding tax at a rate of 10% may apply. The Fund may also apply for and receive a reduced withholding certificate prior to the receipt of any such distribution to eliminate the US REIT's requirement to withhold the 10% gross withholding tax in the case of such non-taxable returns of capital. These distributions may be taxed under the Foreign Investment in Real Property Tax Act of 1980 (**FIRPTA**) at the rate of tax, including any applicable capital gains rates, that would apply to a US person of the same type (e.g., for a corporation currently 35%). The collection of the tax is generally enforced by a refundable withholding tax at a rate of 10%, as described above, which tax would be applied against the Fund's ultimate tax liability on such distributions.

Distributions made by the US REIT which are attributable to gains from the disposition of US real property will generally be subject to a special US tax under FIRPTA of 35% on the distribution. A further branch profits tax of 30% will generally apply; however, this may potentially be reduced to nil under the Double Tax Treaty.

iii) Disposal of shares in the US REIT

A sale by the Fund of its shares in the US REIT generally will be subject to US federal taxation under FIRPTA. Accordingly, any gain recognised will generally be subject to US federal income tax at the rates applicable to a US corporation (currently 35%), and the purchaser of the shares could be required to withhold 10% of the purchase price and remit such amount to the US Internal Revenue Service.

iv) Payments After 2013

Proposed Treasury Regulations pursuant to the Hiring Incentives to Restore Employment Act (the "HIRE Act") have been published and, if finalized in their current form, provide that, beginning January 1, 2014, a 30% withholding tax may be imposed on payments of U.S. source income and proceeds from the sale of property that could give rise to U.S. source interest or dividends to certain non-U.S. entities unless such entities enter into an agreement with the US Internal Revenue Service to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, interests in such entities, as well as certain other information relating to such interests. Given the extended time period before the effective date, it is unclear whether these proposed rules, including without limitation the disclosure and withholding requirements, will be substantially modified prior to their final promulgation or otherwise maintained in their current form. Fund Unitholders are encouraged to consult with their own tax advisors regarding the possible implication of the HIRE Act on their investment.



13. Material Contracts

The Directors consider that the material contracts described below and elsewhere in this PDS are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of the Offer.

This section only contains a summary of the material contracts and certain of their terms.

13.1. US REIT Management Agreement

Dixon Advisory has entered into a management agreement with the US REIT to manage and supervise all investments for the term of the Management Agreement.

Under the terms of the US REIT Management Agreement, Dixon Advisory, as investment manager for the US REIT (**Investment Manager**), among other things:

- a) provides compliance, accounting and other administrative services reasonably required by the US REIT from time to time;
- b) assesses residential property market conditions and opportunities in the US and review information, research and analysis and property due diligence;
- c) selects and recommend residential properties in which to invest;
- d) monitors the US REIT's portfolio of residential properties;
- e) determines and recommend the sale or disposition of properties in the US REIT's portfolio and coordinate any such sale or disposition; and
- f) manages the US REIT's surplus capital and related accounts.

In return for the performance of its duties as investment manager of US REIT, the Investment Manager is entitled to be paid, and US REIT must pay to the Investment Manager, a management fee equivalent to 2% per annum of the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting. However, this fee is currently set at 1.24% per annum of the gross asset value of the US REIT and the Fund, with the value of the Fund's investment in the US REIT deducted to avoid double counting. Additionally, the Investment Manager has elected to waive this fee for an indefinite period on the first \$100 million of gross assets. The Investment Manager will review this partial waiver of its fees on an ongoing basis, subject to the maximum fee of 2% stated above, and reserves its right to alter this waiver at any point in the future. Should the Investment Manager decide to alter this waiver, it will provide Unitholders with three months' prior written notice.

The Investment Manager is also entitled to fees for the acquisition, disposal and leasing of property assets and the arranging of debt financing including:

- an asset acquisition fee equivalent to 2% of the purchase price of property assets acquired by the US REIT, however this fee is currently set at 1.99% of the purchase price of property assets acquired by the US REIT;
- an asset disposal fee equivalent to 4% of the sale price of property assets sold by the US REIT, however, this fee is currently set at 2.49% of the sale price of property assets sold by the US REIT;
- a leasing fee equivalent to 3 months' gross rent on leases payable to the US REIT, however, this fee is currently set at 1 months' gross rent on leases payable to the US REIT; and
- a debt arranging fee equivalent to 4% of the gross amount of external borrowing obtained by the US REIT, however this fee will initially be set at 2% of the gross amount of external borrowing obtained by the US REIT.

The US REIT will indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager as a result of providing the management services to US REIT, except for any loss or liability caused by the negligence, default, fraud or dishonesty of the Investment Manager or its officers or employees.

The Investment Manager is entitled to be reimbursed out of the US REIT's assets, for all out-of-pocket expenses properly incurred in operating and administering the US REIT.

The US REIT Investment Management Agreement has an initial term of 20 years. The 20 year term will be reduced to 10 years to meet the ASX waiver requirement if the Fund is admitted to the Official List. Either party may terminate the US REIT Management Agreement upon 90 days' prior written notice.

The Investment Manager may terminate the US REIT Management Agreement immediately if US REIT becomes insolvent or unable to pay its debts as they become due. Either party may terminate the US REIT Management Agreement upon a material default or breach by the other party of its obligations thereunder if not remedied upon a 30 day cure period after receiving notice of the default or breach.

13.2. Other Related Party Agreements

The nature of the structure in which the Fund sits is that there are a number of related party agreements between the members of the Dixon Advisory Group. Each of these agreements are on arm's length terms and contain the standard terms for their types of agreements.



Key related party agreements required for the purpose of the Fund structure are summarised in this section.

A) PROPERTY ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE RESPONSIBLE ENTITY AND DIXON ADVISORY USA

Dixon Advisory USA is a wholly owned subsidiary of Dixon Advisory Group Limited. Under the terms of the administrative services agreement, Dixon Advisory USA provides services to the Responsible Entity including employing all office personnel (excluding investment management personnel who will be remunerated out of fees already paid to the Responsible Entity), providing office space, office facilities and paying for all other expenses incidental to the Responsible Entity's operations.

This administrative services agreement provides that Dixon Advisory USA will be reimbursed for all expenses incurred during the performance of these administrative services.

In return for the performance of its duties under this administrative services agreement, Dixon Advisory USA is entitled to be paid, and the Responsible Entity must pay to Dixon Advisory USA, an administrative fee that will not exceed 20% of the cost of each service.

B) ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE US REIT AND DIXON ADVISORY USA

Dixon Advisory USA is a wholly owned subsidiary of Dixon Advisory Group Limited. Under the terms of the administrative services agreement between the US REIT and Dixon Advisory USA, Dixon Advisory USA provides all services reasonably required by the US REIT in connection with the lease of office space and the management of the US REIT's property. Dixon Advisory USA will be reimbursed for all costs and expenses incurred, including costs and expenses incurred in respect of:

- a) acquiring and maintaining office space and related office facilities;
- b) employing office personnel;
- c) book keeping;
- d) acquiring and maintaining appropriate levels of insurance; and
- e) other corporate expenses incidental to the performance of such services.

Dixon Advisory USA also coordinates the procurement of third party contractor services in connection with the service of properties held directly or indirectly by the US REIT, and provides such other services as requested by the US REIT from time to time. In addition, Dixon Advisory USA advises and assists the trustees and officers of US REIT in taking such steps as are necessary or appropriate to carry out the decision of US REIT's board of trustees with respect to these matters and the conduct of US REIT's business.

In return for the performance of its duties under this administrative services agreement, Dixon Advisory USA is entitled to be paid, and US REIT must pay to Dixon Advisory USA, a service fee based on cost plus an administrative fee that will not exceed 20% of the cost of each service.

The administrative services agreement has an initial term of 20 years, unless earlier terminated. The initial 20 year term will be reduced to 10 years if the Fund is admitted to the Official List. The initial term will be automatically extended after the initial 10-year period for further one-year terms if not earlier terminated. Either party may terminate the administrative services agreement upon 90 days' prior written notice. Dixon Advisory USA may terminate the administrative services agreement immediately if US REIT becomes insolvent or unable to pay its debts as they become due. Either party may terminate the administrative services agreement upon a material default or breach of the agreement by the other party if the breach is not remedied upon a 30-day cure period of receiving notice of the default or breach.

13.3. Joint Venture agreement

On 10 May 2012, the Fund signed a Joint Venture Agreement with an experienced US based joint venture partner, Urban American.

Under the terms of the Joint Venture Agreement the Fund has agreed to, through EMU LLC, a wholly owned subsidiary of the REIT, acquire a 67.5% equity interest in Golden Peak II Holdings LLC, a limited liability company incorporated in Delaware (joint venture entity). Urban American holds the remaining 32.5% equity interest in the joint venture entity. Decisions by the joint venture entity require unanimous approval of the investors and future equity and debt contributions will be made in proportion with the investor's current equity interests.

Subject to satisfactory completion of due diligence and closing of the conditional acquisition contract the joint venture entity will acquire, renovate, manage, lease and hold for the long term 13 specific multi-dwelling properties in Hudson County, New Jersey. The joint venture entity has entered into a management agreement on terms consistent with market practice under which Urban American will manage the properties. Under the management agreement Urban American is entitled to be paid a fee by the joint venture entity.

The Fund will be entitled to receive annual distributions from the joint venture entity in proportion with its equity interest. Upon termination of the joint venture, distributions will be made in proportion with the investors' respective equity interests. However, if the joint venture entity achieves returns above an agreed threshold (calculated by reference to the life of the joint venture), an additional fee will be paid to Urban American as a part of the final distribution.



13.4. Rights attaching to shares in US REIT

US REIT is a Maryland real estate investment trust formed under the Maryland REIT Law (**MRL**). The following is a summary of certain rights attaching to the shares issued by US REIT as set out in its declaration of trust.

US REIT is authorised to issue up to 120,000,000 shares of beneficial interest, of which up to 110,000,000 shall be common shares and 10,000,000 shall be preferred shares. The declaration of trust authorises the issuance of up to 125 12.5% Series A Redeemable Cumulative Preferred Shares (**Series A Preferred Shares**). Subject to restrictions in US REIT's governing documents, the board of trustees may authorise the issuance from time to time of any class or series of shares of US REIT for such consideration as the board of trustees may deem advisable. Subject to the rights of the holders of any preferred shares, the board of trustees may amend the declaration of trust without shareholder approval to increase or decrease the aggregate number of shares of any class or series that the US REIT has authority to issue.

Generally, the board of trustees of US REIT has the power and authority to conduct and manage the affairs of US REIT and is entitled to make all decisions on behalf of US REIT without the consent or approval of the Fund or the Responsible Entity.

A) RESTRICTIONS ON TRANSFER AND OWNERSHIP OF COMMON SHARES

Other than the Fund, no person may beneficially or constructively own shares in excess of the ownership limit as defined in the declaration of trust. The Fund may not beneficially or constructively own shares in excess of the ownership limit on any date after US REIT may complete an initial public offering of its shares. The ownership limit is 9.8% (in value or number of shares, whichever is more restrictive) of any outstanding class or series of shares.

In addition, no person may beneficially or constructively own shares to the extent that the trust would be "closely held" within the meaning of the Code (generally, more than 50% in value of the shares being owned, directly or indirectly, by five or fewer individuals) or otherwise would fail to qualify as a REIT.

So long as a class of shares is not a publicly offered security, employee benefit plan investors (as defined in specified US Treasury Department regulations), may not, on any date, hold, individually or in the aggregate, 25% or more of the value of such class.

No person may transfer any shares if, as a result of the transfer, the shares would be beneficially owned by less than 100 persons. Such a transfer will generally be void and the intended transferee would have no rights in any such shares.

Any person who acquires, or attempts or intends to acquire, beneficial or constructive ownership of shares that will or may violate these restrictions, or any person who would have owned shares but for the application of these restrictions,

must immediately provide written notice to US REIT of such event, or at least 15 days' prior written notice of any proposed or attempted transaction. Such person must provide such information as US REIT may request to determine the effect of such ownership or transfer on its status as a REIT.

To the extent that shares are certificated, each certificate representing shares will include a legend summarising certain transfer and ownership restrictions, or will indicate that a full statement of restrictions on transferability will be provided to any shareholder upon request and without charge.

B) SHARE OWNER INFORMATION REQUIREMENTS

Within 30 days after the end of each taxable year, every owner of more than 5% of the outstanding shares (or such lower percentage as required by the Code or US Treasury Department regulations promulgated thereunder) must notify US REIT in writing of such owner's name and address, the number of shares beneficially owned and a description of the manner in which such shares are held. If the shares are held as nominee for another person who is required to include in gross income dividends received on such shares, the nominee must provide written notice to US REIT stating the name and address of the actual owner and the number of shares held as a nominee. Each owner may be required to provide additional information related to the US REIT's status as a REIT and such owner's compliance with the ownership limit. The 5% ownership percentage described above may decrease depending on the total number of US REIT's shareholders of record.

C) COMMON SHARES

The Fund holds all of the outstanding common shares of the US REIT.

i) Voting

Subject to the ownership limitations described in Section 12.2 (d), each common share entitles the holder of record thereof to one vote on:

- the election and removal of trustees;
- certain amendments of the declaration of trust;
- termination of US REIT as provided in the declaration of trust;
- a reorganisation, merger or consolidation of US REIT, or the sale or disposition of substantially all of its property;
- such other matters as to which the board of trustees has directed a vote of common shareholders (including without limitation the termination of US REIT's status as a REIT); and
- such other matters as may be properly brought before a meeting by a shareholder entitled to vote.

The declaration of trust provides for an initial board of trustees consisting of five members, which thereafter may be increased



or decreased in accordance with the bylaws of the US REIT or a resolution of the board of trustees. Trustees are to be elected by the common shareholders no less frequently than once every three years. Cumulative voting for the election of trustees is not permitted.

ii) Dividend, distribution and liquidation rights

Subject to the dividend rights of the holders of preferred shares, dividends may be paid in cash, property or other assets of US REIT or in its securities or from any other source as the board of trustees may in its discretion determine, when and if authorised by the board of trustees. Dividends on the common shares will be paid on an equal basis with respect thereto. The board of trustees will endeavour to pay such dividends and distributions as necessary for the Trust to qualify as a REIT, but shareholders shall have no right to any dividend unless and until authorised and declared by the board of trustees.

All common shares shall have equal distribution, liquidation and other rights.

iii) Pre-emptive, appraisal and other rights

No common shares shall have any preference, pre-emptive, conversion or exchange rights. Except as may be required under the MRL, there are no appraisal rights with respect to the common shares.

D) SERIES A PREFERRED SHARES

The declaration of trust provides for the issuance of up to 125 Series A Preferred Shares, which have been issued in an effort to allow US REIT to initially meet the 100 person ownership requirement for a REIT.

The Series A Preferred Shares have the following characteristics:

- \$1,000 non-participating liquidation preference per share, payable upon a liquidation, dissolution or winding up of US REIT to holders of Series A Preferred Shares before any distribution of assets in respect of junior securities;
- ranks senior in right of dividends and liquidation, dissolution or winding up, to all equity securities issued by US REIT, including all common shares;
- cumulative preferential dividends payable at the rate of 12.5% per annum of (i) the liquidation value, plus (ii) all accumulated and unpaid dividends, when authorised by the board of trustees;
- may be redeemed by US REIT in whole or in part for cash at an amount equal to the liquidation preference, plus accrued but unpaid dividends, plus a redemption premium of up to 5% of the liquidation preference per share;

- no voting rights, except as required by the MRL and with respect to:
 - any issuances by US REIT of securities that are senior or pari passu to the Series A Preferred Shares;
 - an amendment to the declaration of trust that has a material adverse effect on the rights and preferences of the Series A Preferred Shares; and
 - any reclassification of the Series A Preferred Shares.
- appraisal rights, but only to the extent permitted under the MRL, with respect to any amendment to the declaration of trust that materially and adversely affects rights in respect of the Series A Preferred Shares;
- no conversion rights; and
- freely transferable, except for restrictions:
 - imposed under the declaration of trust or any agreement between US REIT and a holder of Series A Preferred Shares;
 - to permit US REIT to be exempt from registration in the US as an "investment company";
 - to prevent US REIT's assets from being deemed "plan assets" of an employee benefit plan investor under the US Employee Retirement Income Security Act of 1974;
 - otherwise to prevent US REIT from failing to qualify as a REIT; and
 - designed to ensure compliance with applicable securities laws.

E) OTHER SERIES OF PREFERRED SHARES

The declaration of trust provides for the issuance of a maximum of 10,000,000 preferred shares. Subject to the rights of the Series A Preferred Shares, the declaration of trust permits the board of trustees to classify or reclassify any unissued preferred shares without shareholder approval, with such terms and conditions as determined by the board of trustees in its sole discretion. Such terms and conditions would need to be included in articles supplementary that would be filed with the Maryland State Department of Assessments and Taxation prior to the issuance of the new class or series of preferred shares.





14. Additional Information

14.1. Constitution and compliance plan

The Fund has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the Constitution and the obligations of the Responsible Entity. The Fund is governed by a constitution (**Constitution**) which has been lodged with ASIC.

Dixon Advisory & Superannuation Services Limited is the responsible entity of the Fund. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution, the Corporations Act and the Listing Rules, together with any exemption and declaration issued by ASIC and the general law relating to trusts. Neither the provision of these laws and rules, nor their effect on the Constitution have been summarised below.

The Constitution is a lengthy and complex document. The following is a summary of the Constitution. Because the summary is brief, investors should confirm all information by reference to the Constitution itself. If you are unsure about anything, you should seek advice from a financial adviser and examine a copy of the Constitution.

The Constitution deals with a wide range of matters, including:

- applications for Units and the nature of a Unitholder's interest in the Fund;
- the term of the Fund and Unitholders' entitlements on winding up;
- distributions;
- further issues of Units;
- transferability of Units;
- powers of the Responsible Entity;
- Unitholders' meetings;
- Unitholders' liability; and
- the Responsible Entity's fees (see Section 8).

A) UNITS

The beneficial interest in the Fund is divided into Units. A Unit confers an interest in the Fund's property as a whole – it does not confer an interest in any particular asset. Each Unit confers on its holder the right to vote at a general meeting and the right to receive copies of the Fund's financial statements, notices and documents required to be sent to them under the constitution, the Corporations Act and the Listing Rules. The Responsible Entity can issue Units in accordance with the Constitution. The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of Units.

The Constitution contains provision for calculating the Application Price of Units, for this and any future issues. The Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by an ASIC Exemption and the Listing Rules.

The Application Price for Units is \$1.56 adjusted for changes in the US\$/A\$ exchange rate movements between the date of this PDS and the date that is 1 Business Day prior to Allotment Date increased by structuring and arranging fee of 2% and a handling fee of 2% (excluding GST).

B) INCOME

While the Fund is not a public trading or corporate unit trust (i.e. taxed akin to a company), it is expected to be administered so that at the end of each tax year its Unitholders are presently entitled to the distributable income of the Fund. The Responsible Entity will generally determine the distributable income of the Fund for each financial year based on the operating income of the Fund (which excludes unrealised gains and losses). However, the Responsible Entity may in its sole and absolute discretion determine that the distributable income for the Financial Year will be some other amount, whether income or capital, which the Responsible Entity considers appropriate for the distribution for that Financial Year.

The Responsible Entity may also distribute capital of the Fund from time to time. Unitholders on the register on the record date for a distribution are entitled to a share in the Fund's income based on the number of Units held.

A distribution may be paid in cash, assets or by way of Units. The Responsible Entity may deduct from distributions any tax that is required by law to be deducted.

If additional tax, such as US withholding tax, is withheld from any dividend or distributions paid to the Fund as a consequence of the characteristics of any particular Unitholder or Unitholders, including the number or percentage of Units on issue held by any such Unitholders, then that additional tax will be allocated to that Unitholder and will be deducted from the distributable income payable to that Unitholder. Where the income of the Fund is reduced by taxes attributable to the ownership of Units by certain Unitholders, the entitlement to distributable income of such Unitholders may be adjusted by the Responsible Entity so that the entitlement to distributable income of all the other Unitholders is equivalent to the amount they would receive in the absence of such taxes.

A Unitholder must notify the Responsible Entity when its beneficial ownership of Units exceeds 5% of the total Units on Issue, and 10% of the total Units on Issue. In addition, the Responsible Entity may require Unitholders to provide notices from time to time confirming the beneficial ownership of Units or providing other relevant information.

C) LIABILITY OF UNITHOLDERS

While the Units are fully paid, a Unitholder's liability is limited to its investment in the Fund.

D) RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity holds the Fund's assets on trust, and may manage these assets as if it were the absolute



and beneficial owner of them, subject only to its duties and obligations to Unitholders.

Examples of the Responsible Entity's powers include acquiring or disposing of any real or personal property, borrowing or raising money, encumbering any asset, incurring any liability, giving any indemnity, providing any guarantee, applying for listing of the Fund, entering into derivative and currency swap arrangements and entering into underwriting arrangements.

The Responsible Entity may appoint delegates or agents to perform any act to exercise any of its powers, as well as advisers to assist with its duties and functions.

E) MANAGEMENT FEES PAYABLE TO THE RESPONSIBLE ENTITY

In return for the performance of its duties, the Responsible Entity is entitled to be paid out of the Assets within 10 Business Days of the beginning of each month a monthly management fee (**Management Fee**) equivalent to 0.5% (exclusive of GST) per annum of the gross value of the assets calculated as at the end of the month preceding the date of payment of the Management Fee.

This calculation of the Management Fee is to be made and paid to the Responsible Entity in US dollars unless the Responsible Entity agrees to accept the sum converted into Australian currency with such conversion to occur at the date of payment.

The Responsible Entity may in its absolute and unfettered discretion waive, reduce, refund or defer any part of the fees and levies that the Responsible Entity or the Fund is entitled to receive under this Constitution. As at the date of this PDS, the Responsible Entity has waived the Management Fee down to 0.35% for an indefinite period. This reduced Management Fee accounts for Administration Fees (0.25%), Responsible Entity Fees (0.08%) and Custodian Fees (0.02%).

See Section 8 for further details.

F) RESPONSIBLE ENTITY'S INDEMNITIES

The Responsible Entity has a right of indemnity out of the Fund property on a full indemnity basis for any costs, liabilities and expenses incurred at law or under the Constitution in the proper performance of its duties. This indemnity continues after the Responsible Entity retires or is removed as responsible entity of the Fund and is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity). The Corporations Act provides that a responsible entity's right to be indemnified out of scheme property for liabilities incurred in relation to the performance of its duties must be available only in relation to the proper performance of those duties.

G) RESPONSIBLE ENTITY'S LIMITATION OF LIABILITY

The Constitution provides that, subject to the Corporations Act, the Responsible Entity and each director and officer of the Responsible Entity are not personally liable to any person in connection with the office of the Responsible Entity or any director or officer of the responsible entity. Subject to the Corporations Act, the liability of the Responsible Entity in relation to the Fund is limited to the assets of the Fund from which the Responsible Entity is entitled to be and is, in fact, indemnified.

The Responsible Entity may amend the Constitution from time to time. Unitholder approval is required where changes to the Constitution adversely affect Unitholders' rights.

H) WITHDRAWALS AND REDEMPTIONS

The Constitution provides that, subject to the Corporations Act, the Responsible Entity may withdraw or redeem Units. This ability however is suspended whilst the Fund is listed.

14.2. Complaints

The Responsible Entity seeks to resolve any potential and actual complaints over the management of the Fund to the satisfaction of Unitholders. You may lodge any complaints by writing to us at the address shown on the back cover of this PDS. The Constitution provides that complaints in writing will be acknowledged within 14 days and responded to not more than 45 days after receipt by the Responsible Entity.

If you remain unhappy, you can contact the Credit Ombudsman Service Limited – which is independent from us, on **1800 138 422**.

14.3. Re-investment of Distributions

The Fund may elect to operate a distribution reinvestment plan that enables you to elect to reinvest all, or a portion of, your distributions into additional units in the Fund. In certain circumstances (for example, if the Responsible Entity is prohibited from making cash distributions under the terms of any credit facility of the Fund), the Responsible Entity may require you to reinvest your distributions in the Fund. You will be sent further details of the distribution re-investment plan prior to the first distribution being paid.

14.4. ASX Waiver

The Fund will apply for the quotation of the Units and admission to the official list of the ASX within 7 days of this PDS. The ASX has granted the Fund in principle waivers to the following Listing Rules:

1. ASX Listing Rule 19.12 modifying the definition of 'investment entity' so that the Fund would be treated as an investment entity
2. ASX Listing Rule 15.16 to the extent necessary to permit the Responsible Entity be appointed to act as Investment Manager of the US REIT in accordance with the terms of the investment management agreement for a period of 10 years from the date of the Fund's admission to the Official List of the ASX.
3. ASX Listing Rule 6.24 and clause 1 of Appendix 6A so that the rate and amount of distribution need not be advised to the ASX when announcing a distribution and record date.

14.5. What documents are disclosed?

The Fund is a disclosing entity for the purposes of Section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. The Fund is presently listed on the National Stock Exchange of Australia (NSX). The Fund has been listed on the NSX since 29 June 2011. Since that date and until the Fund is delisted, the Fund will be subject to the continuous disclosure obligations under the NSX Listing Rules. If the Offer proceeds, the Fund will be admitted to the Official List of the ASX and will be subject to the continuous disclosure obligations under the ASX Listing Rules.



Broadly, these continuous disclosure obligations require the Fund to:

- a) prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Director's statement and report and an audit or review report; and
- b) immediately notify the NSX (and if the Offer proceeds, the ASX) of any information concerning the Fund of which it is, or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Units, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC and on the NSX and ASX in relation to the Fund may be obtained from or inspected at an office of ASIC.

14.6. Instructions

Subject to the requirements outlined, or as stipulated by us, you, or persons authorised by you, can provide instructions (quoting your investor number) in writing, by facsimile, or by any other method allowed by us from time to time. By investing in the Fund, you authorise us to accept instructions provided by these methods.

14.7. Private information

We collect personal information from you in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you.

14.8. Compliance plan

A compliance plan has been established which sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund. A compliance committee, comprising a majority of members who are independent of the Responsible Entity, monitors the Responsible Entity's compliance with the compliance plan.

14.9. Interested dealings

Subject to the Corporations Act, the Responsible Entity or any officer, employee or associate of the Responsible Entity may:

- a) hold Units in the Fund;
- b) act in any fiduciary, vicarious or professional capacity;
- c) have an interest in, or enter into any contract or transaction with the Responsible Entity (or its associates), a Unitholder of the Fund or any other person (including a person whose units or other securities form an asset of the Fund); and
- d) hold or deal in or have any other interest in an asset of the Fund, and may retain any benefit derived by doing so.

14.10. Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in determining the selection, retention or realisation of assets.

However, to the extent that we believe those matters may affect the value or performance of an underlying investment, they may be considered.

We do not have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration, as these will be determined on a case-by-case basis.

14.11. Consents

Blank Rome LLP has acted as US law adviser to the Responsible Entity and the US REIT and has given and not withdrawn its consent to the inclusion of its tax opinion in Section 12.2 and to be named in this PDS in the form and context in which it is named. Blank Rome LLP takes no responsibility for any part of this PDS other than its tax opinion in Section 12.2. Except in respect of its tax opinion in Section 12.2, Blank Rome LLP does not make any statement in this PDS nor is there any statement based on a statement by Blank Rome LLP in this PDS.

Watson Mangioni Lawyers Pty Limited has given, and has not withdrawn as at the date of this PDS, its consent to being named in this PDS as the legal adviser for the Fund. Watson Mangioni Lawyers Pty Limited does not make any statements in, or take any responsibility for, any parts of the PDS.

Boardroom Pty Limited has given, and has not withdrawn as at the date of this PDS, its consent to being named in this PDS as the provider of unit registry services for the Fund. Boardroom Pty Limited has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in the PDS. Boardroom Pty Limited has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Deloitte Tax Services Pty Limited and Deloitte Touche Tohmatsu are respectively the Australian tax adviser and Australian Investigating Accountant. Deloitte Tax Services Pty Ltd and Deloitte Touche Tohmatsu have respectively prepared and consented to the inclusion of their Australian taxation opinion in Section 12.1 and Investigating Accountants' Report in Section 11 and have not withdrawn their consent to be named in this PDS in the form and context in which they are named. Deloitte Tax Services Pty Ltd and Deloitte Touche Tohmatsu take no responsibility for any part of this PDS (except to the extent required by the Corporations Act) other than their respective Australian taxation opinion in Section 12.1 and Investigating Accountants' Report in Section 11. Except in respect of the Australian taxation opinion in Section 12.1 and Investigating Accountants' Report in Section 11, Deloitte Tax Services Pty Ltd and Deloitte Touche Tohmatsu do not make any statement in this PDS nor is there any statement based on a statement by Deloitte Tax Services Pty Ltd or Deloitte Touche Tohmatsu in this PDS.

Dixon Advisory Group Limited has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named.

Dixon Advisory USA has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named.

US REIT has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named.

Urban American Management has given, and before lodgement of the PDS has not withdrawn, its written consent to being named in the PDS in the form and context in which it is so named.



15. Glossary

5/50 Rule	The rule that states no more than 50% of the value of US REIT's shares may be owned directly or indirectly, by five or fewer individuals during the last half of any taxable year
A\$ or \$	Australian dollars
AEST	Australian Eastern Standard Time
Allotment	The allocation and allotment of Units to investors following acceptance of an Application
Allotment Date	26 June 2012 or such other date as the Responsible Entity may determine subject to the terms of this PDS, the Corporations Act and the Listing Rules
Applicant	An applicant for Units under this PDS
Application	An application for Units pursuant to this PDS together with Application Monies
Application Form	The application form attached to this PDS
Application Monies	Monies paid to the Responsible Entity in cleared funds together with an Application
Application Price	\$1.56 adjusted for changes in the A\$/US\$ exchange rate between the date of the PDS and the date 1 Business Day before the Allotment Date increased by a structuring and arranging fee of 2% and a handling fee of 2% (excluding GST). As at the date of the PDS the A\$/US\$ exchange rate was 0.997. (Source: Bloomberg based on the prior New York 5pm close).
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange Limited
ASX Settlement	ASX Settlement Pty Limited
ASX Settlement Operating Rules/ Recognised Market Operators	ASX Settlement Operating Rules assist participants and issuers to understand the operation of the rules and procedures governing the settlement facility
Australian Masters Corporate Bond Fund Series	Australian Masters Corporate Bond Fund No 1 Limited, Australian Masters Corporate Bond Fund No 2 Limited, Australian Masters Corporate Bond Fund No 3 Limited, Australian Masters Corporate Bond Fund No 4 Limited and Australian Masters Corporate Bond Fund No 5 Limited
Australian Masters Yield Fund Series	Australian Masters Yield Fund No 1 Limited, Australian Masters Yield Fund No 2 Limited and Australian Masters Yield Fund No 3 Limited
Business Day	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
CGT	Capital Gains Tax
CHESS	Clearing House Electronic Subregister System
Code	The United States Internal Revenue Code of 1986, as amended
Constitution	The Constitution of the Fund
COSL	The COSL (Credit Ombudsmen Service Limited) is an independent body that helps customers in the resolution of complaints relating to members of the financial services industry
Directors	The board of directors of the Responsible Entity
Dixon Advisory	Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (AFSL 231 143)
Dixon Advisory Group	Dixon Advisory Group Limited and its subsidiaries
Dixon Advisory USA	Dixon Advisory USA Inc
Double Tax Treaty	The US protocol signed in Canberra on 27 September 2001, which amends the convention of 6 August 1982 between Australia and the United States of America for the Avoidance of Double Taxation
Fund	US Masters Residential Property Fund (ARSN 150 256 161)



FIRPTA	FIRPTA (Foreign Investment in Real Property Tax Act of 1980) is a United States tax provision that imposes income tax on foreign persons disposing of United States real property interests
Freestanding house	House with one to four dwellings (units) including terraces
GST	The value added tax, if any, on goods and services payable in accordance with the GST Act or another relevant and applicable legislation or law whether in Australia, the US or another jurisdiction
GST Act	New Tax System (Goods and Services Tax) Act 1999
Initial Target Investment Area	The New York metropolitan region defined by the US Office of Management and Budget as the New York-Northern New Jersey-Long Island, New York-New Jersey-Pennsylvania Metropolitan Statistical Area
Investment Manager	Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (AFSL 231 143)
Joint Venture Agreement	The agreement to enter into a joint venture with Urban American LLC to invest in a special purpose company
Joint Venture Entity	The special purpose company in which Urban American LLC and the Fund will invest and have joint control.
Listing Rules	The listing rules of the ASX and NSX
Management Fee	Has meaning ascribed to it in Section 14.1 (e)
MRL	Maryland REIT Law
Multi-dwelling Properties	Apartment blocks with more than 4 units (individual dwellings)
NAV	Net asset value of Units
NSX	National Stock Exchange of Australia Limited (ABN 11 000 902063)
Offer	The offer of up to \$50,000,000 in Units pursuant to and in accordance with this PDS with the ability to accept over subscriptions for a further \$50,000,000
Offer Closing Date	12 June 2012 or such other date as the Responsible Entity may determine subject to the terms of this PDS, the Corporations Act and the Listing Rules
Opening Date	The date the Offer opens, expected to be 15 May 2012
PDS	This product disclosure statement dated 15 May 2012 as modified or varied by any supplementary product disclosure statement made by Dixon and lodged with the ASIC from time to time
REIT	A real estate investment trust as defined pursuant to the Code and US Treasury regulations promulgated under the Code
Responsible Entity	Dixon Advisory & Superannuation Services Limited (ACN 103 071 665) (AFSL 231 143)
Secured Properties	Properties that have closed and properties under conditional contracts
Series A Preferred Shares	The 125 redeemable cumulative preferred shares of the US REIT as described in Section 13.4
unit	An ordinary unit in the Fund, being an undivided share in the beneficial interest in the Fund
Unit	An individual dwelling
Unitholder	A holder of a Unit
US	The United States of America
US\$	US dollars
US REIT	US Masters Residential Property (USA) Fund, a Maryland REIT
Wholesale Client	Has the same meaning as in Part 7.9 of the Corporations Act



APPLICATION FORM

US MASTERS RESIDENTIAL PROPERTY FUND



ARSN 150 256 161

Fill out this Application Form if you want to apply for Units in US Masters Residential Property Fund

- Please read the PDS dated 15 May 2012.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in capital letters using black or blue pen.

OFFER CLOSING DATE – 12 June 2012

Broker Reference – Stamp Only

Broker Code

Adviser Code

Are you an existing client of Dixon Advisory & Superannuation Services Limited?

YES

NO

IMPORTANT PLEASE NOTE – The Responsible Entity may be required under the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

A Total Amount Payable*

\$

*Minimum of \$2,000 to be applied for.

B Write the name/s you wish to register the Units in (see reverse for instructions)

APPLICANT 1

APPLICANT 2 or Account Designation

APPLICANT 3 or Account Designation

C Postal Address

Number/Street Name

Suburb/Town

State

Postcode

D CHESS participant – Holder Identification Number (HIN)

X

IMPORTANT PLEASE NOTE if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Units issued as a result of your application will be held on the Issuer Sponsored subregister.

E Enter your Tax File Number/s, ABN, or exemption category

Applicant 1

Applicant 2

Applicant 3

Exemption Category

F Please enter details of the cheque/s that accompany this Application Form:

Drawer

Chq No.

BSB No.

Acc No.

A\$

Drawer

Chq No.

BSB No.

Acc No.

A\$

TOTAL

A\$

G Contact telephone number (daytime/work/mobile)

H Email Address

I Unitholder Communications

All correspondence will be sent electronically unless legally required otherwise or unless the box below is ticked.

Printed copy of Unitholder communications required

J Annual Reports

Annual Reports will be published on the Fund's website. If you still wish to receive a copy free of charge, select one of the following:

Electronic copy (emailed)

Printed copy (posted)

By submitting this Application Form, I/We declare that this Application Form is completed and lodged according to the PDS and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of US Masters Residential Property Fund. I/We received the PDS together with the Application Form or a print out of them. I/We represent, warrant and undertake to the Fund that our subscription for the above Units will not cause the Fund or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Units in the Fund.

GUIDE TO THE APPLICATION FORM

YOU SHOULD READ THE PDS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using **BLOCK LETTERS**.

These instructions are cross-referenced to each section of the Application Form.

A	If applying for Units insert the value of Units for which you wish to subscribe (not less than \$2,000.)	E	Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
B	Write your full name . Initials are not acceptable for first names.	F	Complete cheque details as requested. Make your cheque payable to " Dixon Advisory Trust Account for US Masters Residential Property Fund " and crossed " Not Negotiable ". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
C	Enter your postal address for all correspondence. All communications to you from the Fund will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.	G	Enter your telephone number so we may contact you regarding your Application Form or Application.
D	If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHESS account exactly.	H	Enter your email address so we may contact you regarding your Application Form or Application or other correspondence.
		I & J	The Fund encourages you to receive Unitholder correspondence and the Annual Report electronically. The benefit to Unitholders are in the potential cost savings and the faster delivery of information. The benefits to the environment are also substantial.

CORRECT FORMS OF REGISTRABLE TITLE

Note that **ONLY** legal entities can hold the Units. The Application must be in the name of a natural person/s, companies or other legal entities acceptable to the Fund. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
INDIVIDUAL	Mr John David Smith	J D Smith
COMPANY	ABC Pty Ltd	ABC P/L or ABC Co
JOINT HOLDINGS	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
TRUSTS	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
DECEASED ESTATES	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
PARTNERSHIPS	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
CLUBS/ UNINCORPORATED BODIES	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
SUPERANNUATION FUNDS	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

LODGEMENT

Deliver your completed Application Form with cheque/s attached to the following address:

US Masters Residential Property Fund Unit Offer
c/- Dixon Advisory & Superannuation Services Limited

POSTAL

GPO Box 575
Canberra ACT 2601

HAND DELIVERED

Canberra – Level 1, 73 Northbourne Avenue, Canberra ACT 2601
Sydney – Level 15, 100 Pacific Highway, North Sydney NSW 2060
Melbourne – Level 2, 250 Victoria Parade, East Melbourne VIC 3002

It is not necessary to sign or otherwise execute the Application Form. If you have any questions as to how to complete the Application Form, please contact Dixon Advisory & Superannuation Services Limited on **1300 454 801**.

Privacy Statement: Registries Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holdings. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.registries.com.au/Privacy.html>)