



ASX ANNOUNCEMENT

1 July 2016

REAL ESTATE CAPITAL PARTNERS USA PROPERTY TRUST (RCU)

ASX CODE: RCU

ARSN 114 494 503

Pro rata renounceable issue (Entitlement Offer)

Following the completion of the recent placement on 7 June 2016, the Responsible Entity wishes to advise that it is conducting a fully underwritten renounceable entitlement offer of 0.64 new units for every 1 existing unit in RCU held by eligible unitholders at an issue price of \$0.067 per new unit (**Entitlement Offer**). The Entitlement Offer will raise approximately \$605,000.

The issue price represents a 67% discount to the net tangible asset backing per unit at 31 December 2015 of \$0.20 and a 31% premium to the 5 day VWAP to 30 June 2016 of \$0.051. The issue price is also slightly below the issue price of \$0.0676 per unit utilised in the recent placement.

Proceeds of the Entitlement Offer

Proceeds of the Entitlement Offer, net of the costs, will be invested to create value at 1700 W, Higgins, Chicago, the sole property of RCU, by funding leasing, promotional, and other costs, as well as for working capital purposes.

In addition, on completion of the Entitlement Offer, RCU will be able to drawdown on the undrawn balance (US\$675,000) of the recent loan facility entered into and announced on 7 June 2016 together with the recent placement.

Details of the Entitlement Offer

The Entitlement Offer will be made to eligible unitholders in Australia and New Zealand to subscribe for 0.64 new units for every 1 unit held at the record date of Friday, 8 July 2016 at 7:00pm AEST. The closing date of the Entitlement Offer will be Friday, 22 July at 5:00pm AEST.

The Entitlement Offer is renounceable and eligible unitholders in Australia and New Zealand will be able to sell some or all of their entitlements and apply for additional new units under a top-up facility if there is a shortfall.

In accordance with the conditions to drawdown under the recent loan facility entered into and announced on 7 June 2016, the Entitlement Offer is fully underwritten by SA Capital Pty Ltd ACN 114 959 803 (**Underwriter**). The Underwriter has entered into sub-underwriting arrangements with Zerve Pty Ltd ACN 154 616 912, a current substantial unitholder controlled by Director and Company Secretary Andrew Saunders (who in turn controls the Responsible Entity), Jascot Rise Pty Ltd ACN 137 767 634, a current substantial unitholder, and Kushkush Investments Pty Ltd ACN 152 612 363, a current unitholder. Under the sub-underwriting arrangements, each sub-underwriter has agreed to subscribe for one third of any shortfall

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following completion of allocations under the Entitlement Offer and the top-up facility up to a maximum of 3,013,071 new units (\$201,875.76) per sub-underwriter. Any allocation to a sub-underwriter under the sub-underwriting arrangements will be in addition to any allocation made to the sub-underwriter pursuant to the sub-underwriter's entitlement under the Entitlement Offer.

Further details of the sub-underwriting arrangements and the potential effect on the control of RCU will be set out in the cleansing statement released in conjunction with this announcement and the offer booklet for the Entitlement Offer.

Further disclosures and correspondence to eligible and ineligible unitholders in relation to the Entitlement Offer will be made in due course.

Timetable

The Responsible Entity expects that the Entitlement Offer will be conducted according to the following timetable:

EVENT	DATE
Announcement, Appendix 3B and cleansing statement lodged	Friday, 1 July 2016
Eligible Unitholders and Ineligible Unitholders notification date and Offer Booklet lodged	Monday, 4 July 2016
Ex-date for Entitlement Offer and commencement of Entitlement Offer Trading Period	Thursday, 7 July 2016
Entitlement Offer Record Date (at 7:00 pm)	Friday, 8 July 2016
Offer Booklet and Entitlement Offer Acceptance Form dispatched	Monday, 11 July 2016
Entitlements trading scheduled to end	Friday, 15 July 2016
Entitlement Offer closes (5:00 pm)	Friday, 22 July 2016
Under Subscriptions notified to the ASX	Wednesday, 27 July 2016
Issue Date	Friday, 29 July 2016
Normal trading commences	Monday, 1 August 2016

Note: Dates and times are indicative only and subject to change. All times and dates refer to AEST.

The Responsible Entity reserves the right, subject to the Corporations Act, Listing Rules, the Underwriting Agreement and other applicable laws, to amend any or all of these events, dates and times. In particular, the Responsible Entity reserves the right to extend the date for closing of the Entitlement Offer, delay the allotment of new units, accept late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Accordingly, applicants are encouraged to submit their applications as soon as possible after the Entitlement Offer opens. No cooling-off period applies to the Entitlement Offer. The commencement of quotation of new units is subject to confirmation from ASX.

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