



1 July 2016

The Manager  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney, N.S.W., 2000

Dear Sir/Madam,

**Real Estate Capital Partners USA Property Trust (ASX: RCU)**  
**Notice under Section 1012DAA(2)(f) Corporations Act 2001 (Cth) (Corporations Act)**

This notice is given by Quattro Re Limited (ACN 115 913 347) (**Responsible Entity**) in its capacity as responsible entity for Real Estate Capital Partners USA Property Trust (ARSN 114 494 503) (**RCU**) (ASX: RCU).

The Responsible Entity today announced a renounceable entitlement offer of 0.64 fully paid units (**New Units**) for every 1 RCU unit held at 7:00pm (AEST) on Friday 8 July 2016 by unitholders with registered addresses in Australia or New Zealand at an issue price of \$0.067 per New Unit (**Entitlement Offer**).

The New Units offered under the Entitlement Offer will be issued without a Product Disclosure Statement for the New Units being prepared. This notice is given under section 1012DAA(2)(f) of the Corporations Act. As a disclosing entity, the Responsible Entity, as responsible entity of RCU and the issuer of the New Units, is subject to regular reporting and disclosure obligations. As at the date of this notice, the Responsible Entity as issuer of the New Units has complied with:

- the provisions of Chapter 2M of the Corporations Act as those provisions apply to RCU; and
- section 674 of the Act as that section applies to RCU.

As at the date of this notice the only “excluded information” (as that term is defined in sections 1012DAA(8) and 1012DAA(9) of the Corporations Act), is that the Responsible Entity intends to appoint Mr Mordechai Benedikt to the Board of the Responsible Entity. Mr Benedikt is a Director of Jascot Rise Pty Ltd which is a current substantial Unitholder and sub underwriter to the Entitlement Offer. In addition, while not excluded information, attention is drawn to:

- RCU’s financial report and Appendix 4D for the half year ended 31 December 2015 which was released to the market on 29 February 2016;
- RCU’s Capital Initiatives Update which was released to the market on 7 June 2016;
- RCU’s Additional Information on Loan Conversion which was released to the market on 17 June 2016; and
- RCU’s Entitlement Offer announcement which was released to the market on 1 July 2016.

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### **Effect of the Entitlement Offer on control**

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**), subject to the terms of the Underwriting Agreement. In addition to underwriting the Entitlement Offer, the Underwriter is responsible for managing and marketing the Entitlement Offer.

The Underwriter has entered into sub-underwriting arrangements (**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, (**Sub-Underwriters**). Under the Sub-Underwriting Arrangements, each Sub-Underwriter has agreed to subscribe for one third of any shortfall following completion of allocations under the Entitlement Offer and the top-up facility under the Entitlement Offer (**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.

The issue of New Units under the Entitlement Offer is not expected to have a material effect or consequence on the control of RCU, but is dependent on a number of factors including investor demand. The potential effect the Entitlement Offer will have on the control of RCU, and the consequences of that effect, will largely depend on the extent to which Eligible Unitholders partake in the Entitlement Offer and apply for additional units under the Top-Up Facility.

If all eligible Unitholders take up their entitlements, each eligible Unitholder's ownership interest (and voting power) in RCU will remain largely unchanged and the effect on the control of RCU will be negligible.

To the extent that any eligible Unitholder fails to take up their entitlements, that eligible Unitholder's percentage holdings in RCU will be diluted by those other eligible Unitholders who take up some, all or more than their entitlements.

In all cases, the percentage holdings and voting power of ineligible Unitholders with registered addresses outside Australia and New Zealand will be diluted as a result of the Entitlement Offer.

If no eligible Unitholders other than the Sub-Underwriters take up their entitlements (which the Responsible Entity considers unlikely), then the Sub-Underwriters will be required to subscribe for the shortfall in accordance with the Sub-Underwriting Arrangements.

In these circumstances, the increase in percentage holdings and voting power of the Sub-Underwriters and their respective associates will be increased, as set out in the table below:



Party	Current Units held	Current % voting power	Entitlement	100% take up by other Unitholders		50% take up by other Unitholders		25% take up by other Unitholders		0% take up by other Unitholders	
				Units held	% voting power	Units held	% voting power	Units held	% voting power	Units held	% voting power
Underwriter	0	0.00%	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Zerve Pty Ltd and associates	1,167,267	8.26%	747,051	1,914,318	8.26%	3,016,137	13.02%	3,567,054	15.40%	4,117,965	17.78%
Jascot Rise Pty Ltd and associates	1,991,335	14.10%	1,274,455	3,265,790	14.10%	4,367,616	18.86%	4,918,525	21.23%	5,469,438	23.61%
Kushkush Pty Ltd and associates	635,570	4.50%	406,765	1,042,335	4.50%	2,144,161	9.26%	2,695,071	11.64%	3,245,983	14.01%
Other Unitholders	10,329,599	73.14%	6,610,943	16,940,542	73.14%	13,635,071	58.86%	11,982,335	51.73%	10,329,599	44.60%
<b>Total</b>	<b>14,123,771</b>	<b>100.00%</b>	<b>9,039,214</b>	<b>23,162,985</b>	<b>100.00%</b>	<b>23,162,985</b>	<b>100.00%</b>	<b>23,162,985</b>	<b>100.00%</b>	<b>23,162,985</b>	<b>100.00%</b>

All of the figures in the above table assume that the Sub-Underwriters will each take up their full entitlements under the Entitlement Offer in each scenario. The Sub-Underwriters will not participate in the Top-Up Facility.

The Responsible Entity considers the possible effect on control as acceptable in the circumstances as this would only occur once all eligible Unitholders have had an equal opportunity to participate in the Entitlement Offer (including the ability to increase their holding through the Top-Up Facility).

Andrew Saunders  
Company Secretary