

30 August 2017

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

RNY Property Trust (ASX:RNY) – Notice to RNY unitholders

RNY Australia Management Limited (RAML) as responsible entity of RNY Property Trust (the Trust) reported previously that the Board Committee (the Committee) of RAML is considering a 1.5c per unit takeover bid for the Trust from Aurora Funds Management Limited (Aurora) lodged on 28 August 2017.

The Committee notes that the Aurora takeover bid price of 1.5c per unit is within the prior estimated range of potential distributions to unitholders made on 11 August 2017, being 0-2c per unit. The Committee is not at this stage recommending the bid price but notes that some unitholders may find it attractive and that this may influence some unitholders to support Aurora in the upcoming vote on 12 September.

However, the Committee is concerned that the Aurora takeover bid has as one key purpose allowing Aurora to buy units on market in order to effect a change of responsible entity on 12 September and that if this purpose is achieved Aurora may seek to rely on a bid condition to terminate its obligation to proceed with the takeover bid thereby denying unitholders the ability to sell at 1.5c if they wish to do so.

The Committee therefore calls on Aurora to make its takeover bid unconditional by close of business Friday, 1 September 2017 and to publicly state the fees they will charge the Trust for its services if it is appointed responsible entity.

Making its bid unconditional would demonstrate that Aurora intends to proceed and to pay unitholders the 1.5c bid consideration.

If Aurora does not make its bid unconditional, this will confirm the Committee's belief that there is a serious risk that Aurora will seek not to proceed with its takeover if it becomes responsible entity. In this event the Committee encourages unitholders to have regard to the following in casting their votes for the 12 September meeting:

- it is highly unusual to deliver control to a bidder such as Aurora at this very early and conditional stage of a takeover bid, and
- voting to appoint Aurora as responsible entity on 12 September is the same as delivering control to Aurora, at a time when it has not paid the bid consideration and may never do so.

Accordingly, if Aurora does not make its bid unconditional, the Committee encourages unitholders not to give up their leverage by appointing Aurora as responsible entity until it has paid the bid consideration to all accepting unitholders. If this occurs in several months time, Aurora will be able to appoint itself as responsible entity relying solely on its own voting power.

RAML (if still the responsible entity after 12 September) will seek to achieve the best outcome for unitholders either by facilitating the bid (if still on foot) or by a cash distribution.

In summary, the Committee recommends that any unitholders who may otherwise be supportive of Aurora **do not vote to appoint Aurora as responsible entity unless and until unitholders are certain to receive the 1.5c bid consideration**.

The Trust is managed by RAML, an Australian licensed responsible entity which is an affiliate of RXR Realty. Other affiliates of RXR serve as property manager, leasing agent, asset manager, and construction manager and provide other services to the properties in the Trust portfolio. RXR is one of the New York Tri-State area's leading real estate companies, specializing in the acquisition, leasing, financing, property and asset management, design and development, and construction of commercial properties.

Certain statement herein relate to the Trust's future performance ("forward looking statements"). Although RAML believes such statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which principal tenants compete; financial condition of tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels and changes in credit ratings and changes in the cost of and access to capital.

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