



Entitlement Offer Booklet

Real Estate Capital Partners USA Property Trust

Details of a 0.64 for 1 renounceable pro-rata Entitlement Offer of ordinary units in Real Estate Capital Partners USA Property Trust ARSN 114 494 503 (RCU) at an Offer Price of \$0.067 per New Unit.

This Entitlement Offer closes at 5.00pm (AEST) on Friday, 22 July 2016.

This is an important document which requires your immediate attention. It is accompanied by an Entitlement and Acceptance Form for you to subscribe for New Units in RCU.

This Offer Booklet is dated 5 July 2016 and is issued by Quattro RE Limited ACN 115 913 810, AFSL 299074 as responsible entity for RCU (Responsible Entity).

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES OR TO U.S. PERSONS.

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IMPORTANT NOTICES

This Offer Booklet is dated **5 July 2016**.

The Entitlement Offer is being made without a product disclosure statement under section 1012DAA of the Corporations Act (as notionally modified by ASIC Class Order 08/35). This Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Offer Booklet is not a product disclosure statement under the Corporations Act and has not been lodged with ASIC.

The Responsible Entity may make additional announcements after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than the Responsible Entity has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Units or Top-Up Units through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Offer Booklet is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the U.S. and the District of Columbia). This Offer Booklet is not an offer of securities for sale, nor is this a solicitation of an offer to buy securities, in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the U.S. Securities Act of 1922, as amended (**U.S. Securities Act**)). The securities referred to herein have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of U.S. Persons absent registration or an exemption from registration.

No public offering of securities is being made in the United States.

This Offer Booklet is not to be distributed in, and no offer of New Units or Top-Up Units is to be made in countries other than Australia and New Zealand. The distribution of this Offer Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Offer Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Units, or otherwise permit the public offering of the New Units, in any jurisdiction outside Australia or New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Units is subject to all requisite authorities and clearances being obtained for the Responsible Entity to lawfully receive your Application Money.

Definitions, currency and time

Defined terms used in this Offer Booklet are contained in section 7. All references to currency are to Australian dollars and all references to time are to AEST, unless otherwise indicated.

Risks

Refer to section 6 of this Offer Booklet for a summary of risk factors that may affect an investment in RCU.

Further important information

Refer to section 4 of this Offer Booklet for further important information.

Section 1

Letter from the Responsible Entity

Dear Unitholder,

Quattro RE Limited ACN 115 913 810 (**Responsible Entity**) is the responsible entity for the Real Estate Capital Partners USA Property Trust ARSN 114 494 503 (**RCU**).

Entitlement Offer

The Responsible Entity invites you to participate in a 0.64 for 1 fully underwritten renounceable entitlement offer of new ordinary units (**New Units**) in RCU (**Entitlement Offer**), which the Responsible Entity announced to the Australian Securities Exchange (**ASX**) on 1 July 2016.

The Entitlement Offer is intended to raise approximately \$605,000 at an offer price of \$0.067 (**Offer Price**) per New Unit. The Offer Price of \$0.067 per New Unit represents a discount of 67% to the net tangible assets per Unit of \$0.20 as at 31 December 2015 and a 31% premium to 5 day VWAP to 30 Jun 2016 of \$0.051 per Unit. The Offer Price is also slightly below the issue price of \$0.0676 per Unit utilised in the recent placement to sophisticated investors announced on 7 June 2016.

Proceeds of the Entitlement Offer

Proceeds of the Entitlement Offer, net of costs, will be used to:

- add value to 1700 W, Higgins, Chicago, the sole property of RCU, by funding leasing, promotional, and other costs; and
- fund the strategy set out in the overview of RCU in section 5, 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.

Further Details of the Entitlement Offer

The Entitlement Offer is made to **Eligible Unitholders** (see section 3.1.4 for the definition of eligibility) to subscribe for 0.64 New Units for every 1 Unit held at 7.00pm AEST on the Record Date of 8 July 2016.

The Entitlement Offer is renounceable and Eligible Unitholders will be able to sell some or all of their Entitlements. Entitlements trading on the ASX will commence on Thursday 7 July 2016 and is scheduled to end at the close of trading on Friday 15 July 2016 (**Entitlement Offer Trading Period**).

Eligible Unitholders will be able to apply for additional New Units (**Top-Up Units**) in excess of their Entitlements under a top-up facility (**Top-Up Facility**) if there is a shortfall. Further details of the Top-Up Facility are set out in section 3.3.7.

The Responsible Entity encourages Eligible Unitholders to consider selling any of their Entitlements, to the extent that they do not intend to apply for New Units during the Entitlement Offer Trading Period, to prevent those Entitlements from lapsing at the end of the Entitlement Offer Trading Period. Unitholders who let their Entitlements lapse will receive no consideration.

Underwriting and sub-underwriting arrangements

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 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. 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.

Further details of the underwriting and sub-underwriting arrangements are set out in section 3.1.7.

Effect of Entitlement Offer on control of RCU

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 Top-Up Units.

Further details of the potential effect of the Entitlement Offer on the control of RCU are set out in section 3.1.8.

Offer Booklet

This Entitlement Offer booklet (**Offer Booklet**) contains important information on the Entitlement Offer to assist you in deciding whether to participate in the Entitlement Offer or take up Top-Up Units. You will find in this booklet the following important information:

- brief summary of the Entitlement Offer, timetable of key dates for the Entitlement Offer and contact details for enquiries (section 2);
- description of the Entitlement Offer and instructions on “How to Apply”, detailing how to accept all or part of your Entitlements if you choose to do so and take up Top-Up Units (section 3);
- further important information and notices, including in relation to tax (section 4);
- an overview of RCU (section 5); and
- a summary of risk factors that may affect an investment in RCU (section 6).

A separate, personalised Entitlement and Acceptance Form is also included with this Offer Booklet.

You should read this Offer Booklet carefully and in its entirety before deciding whether to accept the Entitlement Offer or apply for Top-Up Units including, in particular, the “Risks” section set out in section 6 of this Offer Booklet.

You should also review the interim financial report of RCU for the half-year ended 31 December 2015 and the Capital Initiatives Update announced on 7 June 2016, which can be accessed via the ASX website (www.asx.com.au). If after reading this Offer Booklet you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

To participate in the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form and send this to Registry, together with your payment of Application Money per one of the payment options on the Entitlement and Acceptance Form.

If you wish to participate in the Entitlement Offer and/or Top-Up Facility, you must apply for New Units and/or Top-Up Units before **5:00pm (AEST) on Friday 22 July 2016**, otherwise your Entitlements, including any Entitlements traded during the Entitlements Trading Period, will lapse.

Yours faithfully,



Ben Dillon
Chairman
Quattro Re Limited

Section 2

Summary of Entitlement Offer

Ratio	0.64 New Units for every 1 existing Unit held
Offer Price	\$0.067 per New Unit
Size	9,039,214 New Units
Gross proceeds (approximately)	\$605,000

Key Dates

Key Dates for the Entitlement Offer

EVENT	DATE
Announcement, Appendix 3B and cleansing statement lodged	Friday, 1 July 2016
Eligible Unitholders and Ineligible Unitholders notification date	Tuesday, 5 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 Australian Eastern Daylight Savings Time (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.

Enquiries

If you are in doubt as to the course you should follow you should consult your stockbroker, accountant, solicitor or other independent professional adviser.

If you have:

- questions on how to complete the Entitlement and Acceptance Form or take up your Entitlements; or
- lost your Entitlement and Acceptance Form and would like a replacement form,

please call the RCU Unitholder Information line on 1300 853 816 (free call cost within Australia) or on +61 1300 853 816 (from outside Australia) at any time from 8.30am to 5:30pm (AEST) Monday to Friday during the period that the Entitlement Offer is open.

Section 3

Description of Entitlement Offer and How to Apply

3.1 Description of Entitlement Offer

3.1.1 Overview

The Entitlement Offer is a renounceable offer of approximately 9,039,214 New Units at \$0.067 per New Unit to raise approximately \$605,000 (before costs including fees paid to the Underwriter). The Entitlement Offer is being made to Unitholders who have a registered address in Australia or New Zealand (and who are not otherwise ineligible within the definition of 'Ineligible Unitholders' in the Glossary).

Eligible Unitholders who are on RCU's register at 7.00pm (AEST) on Friday, 8 July 2016, being the Record Date, will be entitled to apply for 0.64 New Units for every 1 Unit held on that date, at an issue price of \$0.067 per New Unit. In addition, Eligible Unitholders will be able to apply for participate in any shortfall under the Entitlement Offer by applying for Top-Up Units under the Top-Up Facility. The Offer Price is payable in full on application for New Units under the Entitlement Offer or Top-Up Units.

Proceeds of the Entitlement Offer, net of costs, will be used to:

- add value to 1700 W, Higgins, Chicago, the sole property of RCU, by funding leasing, promotional, and other costs; and
- fund the strategy set out in the overview of RCU in section 5, 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.

3.1.2 Entitlements

The number of New Units to which you are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. In determining Entitlements, any fractional Entitlements have been rounded up to the nearest whole number of New Units. If the calculated total amount due for those Entitlements is of a fractional cent, then the total amount payable is rounded down to the nearest cent.

If there is a shortfall and you have applied for Top-Up Units, you will be allocated additional New Units pro rata having regard to your holding at the Record Date. This process will be repeated until either the entire shortfall has been allocated or all Top-Up Unit applications have been satisfied in full. Further details of the Top-Up Facility are set out in section 3.3.7.

3.1.3 Rights of the New Units

New Units will trade under the code RCU and will rank equally with existing Units in all respects. All New Units will be fully paid.

The Responsible Entity will adhere to a conservative and prudent distribution policy which is appropriate in the current market. Operating earnings will be retained for the purposes of debt service, maintenance, capital expenditure and leasing costs and therefore no distribution will be paid for the foreseeable future.

3.1.4 Eligibility to participate in Entitlement Offer

The Responsible Entity is only making an offer under the Entitlement Offer to Eligible Unitholders. An Eligible Unitholder is a holder of Units who is registered as a holder of Units as at 7.00pm (AEST) on the Record Date and who is not an Ineligible Unitholder.

A person will be an **Ineligible Unitholder** if that person:

- has a registered address which is not in Australia or New Zealand;
- is in the United States or is a U.S. Person (as defined in Regulation S under the U.S. Securities Act) or acting for the account or benefit of a U.S. Person; or
- is ineligible under any applicable securities laws to receive an offer under the Entitlement Offer.

The Responsible Entity has decided that it is unreasonable to extend the Entitlement Offer to Ineligible Unitholders having regard to:

- the number of Unitholders outside Australia and New Zealand;
- the number and value of New Units that would be offered to unitholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

An Eligible Unitholder who holds Units on behalf of a person in a jurisdiction outside Australia or New Zealand is not precluded from participating in the Entitlement Offer on behalf of that person provided that person is eligible under applicable securities laws to receive an offer, and be issued New Units under the Entitlement Offer without any requirement for a product disclosure statement or other offer document to be lodged or registered.

3.1.5 Rights trading

The Entitlement Offer is renounceable. This means that Eligible Unitholders who do not wish to take up all or some of their Entitlements may sell or transfer their rights to their Entitlements during the Entitlement Offer Trading Period. Eligible Unitholders are able to renounce (i.e. sell) the Entitlements which they do not wish to accept in order to realise the value which may attach to their Entitlements. Information on how Entitlements may be sold or transferred is set out in Section 3.3. The Entitlements will be quoted on ASX.

If you decide not to exercise all or part of your Entitlements, you should consider whether you wish to renounce your Entitlements.

3.1.6 Allocation policy

All Eligible Unitholders who validly apply for New Units will, at a minimum, have their Applications satisfied up to their Entitlements, unless all or part of the Entitlement Offer is withdrawn. In addition, if there is a shortfall, Eligible Unitholders who apply for Top-Up Units will have their application for Top-Up Units allocated in accordance with the allocation policy described in section 3.3.7.

3.1.7 Underwriting and sub-underwriting arrangements

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.

Customary with these types of arrangements:

- (a) the Underwriter is responsible for managing and marketing the Entitlement Offer;
- (b) the Underwriting Agreement includes a number of termination events, including but not limited to:
 - (i) if a statement contained in an Entitlement Offer document is or becomes misleading or deceptive or likely to mislead or deceive in any material respect;
 - (ii) market related termination events, including in the event that there is, for two consecutive trading days before the settlement date, a fall of 15% or more in the S&P/ASX 200 Index;
 - (iii) the Responsible Entity withdrawing the Entitlement Offer;
 - (iv) RCU or an entity in its consolidated group becoming insolvent;
- (c) the Underwriter will receive from the Responsible Entity:
 - (i) a management fee of 1% of the gross proceeds of the Entitlement Offer (excluding GST); and
 - (ii) an underwriting fee of 4% of the gross proceeds of the Entitlement Offer (excluding GST);
- (d) the Underwriter is entitled to reimbursement of certain expenses; and
- (e) the Responsible Entity has agreed to indemnify the Underwriter and others against their losses in connection with the Entitlement Offer, subject to limited exceptions.

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 Non-Executive 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 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. 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.

Customary with these types of arrangements:

- (a) the Sub-Underwriting Arrangements incorporate the Australian Financial Markets Association's Master ECM Terms, which provide for market standard representations, warranties and undertakings;
- (b) the Sub-Underwriting Arrangements may only be terminated where the Underwriter exercises its right of termination under the Underwriting Agreement; and
- (c) each Sub-Underwriter will receive from the Underwriter a fixed fee of \$6,000 (including GST).

3.1.8 Effect of Entitlement Offer on control of RCU

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 Top-Up Units.

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 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%
Total	14,123,771	100.00%	9,039,214	23,162,985	100.00%	23,162,985	100.00%	23,162,985	100.00%	23,162,985	100.00%

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).

3.1.9 Effect of Entitlement Offer on financial position of RCU

A pro forma balance sheet for RCU showing the effects of the Entitlement Offer (assuming the total funds raised under the Entitlement Offer) is set out in the overview of RCU in section 5.

3.1.10 Capital structure after Entitlement Offer

Subject to the rounding up of fractional Entitlements, the capital structure of RCU following the issue of New Units is expected to be as follows:

Existing Units on issue as at 1 July 2016 (announcement of Entitlement Offer)	14,123,771
New Units issued under the Entitlement Offer	9,039,214
Total number of Units after the Entitlement Offer	23,162,985

3.1.11 Allotment and quotation

The Responsible Entity has applied for the grant by ASX of official quotation of the New Units. If ASX does not grant quotation for the New Units, the Responsible Entity will not allot any New Units and all Application Money will be refunded without interest.

It is expected that normal trading will commence in relation to New Units issued under the Entitlement Offer on Monday, 1 August 2016. The Responsible Entity disclaims all liability (to the maximum extent permitted by law) to persons who trade New Units before the New Units are quoted on ASX or before receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Responsible Entity or the Registry.

3.2 Alternatives Available

If you are an Eligible Unitholder, you may take any of the following actions:

1. Take up your Entitlements.
2. Sell your Entitlements in full on ASX.
3. Take up part of your Entitlements and sell the remaining Entitlements on ASX.
4. Take up part of your Entitlements and allow the balance to lapse.
5. Transfer all or part of your Entitlements to another person other than via ASX, with or without taking up the balance of your Entitlements.
6. Do nothing and let your Entitlements lapse.
7. Apply for Top-Up Units.

Ineligible Unitholders may not take up any of their Entitlements and should refer to section 3.7 for further details of the options available to them.

As a result of this Entitlement Offer, Unitholders who do not take up all of their Entitlements will have their percentage unitholding in RCU diluted.

The Responsible Entity reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is 5.00pm (AEST) on **22 July 2016** (however that date may be varied by the Responsible Entity, in accordance with the Listing Rules and the Underwriting Agreement).

3.3 How to Apply

3.3.1 Taking up all or some of your Entitlements

If you wish to take up all or some of your Entitlements, either:

- Complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money; or
- Make payment of the applicable amount of the Application Money by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

3.3.2 Selling all or some of your Entitlements on ASX

If you wish to sell some or all of your Entitlements on ASX, please contact your broker as soon as possible and provide details as requested on the Entitlement and Acceptance Form. All sales on ASX must be effected by close of trading on Friday, 15 July 2016, when the Entitlement Offer Trading Period is scheduled to end. There is no guarantee that you will be able to sell your Entitlements.

3.3.3 Taking up part of your Entitlements and selling the remaining Entitlements on ASX

If you wish to take up part of your Entitlements and sell the remaining Entitlements on ASX:

- **In respect of the Entitlements to be sold**, instruct your stockbroker personally and provide details as requested from the Entitlement and Acceptance Form; and
- **In respect of the part of your Entitlements you are taking up**, complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money or make payment of the applicable amount of the Application Money by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

3.3.4 Taking up part of your Entitlements and allowing the remaining Entitlements to lapse

If you wish to take up part of your Entitlements under the Entitlement Offer and allow the remaining Entitlements to lapse, either:

- Complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for the number of New Units you wish to take up); or
- Make payment of the applicable amount of the Application Money by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

3.3.5 Transfer all or part of your Entitlements other than on ASX

You may elect to transfer all or part of your Entitlements to another person other than on ASX, provided that the purchaser is not an Ineligible Unitholder (or would not be an Ineligible Unitholder if the purchaser was the registered holder of the Units). To do this you must:

- **In respect of the Entitlements to be sold**, complete and return a Standard Renunciation Form to the Registry in accordance with the instructions on the Standard Renunciation Form; and
- **In respect of the part of your Entitlements you are taking up**, complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money or make payment of the applicable amount of the Application Money by BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

If the Registry receives both a completed Standard Renunciation Form and an Application for New Units in respect of the same Entitlements, the renunciation will be processed before any valid Application.

3.3.6 Do nothing and let your Entitlements lapse

If you do nothing, your Entitlements will lapse and you will receive no benefit. Although you will continue to own the same number of Units, your holding in RCU will be diluted following completion of the Entitlement Offer.

3.3.7 Applying for Top-Up Units

All Eligible Unitholders who have applied to take up their Entitlements in full may also apply for Top-Up Units under the Top-Up Facility. In order to apply for Top-Up Units in accordance with the Top-Up Facility, you must:

- Complete the "Number of additional New Units (Top-Up Units)" section of the Acceptance Form with the number of Top-Up Units being applied for, together with a cheque, bank draft or money order for the applicable amount of the Application Money; or
- Make payment of the applicable amount of the Application Money in accordance with the instructions on the Entitlement and Acceptance Form.

Each Eligible Unitholder who has applied for Top-Up Units under the Top-Up Facility will be allocated their pro rata share of any shortfall under the Entitlement Offer having regard to their unit holdings at the Record Date. If an Eligible Unitholder has made an application for an amount less than the amount of Top-Up Units that the Eligible Unitholder would otherwise be allocated under this process, the Eligible Unitholder will be allocated the amount applied for and if, following allocation of the shortfall in the first round, there still remains any shortfall, the above allocation process will be repeated in rounds until either the entire shortfall has been allocated or all Top-Up Unit applications have been satisfied in full. For the avoidance of doubt, the Corporations Act limits apply to the acquisition of Top-Up Units (other than by the Underwriter in accordance with the Underwriting Agreement or Sub-Underwriters in accordance with the Sub-Underwriting Arrangements).

If you apply for Top-Up Units under the Top-Up Facility and your application is successful (in whole or in part) your Top-Up Units will be issued at the same time that other New Units are issued under the Entitlement Offer. There is no guarantee you will receive any Top-Up Units under the Top-Up Facility. The Responsible Entity reserves the right to allot and issue New Units under the Top-Up Facility at its discretion.

3.3.8 Shortfall facility

A shortfall may arise if Applications received for New Units under the Entitlement Offer (including after the completion of the Top-Up Facility (if any) and the Entitlements of Ineligible Unitholders) are less than the number of New Units offered and the Underwriter does not acquire that shortfall under the Underwriting Agreement. As the Entitlement Offer is fully underwritten by the Underwriter, this scenario would only arise where the Underwriting Agreement has been terminated or the Underwriter otherwise fails to acquire the shortfall in accordance with the Underwriting Agreement.

The Responsible Entity reserves the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Units within three months after the Closing Date to either existing or new Unitholders at its discretion. If issued, Shortfall Units will be issued at a price not less than the Offer Price under the Entitlement Offer. Unitholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Units. As noted above, as the Entitlement Offer is fully underwritten by the Underwriter, the issue of Shortfall Units in accordance with the process described in this section would only occur where the Underwriting Agreement has been terminated or the Underwriter otherwise fails to acquire the shortfall in accordance with the Underwriting Agreement.

3.4 Payment

If you want to take up your Entitlements under the Entitlement Offer, you can pay in the following ways:

- BPAY®; or
- Cheque, bank draft or money order.

3.4.1 General

Cash payments will not be accepted. Receipts for payment will not be issued. Any Application Money received for more than your final allocation of New Units will be refunded as soon as practicable. If you subscribe for less than your full Entitlements or do not pay for your full Entitlements, you are taken to have taken up your Entitlements in respect of the whole number of New Units that is covered in full by your remitted Application Money.

3.4.2 Payment by BPAY®

For payment by BPAY® please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- You do not need to return the personalised Entitlement and Acceptance Form but are taken to make the declarations and other statements on that Entitlement and Acceptance Form (and in this Offer Booklet) as if you had returned it;
- If you do not pay for your full Entitlements, you will be regarded as having taken up your Entitlements in respect of such whole number of New Units which is covered in full by your Application Money; and
- It is your responsibility to ensure that your BPAY® payment is received by no later than 5.00pm (AEST) Friday, 22 July 2016. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

3.4.3 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on that Entitlement and Acceptance Form and return the Entitlement and Acceptance Form accompanied by a cheque, bank draft or money order for the amount of the Application Money, payable to "RCU Rights Issue Offer" and crossed "Not Negotiable". Your cheque, bank draft or money order must be:

- For an amount equal to \$0.067 multiplied by the number of New Units that you are applying for (including any Top-Up Units); and
- In Australian currency drawn on an Australian branch of a financial institution. You should ensure that sufficient funds are held in relevant account(s) to cover the Application Money as your cheques may be processed on the day of receipt. If the amount of your cheque for Application Money (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Units you have applied for, you will be taken to have applied for such lower number of whole New Units as your cleared Application Money will pay for (and to have specified that number of New Units on your Entitlement and Acceptance Form). Alternatively, your Application may not be accepted in the Responsible Entity's absolute discretion.

NOTE: All payments must be received by 5.00pm (AEST) on Friday, 22 July 2016. Accordingly, if you are paying by cheque, bank draft, or money order you should ensure that the Entitlement and Acceptance Form is posted so that it is received no later than 5.00pm (AEST) on Friday, 22 July 2016.

3.4.4 Mailing and Delivery Address

To participate, the Entitlement and Acceptance Form and your payment (in cleared funds) must be received no later than the close of the Entitlement Offer, on 5.00pm (AEST) Friday, 22 July 2016. The address for completed Entitlement and Acceptance Forms and cheques/bank drafts/money orders is:

Mail to:

Real Estate Capital Partners USA Property Trust
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
AUSTRALIA

Hand deliver to:**(Please do not use this address for mailing purposes)**

Real Estate Capital Partners USA Property Trust
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
AUSTRALIA

A reply paid or self-addressed envelope is provided with this Offer Booklet for Eligible Unitholders in Australia. New Zealand holders will need to affix the appropriate postage.

3.5 Holding Statements

The Units participate in CHESS. No certificates will be issued for New Units. The Responsible Entity expects that holding statements for New Units will be sent to Unitholders on Friday, 29 July 2016.

3.6 Role of your Stockbroker

Where you elect to sell Entitlements on ASX, your stockbroker will act on your behalf. The Responsible Entity accepts no responsibility for any failure by your stockbroker to carry out your instructions. Persons buying Entitlements will need to pay the Application Money to take them up and should follow the directions of their stockbroker.

3.7 Entitlements of Ineligible Unitholders

In accordance with Listing Rule 7.7.1 and sections 1012DAA (including section 9A) and 615 of the Corporations Act, the Responsible Entity has appointed an ASIC approved nominee, Patersons Securities Limited ACN 008 896 311, AFSL 239052 (**Nominee**), which will use its best efforts to sell on ASX of the Entitlements which would have been granted to Ineligible Unitholders. The net proceeds (if any) will be paid to the Registry for the purposes of remitting them to Ineligible Unitholders. The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner in which any sale is made. The proceeds of sale (if any) will be paid in Australian dollars to the Ineligible Unitholders for whose benefit the Entitlements have been sold in proportion to their unitholdings (after deducting brokerage commission and other expenses).

Neither the Responsible Entity nor the Nominee will be liable for a failure to sell Entitlements or to sell Entitlements at any particular price. If, in the reasonable opinion of the Nominee, there is no viable market for the Entitlements of Ineligible Unitholders, or a surplus over the expenses of sale cannot be obtained for the Entitlements that would have been offered to the Ineligible Unitholders, then those Entitlements may be allowed to lapse.

3.8 Provision of Personal Information

If you apply for New Units, you will be asked to provide personal information to the Responsible Entity and the Registry.

The Responsible Entity and the Registry will collect, hold and use that personal information to assess and process your Application, service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration. Information may be provided on a confidential basis to third party service providers (such as mailing houses), which may be located inside or outside of Australia, and otherwise as required or authorised by law.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

Under the Privacy Act 1998 (Cth) and the Privacy Act 1993 (New Zealand), as applicable, you may request access to your personal information held by or on behalf of the Responsible Entity. You can request access to your personal information or obtain further information about the Responsible Entity's management practices by contacting the Registry or the Responsible Entity. If the Registry's record of your personal information is incorrect or out of date, it is important that you contact the Responsible Entity or the Registry so that your records can be corrected.

3.9 Consent

None of the parties referred to in the Directory of this Offer Booklet (other than the Responsible Entity), has made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based. To the maximum extent permitted by law each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet other than references to its name or a statement or report included in this Offer Booklet with the consent of that party as specified above.

None of the Underwriter, its related bodies corporate, affiliates, officers, employees, consultants or agents has made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based. To the maximum extent permitted by law, each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet other than references to its name.

Section 4

Important Information

4.1 General

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Units.

In particular, you should consider the risk factors outlined in section 6 of this Offer Booklet that could affect the operating and financial performance of RCU or the value of an investment in RCU. Furthermore you should review the financial report for the half year ended 31 December 2015 and the Capital Initiatives Update announced on 7 June 2016, which can be accessed either on the Investment Manager's website (www.recap.com.au) or via the ASX website (www.asx.com.au).

4.2 Not Investment Advice

This Offer Booklet is not a product disclosure statement or other disclosure document under the Corporations Act or other regulated document under Australian or any other law and has not been lodged with ASIC. It is for information purposes only and does not contain all the information that would be required to be included in a product disclosure statement or other disclosure document. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Responsible Entity is not licensed to provide financial product advice in respect of the New Units.

The information in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible Application for New Units.

Before deciding whether to apply for New Units, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

4.3 No Cooling Off Entitlements

Cooling off rights do not apply to an investment in New Units. You cannot withdraw your Application once it has been accepted.

4.4 Risks

The Risks section of the Offer Booklet (section 6) details important factors and risks that could affect the financial and operating performance of RCU. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

Please consult with your stockbroker, accountant, solicitor or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

4.5 Taxation

Set out below is a summary of the Australian tax implications of the Entitlement Offer for Eligible Unitholders who are residents of Australia for tax purposes and who hold their Units as capital assets. The summary below does not apply to Eligible Unitholders who hold their Units as assets used in carrying on a business or who may carry on the business of security trading, banking or investment. The summary below does not apply to Eligible Unitholders whose Units are held through an employee security plan or whose Units are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Unitholder. Eligible Unitholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in Australia in effect as at the date of this Offer Booklet.

4.5.1 Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Unitholder.

4.5.2 Exercise of Entitlements

For Eligible Unitholders who exercise their Entitlements and are allocated New Units the cost base for capital gains tax (CGT) purposes of RCU will be equal to the offer price payable by them for those Units plus a reasonable apportionment of any non-deductible incidental costs they incur in acquiring them. Eligible Unitholders will not make any capital gain or loss, or assessable income, from exercising Entitlements or subscribing for the New Units.

4.5.3 Sale of Entitlements

Eligible Unitholders will trigger a capital gain equal to the consideration received for the disposal of their Entitlements. You may be able to reduce your capital gain if you have incurred incidental costs (e.g. adviser fees) in relation to the Entitlement Offer.

Certain Eligible Unitholders, such as individuals, trusts or complying superannuation funds that make a capital gain from the sale of their Entitlements, may be eligible for the CGT discount concession if the original Units were held for 12 months prior to the sale of the Entitlements.

4.5.4 Expiration of Entitlements

For Eligible Unitholders that do not exercise their Entitlements to acquire the New Units, the Entitlements will lapse or expire. Eligible Unitholders will not be deemed to receive any consideration as a result of the expiration or lapse of their Entitlements. On this basis, there should not be any CGT implications for Eligible Unitholders on the expiration of the Entitlements.

4.5.5 New Units

Eligible Unitholders who exercise their Entitlements and/or receive Top-Up Units will acquire New Units. Any future dividends or other distributions made in respect of those New Units will be subject to the same taxation treatment as dividends or other distributions made on Units held in the same circumstances.

If Eligible Unitholders receive a “tax deferred” distribution, it will generally not be included in an Eligible Unitholder’s assessable income. However the tax deferred component will reduce the cost base of the Units in RCU (as described above) and a capital gain will arise to the extent a tax deferred distribution exceeds the cost base of the Units. On any future disposal of New Units, Eligible Unitholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Units. New Units will be treated for the purposes of the CGT discount as having been acquired when the Eligible Unitholder exercised the right to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those Units, they must have been held for at least 12 months after that date before the disposal occurs.

4.5.6 Other Australian Taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of Entitlements or the acquisition of New Units. Unitholders should seek their own professional advice.

4.6 Information Availability

Eligible Unitholders in Australia and New Zealand can obtain a copy of the information in this Offer Booklet during the period of the Entitlement Offer via the Responsible Entity’s website at www.recap.com.au or by calling RCU’s Unitholder Information Line. Persons who access an electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. A replacement Entitlement and Acceptance Form can be requested by calling RCU’s Unitholder Information Line on 1300 853 816 (from within Australia) or +61 1300 853 816 (from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the period of the Entitlement Offer. No party other than the Responsible Entity has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in the information in this Offer Booklet.

4.7 Future Performance and Forward Looking Statements

Neither the Responsible Entity nor any other person warrants or guarantees the future performance of the New Units or any return on any investment made pursuant to the Entitlement Offer. Forward looking statements, opinions and estimates provided in the information in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions as to future events which may or may not be correct, many of which are outside the control of the Responsible Entity and its officers, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Booklet. There can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on forward looking statements.

4.8 Past Performance

Investors should note that the past performance of Units provides no guidance as to future price performance.

4.9 Governing Law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Units submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

4.10 Foreign Jurisdictions

This Offer Booklet is an Offer Booklet under Australian law which will be applicable to any offer made in New Zealand. It is not a New Zealand prospectus or an investment statement and has not been registered, filed with, or approved by, any New Zealand regulatory authority or under or in accordance with the Securities Act 1978 (New Zealand) or any other relevant law in New Zealand. This offer document may not contain all of the information that an investment statement or prospectus under New Zealand law is required to contain.

Securities are not being offered or sold to the public within New Zealand, and no member of the public in New Zealand may accept the offer made under this offer document, other than persons, being existing holders of Units in RCU, to whom it is permissible for the offer under this offer document to be made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002.

The distribution of the information in this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The New Units have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities law of any state or other jurisdiction of the United States. The New Units to be issued under the Entitlement Offer may be offered and sold solely outside the United States to persons that are not U.S. Persons and are not acting for the account or the benefit of U.S. Persons in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act. No party has offered or sold and no party will offer or sell, directly or indirectly, any New Units in the United States or to, or for account or benefit of, U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities law.

4.11 Declarations

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY[®], you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- agree to be bound by the terms of the Entitlement Offer, this Offer Booklet and the provisions of RCU's constitution;
- authorise the Responsible Entity to register you as the holder of the New Units allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that, if you are a natural person, you are over 18 years of age and have full legal capacity and power to perform all your Entitlements and obligations under the Entitlement and Acceptance Form;
- acknowledge that once the Responsible Entity receives the Entitlement and Acceptance Form or any payment of Application Money (including via BPAY[®]), you may not withdraw it;
- agree to apply for, and be issued up to, the number of New Units specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Money including via BPAY[®], at the issue price of \$0.067 per New Unit;
- agree to be allotted the number of New Units that you apply for;
- authorise the Responsible Entity and the Registry and their respective officers or agents, to do anything on your behalf necessary for New Units to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are an Eligible Unitholder and are otherwise not an Ineligible Unitholder;
- acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Units are suitable for you given your investment objectives, financial situation or particular needs, and is not a product disclosure statement, does not contain all of the information that you may require in order to assess an investment in RCU and is given in the context of RCU's past and ongoing continuous disclosure announcements to ASX;
- represent and warrant that the law of any other place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Units;
- acknowledge the statement of risks in section 6 of this Offer Booklet, and that an investment in RCU is subject to investment risk;
- acknowledge that neither the Responsible Entity nor any of the directors, officers, employees, agents, consultants or advisors of the Responsible Entity (either as responsible entity of RCU or in its own capacity) guarantees the performance of RCU nor do they guarantee the repayment of capital from RCU;
- have read the privacy statement in section 3.8 of this Offer Booklet and consent to the matters outlined in that statement;
- represent and warrant (for the benefit of RCU and its affiliates) that you are not in the United States and that you are not, and you are not acting for the account or benefit of, a U.S. Person;
- acknowledge that Entitlements and New Units have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand and accordingly, Entitlements may not be taken up, and New Units may not be offered, sold or otherwise transferred, in the United States or to, or for the account or benefit of, any U.S. Person except in accordance with an available exemption form, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law;
- agree not to send this Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and/or of your holding of Units on the Record Date.

Section 5

Overview of RCU

5.1 Summary

RCU was established in 2005 and is a registered managed investment scheme that is listed on the ASX. The principal activity of RCU is property investment in the United States. RCU's principal asset is an office property located at 1700 W Higgins, Chicago (**Higgins**).

As a result of the strategic review and engagement with the major Unitholders, RCU adopted a strategy to minimize overhead costs, add value to the Higgins property prior to its sale and assess opportunities to create value, with the long term objective being to close the gap that exists between RCU's trading price and its net tangible asset (**NTA**) backing per Unit.

The Higgins property has been extensively refurbished and repositioned with these works being predominately funded by RCU's lender from loan proceeds and reserves. The refurbishment works were completed in mid 2015. Since that time, an active re-leasing strategy has been employed with two new long term tenants secured, increasing occupancy at the property to approximately 53%.

The property is subject to a loan of US\$11.0 million, which is a modified loan as noted in the 30 June 2016 accounts and the ASX announcement dated 30 August 2013. The loan has a maturity date of 1 March 2017 and can be repaid as early as 2 December 2016.

RCU has adopted a strategy to:

- refinance the property on or after 2 December 2016, the earliest date under the current loan that a refinance or sale can be completed, with a new loan,
- assuming a refinance is completed on terms satisfactory to RCU, lease the property to an occupancy rate of approximately 85%-95%; or
- in the event a refinance cannot be completed on terms satisfactory to RCU, the property may be sold by 1 March 2017 (the current maturity date of the loan), noting RCU may extend the current loan for a further year by paying a fee to the lender.

The Responsible Entity considers that continued leasing of the property, and attaining a stabilised occupancy rate in the range of 85% to 95%, will position RCU to realise the added value to Unitholders that forms a key focus for RCU.

5.2 Higgins



Higgins is a 6 storey Class A office property located on Higgins Road in Des Plaines near O'Hare International Airport. The property was built in 1986 and refurbished in 2015. The property is highly visible from I90 and includes two 20 by 60 foot billboards leased long term.

The property has been refurbished and upgraded, with a new lobby, lift lobbies, toilets, canteen and common areas. In addition, vacant tenancies have been prepared for releasing, with new carpets, ceilings and painted. At completion of the refurbishment, the occupancy rate was approximately 40% and this has been increased to 53% with two new long term tenants.

Property summary by area:

- 135,151sqft of net lettable area
- 72,000 sqft leased,
- 63,000 sqft vacant,
- Current occupancy 53%

Major Tenant(s)

- Total Sweeteners, Inc.; 24,000 sqft
- Integrity Payment; 14,000 sqft.
- Missner Group; 11,000 sqft.
- Upfront Media; ground lease for the billboards
- Other; American Wide Broadband, Novamed, AF Chrissie and Colonial Life.

CBRE were appointed in May 2015 to relaunch the property to the market and lease available space, as well as work renewals. Approximately 63,000 square feet of space is presently available on the fourth, fifth and sixth floors of the property.

Proposal and tour activity in the O'Hare submarket, and the Chicago suburban office market in general, has improved, which together with the properties refurbishment, has allowed positive engagement with a number of prospective tenants.



5.3 Governance and management

Following completion of the Entitlement Offer, the Responsible Entity intends to review the governance and management arrangements for RCU in order to:

- better align management's incentive structures with the interests of RCU's Unitholders by the issue of options to key management; and
- provide Unitholders with greater influence in the management of RCU.

Changes to the governance and management arrangements for RCU following this review may include:

- internalising the Responsible Entity. The internalisation of the Responsible Entity means that RCU would own the management entity of the trust.
- changing the name of RCU to better reflect the investment strategy of RCU;
- the appointment of Mr Mordechai Benedikt to Board of the Responsible Entity. Mr Benedikt is an experienced businessman who has an extensive background in food imports. In addition, he is active in export trade to Asia. Over the last 5 years, Mr Benedikt has been involved in the Melbourne commercial/retail property market and public markets. He is a Director of Cohiba Minerals Limited (ASX: CHK) and Abilene Oil and Gas Limited (ASX: ABL)

5.4 Balance Sheet impact

The placement and loan drawdown completed on 7 June 2016 and this Entitlement Offer will have a dilutionary impact on the NTA of RCU. A 31 December 2015 proforma balance sheet is shown below.

The actual NTA of RCU at 30 June 2016 will be released following completion of the year end audit and release of the Annual Report on or before 31 August 2016. Details of the 30 June 2016 proforma NTA following the completion of the Entitlement Offer will also be disclosed with the release of the Annual Report.

RCU Balance Sheet	Actual 31-Dec-15 \$'000	Pro forma 31-Dec-15 \$'000
ASSETS		
Cash and cash equivalents	\$ 277	\$ 1,083
Trade creditors & receivables	\$ 134	\$ 134
Other assets	\$ 211	\$ 211
Assets held for sale	\$ -	\$ -
Investment properties	\$ 19,300	\$ 19,300
Other assets non current	\$ 2,119	\$ 2,119
TOTAL ASSETS	\$ 22,041	\$ 22,847
LIABILITIES		
Trade and other payables	\$ 2,437	\$ 2,568
Financial liability as fair value	\$ 17,136	\$ 17,136
TOTAL LIABILITIES	\$ 19,573	\$ 19,704
NET ASSETS/UNITHOLDER EQUITY	\$ 2,468	\$ 3,143

UNITS ON ISSUE	12,281,540	23,162,985
NTA PER UNIT	\$0.20	\$0.14

Assumes:

Placement and loan drawdown announced 7 June 2016 net of costs

Entitlement offer announced 1 July 2016 net of estimated costs

Section 6

Risks

There are risks associated with investing in RCU. This section aims to highlight some of the risk factors associated with an investment in RCU but is not exhaustive. You should consider the risks described here together with all other information contained in this document and/or publicly available and consult your financial advisers before you decide to invest.

If any of the following risks eventuate, either in part or in whole or in combination, the value of your investment in RCU may decline or be lost. You may lose all or part of your investment in RCU as well as the income from that investment, which may be lower than forecast or zero.

6.1 Control Effects of the Offer and Underwriting

Depending on the extent to which Eligible Unitholders partake in the Entitlement Offer and apply for Top-Up Units, there is a risk that through the Sub-Underwriting Arrangements, the Sub-Underwriters and their associates will increase their percentage holdings and voting power in RCU as a result of the Entitlement Offer. Further details of the potential effect of the Entitlement Offer on the control of RCU are set out in section 3.1.8.

6.2 Primary Business Risks

6.2.1 Availability and cost of capital

RCU's ability to raise additional capital on favourable terms for transactions of a capital nature, the refinancing of debt facilities and for ongoing operational expenses is dependent on a number of factors outside of its control including general global and domestic economic conditions both in Australia and the US, credit and capital markets and levels of political stability. These factors may impact both the availability and cost of capital as they are required which may then impact the earnings, cash flow and balance sheet of RCU. RCU currently does not receive consistent cash income and will not do so until the occupancy of Higgins exceeds 90%. RCU requires cash to settle its ongoing operating expenses and may require additional financing to meet these obligations in the future.

6.2.2 Refinance

The US\$11.00 million debt facilities mature on 1 March 2017. The current debt markets are volatile and there is a risk that debt facilities will not be able to be refinanced on terms currently proposed by potential lenders or at all. The amount raised in the Entitlement Offer together with RCU's retained operating earnings may not be sufficient to meet a refinancing shortfall for the debt facilities if the proceeds of refinancing are materially less than currently expected. If a refinancing cannot be achieved or there are insufficient funds to meet a shortfall, RCU will need to fund any shortfall through a sale of assets, for example, the Billboards. A sale in those circumstances would likely be at a price below book value resulting in a decrease in RCU's net asset value. If an asset sale cannot be achieved, the lender may foreclose on Higgins.

6.2.3 Compliance with covenants

RCU has debt agreements that contain covenants requiring the repayment of the loans. The principal loan of US\$11.00 million terminates on 1 March 2017 but can be extended for one year by the payment of a fee. The unsecured loan requires partial repayment by the same date, which cannot be extended. In the event that any of these covenants or other covenants are breached, the lenders may require repayment of the full loan amount and costs. Any breach may also adversely affect RCU's ability to obtain future debt and impact its overall capital position and operational cash flows.

6.2.4 Fluctuations in foreign exchange rates

RCU holds investments and cash in the US in US dollars. RCU does not hedge foreign exchange rate movements and any fluctuations in exchange rates exposes RCU's earnings and balance sheet to potential negative impacts.

6.2.5 Re-leasing risk

The ability to retain tenants and re-lease vacant space depends upon the implementing the re-leasing strategies. The ability to re-lease also depends on factors beyond the control of RCU including national economic conditions, regional and local economic conditions (which may be adversely impacted by plant closings, business layoffs, industry slow downs, weather conditions, natural disasters, and other factors), local real estate conditions (such as over-supply of or insufficient demand), changing demographics and perceptions by prospective tenants of the convenience.

6.2.6 Tenant and property risks

RCU derives its revenue from rent received from tenants in the buildings owned or under its control. There is a risk that tenants may default on their obligations under their contractual lease terms which may result in both a loss of income and loss of capital to RCU. If there is any prevailing weakness in economic conditions, tenants may either not elect or not be in a position to renew their leases on expiry and upon vacating, RCU may not be able to find suitable replacement tenants in the building in a suitable timeframe and at suitable cost. These events may impact the earnings and cash flow of RCU and valuation of the assets.

6.2.7 General market risks

Units in RCU are listed on the ASX. These are subject to price fluctuations which can be significant and can substantially change the value of your investment. Some of the risks affecting the market value of the investment on the ASX are: Australian, US and international economic conditions and outlook, including inflation, interest rates and foreign exchange rates. As a listed investment on the ASX which is relatively illiquid, the market value of RCU may be adversely impacted by the volume of Units being bought or sold at any point in time and if buyers are scarce, this may impact the price at which an investor may be able to sell their Units.

6.2.8 Counterparty/credit risk

There is a risk that third parties to contractual obligations with RCU and its subsidiaries such as tenants, contractors, service suppliers, joint partners, guarantors, insurers and counterparties to derivatives and other contracts may not be willing or able to perform their obligations under existing contracts or renew or enter into new contracts which may adversely impact the income or assets of RCU.

6.2.9 Fair value of investment property

The valuation of properties is largely based on the expected rental income which can be generated from a property and the expenses incurred in its operation. Rental income or market value can be affected by a number of factors, including the overall condition of the US or local economy, real estate conditions in the region in which the property is located, perception of potential tenants relating to the property, current state of plant and equipment and ongoing expenses and changes in capitalisation rates adopted by valuers.

Section 7 Glossary

A\$/	Australian dollars
AEST	Australian Eastern Standard Time
Application	An application to subscribe for New Units under the Entitlement Offer and/or Top-Up Units
Application Money	The total amount paid by an Eligible Unitholder subscribing for New Units under the Entitlement Offer and/or Top-Up Units
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the securities exchange operated by it (as the context requires)
CHESS	ASX Clearing House Electronic Sub-registry System
Closing Date	5.00pm (AEST) on Friday, 22 July 2016
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Eligible Unitholders	Has the meaning set out in section 3.1.4
Entitlement/s	The entitlement to subscribe for 0.64 New Units for every 1 Unit held on the Record Date by Eligible Unitholders
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Offer Booklet upon which an Application can be made
Entitlement Offer	The 0.64 for 1 renounceable entitlement offer to which this Offer Booklet relates
Entitlement Offer Trading Period	The period commencing on Thursday, 7 July 2016 and which is scheduled to end at the close of trading on Friday, 15 July 2016
Ineligible Unitholders	Has the meaning set out in section 3.1.4
Listing Rules	The Listing Rules of ASX as modified or waived from time to time
New Units	The new Units offered under the Entitlement Offer (including the Top-Up Units)
Nominee	Paterson Securities Limited ACN 008 896 311
NTA	Net tangible assets
Offer Booklet	This offer booklet
Record Date	7.00pm (AEST) on Friday, 8 July 2016
Registry	Link Market Services Pty Limited
Responsible Entity	Quattro RE Limited ACN 115 913 810 in its capacity as responsible entity for RCU
RCU	Real Estate Capital Partners USA Property Trust (ARSN 114 494 503)
Shortfall Units	Any shortfall of New Units that arises if Applications received for New Units under the Entitlement Offer (including after the completion of the Top-Up Facility (if any) and the Entitlements of Ineligible Unitholders) are less than the number of New Units offered and the Underwriter or Sub-Underwriters do not acquire that shortfall under the Underwriting Agreement and Sub-Underwriting Arrangements
Sub-Underwriters	Each of Zerve Pty Ltd ACN 154 616 912, Jascot Rise Pty Ltd ACN 137 767 634 and Kushkush Investments Pty Ltd ACN 152 612 363
Sub-Underwriting Arrangements	The arrangements between the Underwriter and the Sub-Underwriters described in section 3.1.7
Top-Up Facility	The facility described in section 3.3.7 under which certain Eligible Unitholders may apply for additional New Units in excess of their Entitlements
Top-Up Units	Additional New Units an Eligible Unitholder may apply for in excess of their Entitlements under the Top-Up Facility
Underwriter	SA Capital Pty Ltd ACN 114 959 803
Underwriting Agreement	The agreement between the Underwriter and the Responsible Entity dated on or about 1 July 2016
Units	Ordinary units in RCU
US\$	United States Dollars
VWAP	Volume weighted average price

Section 8
Corporate Directory

Real Estate Capital Partners USA Property Trust

ARSN 114 494 503

Responsible Entity

Quattro RE Limited

ABN 55 115 913 810, AFSL 299074

Level 9, 117 Macquarie Street

Sydney NSW 2000 Australia

ASX Listing

RCU Units are listed on the Australian Securities Exchange (ASX code: RCU)

Website

To view annual reports, unitholder and company information, news, announcements, background information on RCU's businesses and historical information, visit the Responsible Entity's website at www.recap.com.au

RCU Unitholder Information Line

Telephone: 1300 853 816 (Australia)

+61 1300 853 816 (outside Australia)

Open 8.30am to 5.30pm (AEST)

Registry

Link Market Services Limited

1A Homebush Bay Drive

Rhodes NSW 2138

Phone (within Australia): 1300 853 816

Phone (outside Australia): +61 1300 853 816

Auditor

Pitcher Partners

Level 22, MLC Centre

19 Martin Place

Sydney NSW 2000