

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

Dated 22 February 2022

US Student Housing REIT ARSN 665 096 629

Equity Trustees Limited

ABN 46 004 031 298

Australian Financial Services Licence No. 240975

Important information

This supplementary product disclosure statement ("**SPDS**") is issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL No. 240975) ("**Responsible Entity**") as the responsible entity of the US Student Housing REIT (ARSN 665 096 629) (the "**REIT**"). This SPDS supplements, and is intended to be read together with, the product disclosure statement ("**PDS**") for the offer of Units in the REIT dated 15 December 2021 ("**Original PDS**").

This SPDS is dated 22 February 2022 and was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. Neither ASIC, ASX Limited ("**ASX**") nor their respective officers take responsibility for the contents of this SPDS. Application has been made to ASX for the quotation of the Units to be issued pursuant to the offer of Units in the REIT.

The information set out below is taken to be included in the Original PDS. Except where defined in the SPDS, capitalised terms have the meaning set out in the Original PDS.

1. Purpose of this Document

The purpose of the SPDS is to:

- reduce the targeted subscription amount for the Offer to a minimum of \$13 million and a maximum of \$25 million;
- provide additional disclosure as a result of the change to the Offer size; and
- amend the key dates of the Offer.

2. Pro Forma Statements of Financial Position

The Pro Forma Statements of Financial Position set out below have been prepared to illustrate the financial position of the REIT immediately following completion of the Offer and the expenditure of the REIT associated with the costs and expenses of the Offer. The Pro Forma Statements of Financial Position have been prepared in accordance with the significant accounting policies set out in Section 6.8 of the Original PDS.

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

This table should be read in place of the tables and associated notes set out in Sections 6.2.2 and 6.5.2 of the Original PDS.

These Pro Forma Statements of Financial Position are intended to be illustrative only. They should also be read in conjunction with the risk factors set out in Section 7 of the Original PDS and other information contained in the Original PDS.



Group Balance Sheet	US\$ (AT MINIMUM SUBSCRIPTION AUS\$13 MILLION)	US\$ (AT MAXIMUM SUBSCRIPTION AUS\$25 MILLION)	US\$ (ORIGINAL AUS\$45 MILLION)
ASSETS			
Cash	8,673,082	17,025,082	30,945,082
Investments	42,873,900	42,873,900	42,873,900
Other Assets	251,750	251,750	251,750
Total Assets	51,798,732	60,150,732	74,070,732
LIABILITIES			
Borrowings	-	-	-
Other Liabilities	941,601	941,601	941,601
Total Liabilities	941,601	941,601	941,601
NET ASSETS	50,857,131	59,209,131	73,129,131
EQUITY	50,857,131	59,209,131	73,129,131

Key Metrics			US\$
Units on issue (#)	53,721,367	62,417,020	76,926,078
NTA per Unit (US\$)	0.95	0.95	0.95
Balance Sheet Gearing (%)	-	-	-
Underlying Asset Level Gearing (%)	63.3%	63.3%	63.3%

Investment in Investment Properties	US\$
Fair Value of Investee Company Properties	116,853,020
Less Investee Company Borrowings	(73,979,119)
Net Investment in Underlying Investee Company Properties	42,873,900

Table 7: Transaction Costs	A\$13m	A\$25m	A\$45m
	US\$	US\$	US\$
Advisor Fees	413,250	761,250	1,341,250
Legal Fees	304,500	304,500	304,500
ASX Listing Fees	106,284	113,054	137,750
Other Fees	529,613	529,613	529,613
Total Transaction Costs	1,353,647	1,708,417	2,313,113
Capitalised	477,478	867,552	1,496,482
Expensed	876,168	840,865	816,630

2.1. Assumptions

In addition to the assumptions listed in Sections 6.2.2 and 6.2.8 of the Original PDS, the Pro Forma Statements of Financial Position have been prepared on the basis of the following:

- the column headed "MINIMUM SUBSCRIPTION AUS\$13 MILLION", has been prepared on the basis of subscriptions of 9.4 million Units by Applicants at an Application Price of \$1.38 per Unit;
- the column headed "MAXIMUM SUBSCRIPTION AUS\$25 MILLION", has been prepared on the basis of subscriptions of 18.1 million Units by Applicants at an Application Price of \$1.38 per Unit; and
- the reviewed Pro Forma Statements of Financial Position assume an exchange rate of US\$0.725 per A\$1.000.

3. Consents and Responsibility Statements

BDO Corporate Finance (East Coast) Pty Ltd has confirmed to the Responsible Entity that the Limited Assurance Investigating Accountant's Report ("**Investigating Accountant's Report**") included in Section 9 of the Original PDS covers the additional table and notes in Section 2.1 of this SPDS dealing with the revised \$13 million Minimum Subscription and \$25 million Maximum Subscription condition. A copy of that Investigating Accountant's Report can be found in the Original PDS.



4. Key Dates

The key dates of the Offer have changed as a result of the SPDS. The key dates of the Offer are now:

Broker Firm Offer and Priority Offer Closes	Tuesday, 15 February 2022
Settlement of Offer Proceeds	Monday, 28 February 2022
Issue and allotment of Units	Wednesday, 2 March 2022
Dispatch of holding statements	Monday, 7 March 2022
Commencement of trading on a normal settlement basis	Monday, 7 March 2022

The above dates are indicative only and may vary, subject to the requirements of the Corporations Act and the ASX Listing Rules. The Responsible Entity may vary the dates and times of the Offer without notice.

5. Key Offer Statistics

The Key Offer Statistics have changed as a result of the SPDS. The Key Offer Statistics are now:

	Unit	Disclosed in PDS	Minimum Offer (\$13 million)	Maximum Offer (\$25 million)
Offer Price per unit	A\$/sh	1.38	1.38	1.38
Offer size	A\$	45,000,000	13,000,000	25,000,000
Number of Units to be issued under the Offer	#	32,625,000	9,420,290	18,115,942
Total number of units on issue following Allotment	#	76,926,078	53,721,367	62,417,020
Market capitalisation at the Offer Price	A\$	106,104,935	74,135,487	86,135,487
Distribution payout ratio	%	100%	100%	100%
Forecast Adjusted Distribution Yield assuming full utilisation of Foreign Tax Credit (%) per unit (based on Offer Price)	%	5.3%	5.3%	5.3
NTA per Unit	A\$/sh	1.31	1.31	1.31
Offer Price premium to NTA value per Unit	%	5.2%	5.6%	5.4%
Underlying Asset Level Gearing on Completion	%	63%	63%	63%
Number of Properties	#	11	9	10
Independent Valuation	US\$m	189	136	162
Weighted Average Capitalisation Rate (WACR)	%	5.11	5.04	5.19
Occupancy as at October 2021	%	96	96%	96%

6. Sources and Uses of Proceeds

The sources and uses of Proceeds have changed as a result of the SPDS.

The Proceeds of the Offer will be applied to:

- settle the contracted acquisition of Lofts on 8th of US\$6.3 million;
- US\$4.0 million to acquire the remaining non-controlling interest in Edgewood from a third party;
- US\$0.4 million to acquire the remaining non-controlling interest in Traditions, 607 South, Balcony MSU, West 100 and Village Walk from a third party; and
- if the Maximum Subscription amount is raised, settle an additional contracted acquisition of Vue on Walnut of US\$9.7 million.



The table below sets out the sources and uses of Proceeds as at the Minimum Subscription and the Maximum Subscription amounts:

Sources	US\$ (Minimum Subscription)	US\$ (Maximum Subscription)	Uses	US\$ (Minimum Subscription)	US\$ (Maximum Subscription)
Proceeds from the Offer	9.4	18.1	Transaction costs	1.4	1.7
Cash at bank	5.0	5.0	Acquisition of non-controlling interests	4.4	4.4
			Acquisition of Additional Properties (inclusive of transaction costs)	6.3	16.0
			Cash at bank	2.3	1.0
Total sources	14.4	23.1	Total uses	14.4	23.1

7. Working Capital

The Manager has advised the Board that it is of the opinion that the REIT will have sufficient working capital at the time of its admission to carry out its stated business objectives.

The REIT no longer intends to acquire the Cherry Street property and the deposit will be reimbursed.

8. Portfolio Overview

The Portfolio Overview at Allotment has changed as a result of the SPDS. The Portfolio Overview at Allotment is as follows:

	Asset	Ownership Status	University	Valuation (US\$)	No. of Beds	Occupancy	Cap Rate	Asset Profile	Ownership
1	607 South	Settled	University of Mississippi	\$5,600,000	52	100%	5.25	Core Plus	100%
2	Traditions	Settled	University of Mississippi	\$6,100,000	72	97%	5.25	Core Plus	100%
3	Village Walk	Settled	University of Mississippi	\$4,875,000	54	93%	5.25	Core Plus	100%
4	West 100	Settled	University of Mississippi	\$4,900,000	60	87%	5.25	Core Plus	100%
5	Balcony MSU	Settled	Mississippi State University	\$10,275,000	116	100%	5.00	Core Plus	100%
6	200 Edgewood	Settled	Georgia State University	\$34,900,000	240	95%	4.85	Core Plus	100%
7	The Edge	Settled	Texas Tech University	\$27,500,000	288	97%	5.25	Value-Add	90%
8	Clemson Living	Settled	Clemson University	\$25,500,000	245	99%	4.75	Core Plus	95%
Total Properties (at Allotment)				\$119,650,000	1127	97%	5.01		
9	Lofts on 8th	Held under PSA	Arizona State University	\$16,650,000	112	92%	5.30	Value-add	95%
Total Properties (Minimum Subscription)				\$136,300,000	1239	96%	5.04		
10	Vue on Walnut	Held under PSA	Missouri State University	\$25,700,000	348	93%	6.00	Value-add	95%
Total Properties (Maximum Subscription)				\$162,000,000	1587	96%	5.19		



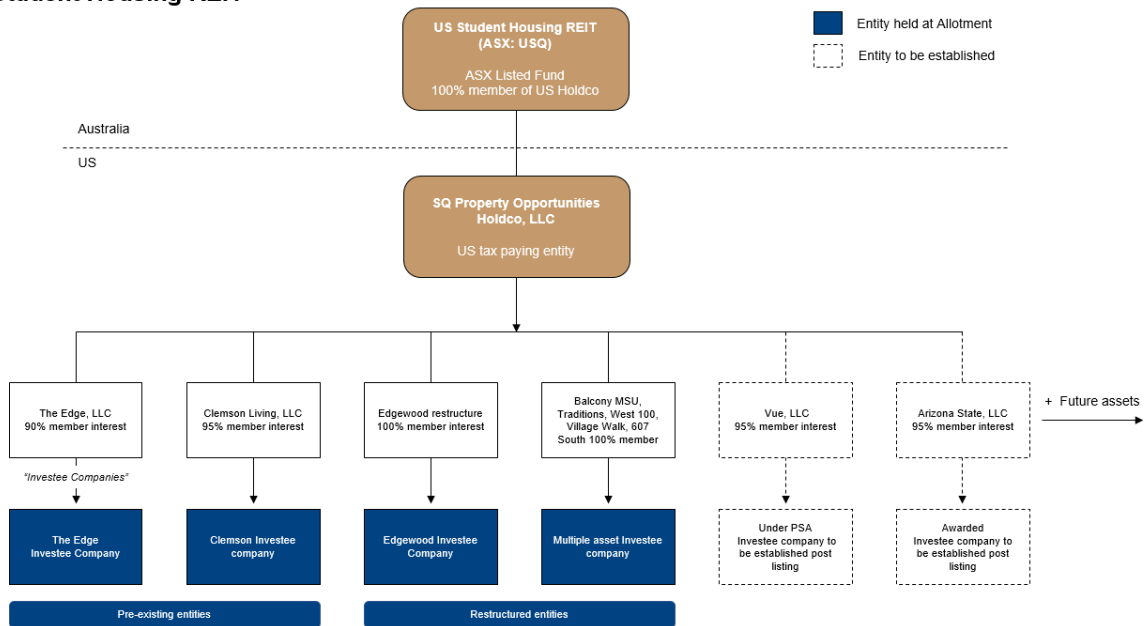
Depending on the final Subscription Amount, the Pro Forma Portfolio will consist of 9-10 high-quality Properties with a Gross Asset Value of US\$136 million - US\$162 million:

- geographically diversified portfolio of 9-10 purpose-built student housing properties located across 6-7 universities in 5-6 states;
- Portfolio of 1239 - 1587 beds;
- Boutique assets with no development risk;
- High portfolio occupancy rate of 96.13%; and
- Properties consist of core plus and value-add assets

9. Ownership and Unitholding Structure

A simplified structure of the ownership and property interests of the REIT is shown below.

US Student Housing REIT



Details of the ownership of Units prior to and following Completion are set out below:

Unitholders	Number of Units pre Completion	Number of Units post Completion (Minimum Subscription)	Number of Units post Completion (Maximum Subscription)
US Student Housing REIT	44,301,078	44,301,078	44,301,078
New Unitholders	0	9,420,290	18,115,942
Total Units	44,301,078	53,721,368	62,417,020

10. Definitions and Interpretations

The changes referred to above have resulted in changes to definitions in the Glossary in Section 14 of the Original PDS as follows:

Additional Properties	Collectively refers to the two properties that are intended to settle post Allotment date (subject to the Subscription Amount) and will therefore form part of the Portfolio post Completion of the Offer
Allotment Date	The date on which Allotment occurs, expected to be Wednesday, 2 March 2022
Broker Firm Offer Closing Date	The date on which the Broker Firm Offer will close, Tuesday, 15 February 2022
Closing Date	The closing date of the Offer is 5:00pm (Sydney time) on Tuesday, 15 February 2022



Listing	Official quotation of the Units on the ASX and commencement of trading of the Units on the ASX
Maximum Subscription	A maximum subscription of 18.1 million Units
Minimum Subscription	A minimum subscription of 9.4 million Units
Offer Closing Date	The date on which the Offer closes, being Tuesday, 15 February 2022.
Offer Period	The period between the Opening Date, being 17 January 2022 and the applicable closing date, being Tuesday, 15 February 2022.
Pro Forma Portfolio	The REIT property portfolio consists of 9-10 assets with a fair failure of approximately US\$136 - 162 million across 6-7 universities in 5-6 states.
Subscription Amount	The Minimum Subscription or the Maximum Subscription, as the context requires

The amounts set out in Section 2 above replace any references in the Original PDS to amounts the Responsible Entity is seeking to raise under the Offer and Units offered under the Offer, including those amounts not specifically referred to in this SPDS.

The dates set out in Section 4 above replace any references in the Original PDS to key dates in relation to the Offer, including those dates not specifically referred to in this SPDS.