

31 March 2022
ASX Announcement

Settlement of Lofts on 8th at Arizona State & Major Debt Refinance

Key Points:

- The REIT has settled a new asset, Lofts on 8th at Arizona State University
- Existing assets, including Lofts, successfully refinanced
- New debt locked in across 6 assets at 3.99% fixed for 10 years
- On track to deliver significant annual rental increases on current pre-leasing for the 2022/2023 academic year

US Student Housing REIT (ASX: USQ) ('USQ' or 'the REIT') is pleased to announce that it has settled Lofts on 8th at Arizona State University ('ASU').

Total consideration for the purchase was US\$17.25M (~A\$23.3M) with Student Quarters (SQ) providing co-investment capital in the asset. The REIT now has a total Gross Asset Value ('GAV') of US\$136.9M (~A\$185M) with a portfolio of 9 properties, 1,239 beds at 6 universities across the United States. Debt on the asset is fixed at 3.99% p.a. for 10 years.

ASU is a top-tier university and one of the largest in the United States with total enrolment of over 50,000 students. ASU is one of the top student housing markets in the United States.

Lofts on 8th was built and delivered in late 2020 and is nearly fully leased for the next academic year (2022/2023) commencing in August. These boutique-style 4 bedroom townhouses offer students a unique living setup with personal two-car garages, rooftop patios and oversized floorplans.

To view a video of the asset please click on the following link: www.loftson8th.com.

Further updates and distribution timetable:

- USQ will provide a detailed **pre-leasing update** as at the end of March quarter during April. To date, Student Quarters is on track to deliver significant **annual rental increases** in the 2022-2023 academic year across the portfolio.
- **Management roadshow** in May with SQ senior management in Australia.
- **Maiden distribution** to be delivered in May 2022.

The Responsible Entity intends to pay distributions quarterly, with Unitholders to receive distributions within 2 months following the end of each distribution period. The first distribution is expected to be paid in May 2022.

Distribution Period:	Payment Month:
31 March 2022	May 2022
30 June 2022	August 2022
30 September 2022	November 2022
31 December 2022	February 2023

Alignment capital from both the Investment Manager and Asset Manager:

Auctus (Investment Manager), through its wholly owned subsidiary Auctus Investment Holdings Pty Ltd (AIH), currently holds 6.51% of the issued capital in the REIT.

SQ (Asset Manager) invests at the asset level, with over US\$1M committed alongside USQ investors to date.

Both Auctus and SQ continue to have strong conviction on the portfolio and what it can deliver USQ investors in both yield and capital growth moving forward.

Refinance on existing assets in the portfolio:

USQ is pleased to announce that it has successfully refinanced the following 6 existing assets in the portfolio with debt matching the above on Lofts on 8th:

- 200 Edgewood, Atlanta GA (Georgia State University)
- Oxford Properties: 607 South, Traditions, Village Walk & West 100 (University of Mississippi)
- Balcony at MSU (Mississippi State University)

In an inflationary environment, USQ believe that the combination of low fixed rate debt and strong annual rental increases across the portfolio provides a significant hedge. Equally, these factors should lead to Net Operating Income (NOI) improvements over time.

We look forward to providing further updates over the coming weeks.

About USQ

US Student Housing REIT (www.usq-reit.com) is a real estate investment trust listed on the ASX with a mandate to invest in off campus student housing at large four-year public universities across the United States. The REIT was established to acquire and manage high-quality purpose-built student housing assets located within close proximity to top-tier public universities across the United States, and drive value through operational strategy and capital upgrades. This announcement has been authorised for release by the Board of USQ.

About Auctus

Auctus Investment Group Limited ('Auctus') is an ASX listed global investment manager with in-excess of A\$450M Assets Under Management (AUM), focusing on opportunities across private equity, infrastructure and private real estate. Our core investment thesis is investing in sectors with strong tailwinds and potential to scale. Auctus provides access to these private market investments for wholesale, Family Office and sophisticated investors.

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About Student Quarters

Student Quarters is an Atlanta based, specialist student housing asset manager founded in 2013 with a demonstrated track record of value generation. SQ manage in excess of >US\$1bn across off-campus student housing, and 10,000+ beds. The team are highly experienced student housing owners with over 50 years of combined experience in underwriting, repositioning, managing, and disposing of quality student housing properties. SQ provides best in class operating and leasing experience for premier located, pedestrian friendly assets at major public Universities.

Yours sincerely,

Russell Beasley

Director

Equity Trustees Limited (ACN 004 031 298, AFSL 240975) as Responsible Entity for US Student Housing REIT

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