

APPENDIX 4D HALF-YEAR REPORT

US Student Housing REIT (ARSN: 655 096 629) (the REIT)

DETAILS OF REPORTING PERIOD

Current reporting period	1 July 2022 to 31 December 2022
Previous corresponding period	1 July 2021 to 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

PERFORMANCE	HALF-YEAR ENDED 31 DECEMBER 2022 US\$'000		HALF-YEAR ENDED 31 DECEMBER 2021 US\$'000
Total investment income/(loss) (Revenue from ordinary activities)	4,221	Up 858% from	(557)
Operating profit/(loss) for the half-year	3,492	Up 207% from	(3,257)
Total comprehensive income/(loss) for the half-year	3,492	Up 207% from	(3,257)

DETAILS OF DISTRIBUTIONS

The distributions for the half-year ended 31 December 2022 are as follows:

DISTRIBUTIONS ^{(1), (2), (3)}	RECORD DATE	PAYMENT DATE	AMOUNT PER UNIT (CPU) US\$
June 2022 quarter	19 August 2022	30 August 2022	1.0531
September 2022 quarter	24 November 2022	30 November 2022	0.7774

Total

⁽¹⁾ Subsequent to the current reporting period, the directors of REIT have announced the details of its distribution for the quarter ended 31 December 2022. The estimated distribution of 1.10 cents per ordinary unit has the record date of 22 February 2023 and payment date will be 28 February 2023.

⁽²⁾ All distributions relate to foreign sourced income.

⁽³⁾ The REIT is a flow through vehicle for tax purposes and thus there is no franked amount per unit.

**NET TANGIBLE ASSETS**

	AS AT 31 DECEMBER 2022	AS AT 31 DECEMBER 2021
Total net tangible assets attributable to unit holders (US\$'000)	59,089	20,495
Units on issue ('000)	55,541	23,893
Net tangible assets attributable to unit holders per unit (US\$)	1.06	0.86

CONTROL GAINED OR LOST DURING THE PERIOD

There was no control gained or lost over entities by the Fund during the half-year ended 31 December 2022.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The REIT held a passive interest in the following joint venture entities during the half-year ended 31 December 2022:

JOINT VENTURE ENTITIES	PERCENTAGE OF INTEREST (PASSIVE)
SQ Texas Tech The Edge JV LLC	90%
SQ Clemson I JV LLC	95%
SQ Georgia State I JV LLC	100%
SQ Mississippi Portfolio JV LLC	100%
SQ Arizona State - Lofts JV LLC	99%

STATUTORY REVIEW

The interim report for the half-year ended 31 December 2022 has been reviewed by BDO and an unmodified review report has been issued.

COMMENTARY

Additional Appendix 4D disclosure requirements can be found in the financial report for the half-year ended 31 December 2022 which contains the Directors' report, the condensed financial statements and accompanying notes.

Philip Gentry, Director, Equity Trustees Limited, the Responsible Entity of US Student Housing REIT, has authorised that this document be given to the ASX.

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US Student Housing REIT

ARSN 655 096 629

**Condensed financial report
For the half-year ended
31 December 2022**

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US Student Housing REIT

ARSN 655 096 629

Condensed financial report For the half-year ended 31 December 2022

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This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed financial report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made in respect of US Student Housing REIT during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed financial report covers US Student Housing REIT and its controlled entities.

The Responsible Entity of US Student Housing REIT is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited, the Responsible Entity of US Student Housing REIT (the "REIT"), previously known as SQ Property Opportunities Fund, present their report together with the condensed financial statements of the REIT for the half-year ended 31 December 2022.

The condensed financial statements are presented in the United States currency ("US\$") unless otherwise noted.

Principal activities

The REIT invests in US student housing assets that aim to pay sustainable distributions with the potential for income and capital growth in accordance with the Product Disclosure Statement and the provisions of the REIT's Constitution. The REIT is listed on the Australian Stock Exchange (ASX) under the ASX ticker code: USQ.

The REIT did not have any employees during the half-year ended 31 December 2022 (31 December 2021: nil).

There were no significant changes in the state of affairs of the REIT during the half-year ended 31 December 2022.

The various service providers for the REIT are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Auctus Asset Management Pty Ltd
Custodian, Administrator and Registrar	Apex Fund Services Pty Ltd (an Apex Group Company)*
Statutory Auditor	BDO Audit Pty Ltd

*Effective on 21 October 2022, Mainstream Fund Services Pty Ltd changed its name to Apex Fund Services Pty Ltd.

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'connor	
Samantha Einhart	Company Secretary

Review and results of operations

During the half-year, the REIT continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the REIT's Constitution.

The performance of the REIT, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2022	31 December 2021
Profit/(loss) for the half-year (US\$'000)	3,492	(3,257)
Distributions paid (US\$'000)	1,017	-
Distributions (cents per unit)	1.8305	-

Portfolio valuation

All assets in the REIT's portfolio have been independently valued by CBRE as at 31 December 2022. The resulting Gross Asset Valuation ("GAV") of the total portfolio of 9 properties increased to US\$147.7million at 31 December 2022, up from US\$144.6 million at 30 June 2022.

Portfolio occupancy and pre-leasing

Portfolio occupancy is strong at 97%, with pre-leasing for the 2023-2024 academic year sitting at 55.7% as at 31 December 2022, nearly 11% ahead of where it was at the same point last year. Pre-leasing has been achieved with strong rental growth.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the REIT that occurred during the financial period.

DIRECTORS' REPORT (CONTINUED)

Matters subsequent to the end of the period

On 15 February 2023, Directors announced an estimated distribution of 1.10 US cents per ordinary unit. The record date was 22 February 2023 and payment date will be 28 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may have a significant effect on:

- i. the operations of the REIT in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the REIT in future financial years.

Likely developments and expected results of operations

The REIT will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Constitution.

The results of the REIT's operations will be affected by a number of factors, including the performance of investment markets in which the REIT invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the REIT in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Trust Deed and the Law, the officers remain indemnified out of the assets of the REIT against losses incurred while acting on behalf of the REIT.

Indemnity and insurance of auditor

The REIT has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Fund or any related entity against a liability incurred by the auditor.

During the financial period, the REIT has not paid a premium in respect of a contract to insure the auditor of the Fund or any related entity.

Environmental regulation

The operations of the REIT are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand US dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
27 February 2023

DECLARATION OF INDEPENDENCE BY SALIM BISKRI TO THE UNITHOLDERS OF US STUDENT HOUSING REIT

As lead auditor for the review of US Student Housing REIT for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of US Student Housing REIT and the entities it controlled during the period.



Salim Biskri
Director

BDO Audit Pty Ltd

Melbourne, 27 February 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	Half-year ended	
		31 December 2022 US\$'000	31 December 2021 US\$'000
Investment income			
Net gains/(losses) on financial instruments at fair value through profit or loss		3,133	(782)
Distributions income		1,088	225
Total investment income/(loss)		4,221	(557)
Expenses			
Transaction costs for acquisition of investment	11	-	1,153
IPO related costs	11	-	765
Establishment and structuring costs	11	-	613
Management fees	12	434	138
Professional fees		84	15
Other expenses		55	16
Withholding tax expense		156	-
Total expenses		729	2,700
Profit/(loss) for the half-year		3,492	(3,257)
Other comprehensive income		-	-
Total comprehensive income for the half-year		3,492	(3,257)
Basic and diluted earnings/(loss) per unit (cents)	6	6.29	(13.63)

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022 US\$'000	30 June 2022 US\$'000
Assets			
Cash and cash equivalents		1,312	1,948
Receivables	9	9	36
Financial assets at fair value through profit or loss	4	57,844	54,711
Total assets		59,165	56,695
Liabilities			
Payables	10	76	73
Total liabilities		76	73
Net assets attributable to unit holders - equity	5	59,089	56,622

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Half-year ended	
		31 December 2022 US\$'000	31 December 2021 US\$'000
Total equity at the beginning of the half-year		56,622	12,793
Comprehensive income for the half-year			
Profit/(loss) for the half-year		3,492	(3,257)
Other comprehensive income		-	-
Total comprehensive income		3,492	(3,257)
Transactions with unit holders			
Applications (net of transaction costs)	5	-	10,959
Currency translation reserve		(8)	-
Distributions paid and payable	8	(1,017)	-
Total transactions with unit holders		(1,025)	10,959
Total equity at the end of the half-year		59,089	20,495

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2022 US\$'000	31 December 2021 US\$'000
Cash flows from operating activities		
Management fees paid	(434)	(138)
Transaction costs paid	-	(1,503)
Establishment and structuring costs paid	-	(613)
Professional fees paid	(84)	(15)
Withholding tax paid	(156)	-
Other expenses paid	(39)	(34)
Payment for deposit	-	(352)
Distribution income received	1,088	225
Net cash inflow/(outflow) from operating activities	375	(2,430)
Cash flows from investing activities		
Payments for purchase of financial assets at fair value through profit or loss	-	(7,873)
Net cash inflow/(outflow) from investing activities	-	(7,873)
Cash flows from financing activities		
Proceeds from applications by unit holders	-	10,977
Distributions paid	(1,017)	-
Payment for equity raising costs	-	(15)
Net cash inflow/(outflow) from financing activities	(1,017)	10,962
Net increase/(decrease) in cash and cash equivalents	(642)	659
Cash and cash equivalents at the beginning of the half-year	1,948	4,373
Effect of foreign currency exchange rate changes on cash and cash equivalents	6	-
Cash and cash equivalents at the end of the half-year	1,312	5,032

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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1 GENERAL INFORMATION

These condensed financial statements cover US Student Housing REIT (the "REIT") and its subsidiaries. The REIT is an Australian registered managed investment scheme which was constituted on 29 July 2020 and will terminate in accordance with the provisions of the REIT's Constitution or by Law.

The Responsible Entity of the REIT is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the United States currency ("US\$") unless otherwise noted.

The REIT invests in US student housing assets that aim to pay sustainable distributions with the potential for income and capital growth in accordance with the Product Disclosure Statement and the provisions of the REIT's Constitution.

The condensed financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

2 BASIS OF PREPARATION

The accounting policies applied in these condensed financial statements are the same as those applied to the REIT's financial statements for the year ended 30 June 2022.

These condensed financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made in respect of the REIT during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the REIT has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

i. *Compliance with International Financial Reporting Standards (IFRS)*

The condensed financial statements of the REIT also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. *New and amended standards adopted by the REIT*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed financial statements of the REIT.

3 FAIR VALUE MEASUREMENT

The REIT measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 4).

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3 FAIR VALUE MEASUREMENT (CONTINUED)

The REIT values its investments in accordance with the accounting policies set out in Note 2 to the 30 June 2022 financial statements.

As of 31 December 2022, the REIT has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

a. Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques.

The REIT invests in unlisted property companies that are not quoted in an active market. The REIT's investment manager (via the REIT's asset manager, Student Quarters LP) engages an independent US valuation advisor to provide semi annual arm's length valuation for the purposes of supporting a fair market valuation for the investees on an semi annual basis and considered the recent geopolitical events in Ukraine and the ongoing effect of the global COVID-19 pandemic on the US underlying property markets which has led to the potential for greater volatility in property markets over the short to medium term.

The REIT invests via Delaware vehicles into Investee Companies that acquire and manage US student housing assets. Capital raised by the REIT will be used to capitalise SQ Property Opportunities Holdco, LLC, which will acquire a minimum 90% interest in targeted assets, with Student Quarters investing alongside the REIT in each asset as alignment capital. The REIT uses a fair value valuation technique for these positions.

The table below presents the REIT's financial assets measured and recognised at fair value through profit or loss as at 31 December 2022. There were no financial liabilities measured at fair value at 31 December 2022 and 30 June 2022.

	Acquisition date	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
As at 31 December 2022					
Financial assets					
Investment in SQ Texas Tech -The Edge JV, LLC	12 January 2021	-	-	9,719	9,719
Investment in SQ Clemson I JV, LLC	19 November 2021	-	-	10,344	10,344
Investment in SQ Georgia State 1 JV, LLC	30 March 2022	-	-	14,552	14,552
Investment in SQ Mississippi Portfolio JV, LLC	30 March 2022	-	-	16,373	16,373
Investment in SQ Arizona State - Lofts JV, LLC	30 March 2022	-	-	6,856	6,856
Total financial assets		-	-	57,844	57,844
As at 30 June 2022					
Financial assets					
Investment in SQ Texas Tech -The Edge JV, LLC	12 January 2021	-	-	8,827	8,827
Investment in SQ Clemson I JV, LLC	19 November 2021	-	-	9,251	9,251
Investment in SQ Georgia State 1 JV, LLC	30 March 2022	-	-	14,652	14,652
Investment in SQ Mississippi Portfolio JV, LLC	30 March 2022	-	-	15,373	15,373
Investment in SQ Arizona State - Lofts JV, LLC	30 March 2022	-	-	6,608	6,608
Total financial assets		-	-	54,711	54,711

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2022: nil).

b. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2022 by class of financial instrument.

	Investment in The Edge US\$'000	Investment in Clemson US\$'000	Investment in Edgewood US\$'000	Investment in Mississippi US\$'000	Investment in Arizona US\$'000	Total US\$'000
Opening balance						
- 31 December 2021	8,026	7,874	-	-	-	15,900
Transfer into/(out) from level 3	-	-	-	-	-	-
Purchases	-	-	15,027	9,777	6,608	31,412
Gains/(losses) recognised in the condensed statement of comprehensive income	801	1,377	(375)	5,596	-	7,399
Closing balance – 30 June 2022	8,827	9,251	14,652	15,373	6,608	54,711
Transfer into/(out) from level 3						
Gains/(losses) recognised in the condensed statement of comprehensive income	892	1,093	(100)	1,000	248	3,133
Closing balance						
- 31 December 2022	9,719	10,344	14,552	16,373	6,856	57,844

3 FAIR VALUE MEASUREMENT (CONTINUED)

b. Fair value measurements using significant unobservable inputs (level 3) (continued)

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements. See Note 3(b) above for the valuation techniques adopted.

Description	Fair value US\$'000	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
As at 31 December 2022				
Investment in SQ Texas Tech - The Edge JV, LLC	9,719	Capitalisation rate	4.75%	Increase/decrease in capitalisation rate by +/- 0.25% changes the fair value between US\$1.3m to US\$1.5m
		Stabilised occupancy	91.1%	
		Net operating income	US\$1.4m per annum	
Investment in SQ Clemson I JV, LLC	10,344	Capitalisation rate	4.75%	Increase/decrease in capitalisation rate by +/- 0.25% changes the fair value between US\$1.3m to US\$1.5m
		Stabilised occupancy	99%	
		Net operating income	US\$1.3m per annum	
Investment in SQ Edgewood JV, LLC	14,552	Capitalisation rate	5.25%	Increase/decrease in capitalisation rate by +/- 0.25% changes the fair value between US\$1.4m to US\$2.2m
		Stabilised occupancy	97.1%	
		Net operating income	US\$2m per annum	
Investment in SQ Mississippi Portfolio JV, LLC	16,373	Capitalisation rate	5%-5.5%	Increase/decrease in capitalisation rate by +/- 0.25% changes the fair value between US\$1.5m and US\$1.9m
		Stabilised occupancy	97% - 98%	
		Net operating income	US\$1.8m per annum	
Investment in SQ Arizona State JV, LLC	6,856	Capitalisation rate	5%	Increase/decrease in capitalisation rate by +/- 0.25% changes the fair value between US\$0.8m to US\$0.9m
		Stabilised occupancy	97%	
		Net operating income	US\$0.9m per annum	
As at 30 June 2022				
Investment in SQ Texas Tech - The Edge JV, LLC	8,827	Capitalisation rate	4.50%-5%	Increase/ (decrease) of capitalisation rate by +/- 0.25% would increase/(decrease) fair value by US\$1.3m
		Stabilised occupancy	95%	
		Net operating income	US\$1.3m per annum	
Investment in SQ Clemson I JV, LLC	9,251	Capitalisation rate	4.25% - 4.75%	Increase/ (decrease) of capitalisation rate by +/- 0.25% would increase/(decrease) fair value between US\$1.4m and US\$1.5m
		Stabilised occupancy	97.5%	
		Net operating income	US\$1.2m per annum	

b. Fair value measurements using significant unobservable inputs (level 3) (continued)

i. Valuation inputs and relationships to fair value (continued)

Description	Fair value \$'000	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
As at 30 June 2022				
Investment in SQ Edgewood JV, LLC	14,652	Capitalisation rate	5%-5.25%	Increase/ (decrease) of capitalisation rate by +/- 0.25% would increase/(decrease) fair value between US\$1.6m and US\$2.2m
		Stabilised occupancy	88.5%	
		Net operating income	US\$1.9m per annum	
Investment in SQ Mississippi Portfolio JV, LLC	15,373	Capitalisation rate	4.75%-5.5%	Increase/ (decrease) of capitalisation rate by +/- 0.25% would increase/(decrease) fair value between US\$0.2m and US\$0.6m
		Stabilised occupancy	92% - 96%	
		Net operating income	US\$0.2m to US\$0.6m per annum across the portfolio	
Investment in SQ Arizona State JV, LLC	6,608	Cost of acquisition	-	The purchase price paid for the investment (excluding transaction costs) on 30 March 2022 approximates the fair value of the investment at 30 June 2022

Any change in the fair value of the investments will have a direct impact in the fair value gain or loss in the condensed statement of comprehensive income.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

c. Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior reporting periods.

4 Financial assets at fair value through profit or loss

	As at	
	31 December 2022 US\$'000	30 June 2022 US\$'000
Investment in SQ Texas Tech -The Edge JV, LLC	9,719	8,827
Investment in SQ Clemson I JV, LLC	10,344	9,251
Investment in SQ Georgia State 1 JV, LLC	14,552	14,652
Investment in SQ Mississippi Portfolio JV, LLC	16,373	15,373
Investment in SQ Arizona State - Lofts JV, LLC	6,856	6,608
Total financial assets at fair value through profit or loss	57,844	54,711

5 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - EQUITY

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain criteria are met. The REIT shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c). The REIT's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-year ended		Half-year ended	
	31 December 2022 Units '000	31 December 2022 US\$'000	31 December 2021 Units '000	31 December 2021 US\$'000
Ordinary units – fully paid				
Opening balance	55,541	56,622	12,916	12,793
Applications	-	-	10,977	10,977
Equity raising costs	-	-	-	(15)
Distributions paid and payable	-	(1,017)	-	-
Net foreign exchange gain/(loss)	-	(8)	-	(3)
Profit/(loss) for the half-year	-	3,492	-	(3,257)
Closing balance	55,541	59,089	23,893	20,495

Net assets attributable to unit holders are classified as equity at 31 December 2022.

As stipulated within the REIT's Constitution, each unit represents a right to an individual share in the REIT and does not extend to a right in the underlying assets of the REIT. In addition, the unit holders have no right to a request for a redemption of the units and the REIT does not have an obligation to purchase, re-purchase or redeem any unit.

6 BASIC AND DILUTED EARNINGS/(LOSS) PER UNIT

	Half-year ended	
	31 December 2022	31 December 2021
Profit for the half-year (US\$'000)	3,492	(3,257)
Weighted average number of units on issue ('000)	55,541	23,893
Basic and diluted earnings/(loss) per unit (cents)	6.29	(13.63)

7 SEGMENT INFORMATION

The Directors of the Responsible Entity have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of the Responsible Entity.

The REIT is organised into one main operating segment, which invests in US student housing assets.

All significant operating decisions are based upon analysis of the REIT as one segment. The financial results from this segment are equivalent to the financial statements of the REIT as a whole.

	Half-year ended	
	31 December 2022 US\$'000	31 December 2021 US\$'000
Investment income/(loss)		
Texas	892	(557)
South Carolina	1,289	-
Georgia	286	-
Mississippi	1,278	-
Arizona	476	-
Total investment income/(loss)	4,221	(557)

8 DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the half-year were as follows:

	Half-year ended		Half-year ended	
	31 December 2022 US\$'000	CPU	31 December 2021 US\$'000	CPU
Declared on 15 August 2022 and paid on 30 August 2022	585	1.0531	-	-
Declared on 17 November 2022, paid on 30 November 2022 and updated on 9 December 2022	432	0.7774	-	-
Total distributions	1,017	1.8305	-	-

9 RECEIVABLES

	As at	
	31 December 2022 US\$'000	30 June 2022 US\$'000
GST receivable	2	22
Other receivables	7	14
Total receivables	9	36

10 PAYABLES

	As at	
	31 December 2022 US\$'000	30 June 2022 US\$'000
Custody and administration fees	19	8
Audit fees	32	62
Responsible Entity fees	10	3
Register fees	4	-
Tax advisory fees	2	-
Withholding tax fees	6	-
Other fees	3	-
Total payables	76	73

11 TRANSACTION COSTS

	Half-year ended	
	31 December 2022 US\$'000	31 December 2021 US\$'000
Transaction costs for acquisition of investment	-	1,153
IPO related costs	-	765
Establishment fee	-	390
Structuring costs	-	223
Total transaction costs	-	2,531

12 RELATED PARTY TRANSACTIONS

The Responsible Entity of the REIT is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Auctus Asset Management Pty Ltd to act as Investment Manager for the REIT and Apex Fund Services Pty Ltd to act as Custodian, Administrator and Registrar for the REIT. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial period and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'connor	
Samantha Einhart	Company Secretary

ii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the REIT, directly or indirectly during the reporting period.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

Key management personnel did not hold units in the REIT as at 31 December 2022 (30 June 2022: nil).

(c) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the REIT to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

12 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel loan disclosures

The REIT has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(e) Other transactions within the REIT

No key management personnel have entered into a material contract with the REIT during the reporting period and there were no material contracts involving management personnel's interests existing at period end.

(f) Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the REIT's Constitution and the Product Disclosure Statement for the REIT, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the reporting period and amounts payable at period end between the REIT, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended	
	31 December 2022 US\$	31 December 2021 US\$
Management fees for the half-year	433,800	137,607
Responsible Entity fees for the half-year	10,290	-
Management fees payable at half-year end	-	18,492
Responsible Entity fees payable at half-year end	10,142	-

For information on how management fees are calculated please refer to the REIT's Product Disclosure Statement.

(g) Related party unit holdings

Parties related to the REIT (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the REIT as follows:

Unit holder As at 31 December 2022	Number of units held opening	Number of units held closing	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Auctus Investment Holdings Pty Ltd	4,417,000	4,500,000	8.10%	83,000	-	52,587
Unit holder As at 30 June 2022						
Auctus Investment Holdings Pty Ltd	-	4,417,000	7.95%	4,417,000	-	88,270

(h) Investments

The REIT did not hold any investments in Equity Trustees Limited or its related parties during the half-year (30 June 2022: nil).

13 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 15 February 2023, Directors announced an estimated distribution of 1.10 US cents per ordinary unit. The record date was 22 February 2023 and payment date will be 28 February 2023.

No other significant events have occurred since the end of the half-year which would impact on the financial position of the REIT as disclosed in the condensed statement of financial position as at 31 December 2022 or on the results and cash flows of the REIT for the half-year ended on that date.

14 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2022 and 30 June 2022.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- (a) The condensed financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the REIT's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the REIT will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
27 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unitholders of US Student Housing REIT

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of US Student Housing REIT (the 'REIT'), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the REIT does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the REIT's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the REIT in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the REIT's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


Salim Biskri
Director

Melbourne, 27 February 2023