

3 November 2023

ASX Announcement

US STUDENT HOUSING REIT (ASX: USQ) – INTENTION TO REQUEST ASX REMOVE USQ FROM THE OFFICIAL LIST

Key Points:

- **Auctus and EQT to request the removal of USQ from the official list**
- **USQ's ASX traded unit price does not reflect the fair value of its underlying assets**

Auctus Asset Management Pty Ltd (the “**Manager**”), the manager of the US Student Housing REIT (“**USQ**”), wishes to announce its intention to work with Equity Trustees Limited (“**Responsible Entity**”), responsible entity of USQ, to request ASX remove USQ from the official list. **As at the date of this announcement, the ASX has not received an application for removal. Any potential de-listing will be subject to ASX acting on a request and ASX may require conditions to be satisfied before doing so, including the approval of USQ's unitholders (“Unitholders”).**

The Manager maintains its conviction in USQ, which it believes, given USQ's strong track record of performance based on its net tangible assets (“**NTA**”), remains a compelling value proposition. Despite the US Federal Reserve interest rate tightening in 2022 and 2023, the gross value of assets comprising the USQ portfolio has appreciated in value since IPO **from US\$136.9M to US\$147.75M** at 30 June 2023, and the portfolio **NTA per unit from US\$0.96 (A\$1.31*) to US\$1.06 (A\$1.60*)** over the same period. The US student housing sector continues to experience strong enrollment demand and an undersupply of new assets being brought to market. This has supported strong rental growth and occupancy for the sector as a whole, which has been reflected across USQ's portfolio.

However, the Manager acknowledges that despite its best efforts the consistent and material discount between USQ's ASX unit price and its NTA per unit has prevailed. As such, both the Responsible Entity and the Manager consider that USQ would more appropriately operate as an unlisted registered managed investment scheme with applications and redemptions based on its NTA.

Subject to receiving ASX's decision regarding the proposed de-listing, the Manager intends to work with the Responsible Entity to hold an Extraordinary General Meeting (“**EGM**”) in or about January 2024 to seek Unitholder approval to USQ's de-listing.

*A\$1.31 based on IPO FX rate of 72.5c, and A\$1.60 based on FX rate of 66.3c at 30 June 2023

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In connection with USQ's de-listing, the Manager proposes to apply an exit fee or spread for the benefit of all remaining Unitholders in USQ. This fee will not be paid to the Manager or the Responsible Entity. Redemption requests are also proposed to be subject to a gating mechanism and on an annual basis, with ongoing liquidity for such redemptions being provided via USQ's cash balances and potential asset sales based on market movements. Operating income from its assets will continue to be paid to investors in quarterly distributions.

Significant work is still required to determine the most appropriate way to implement USQ's de-listing and any details in this announcement are subject to change. No immediate action is required at this time and further details will be provided to the market in due course.

About USQ

US Student Housing Growth and Income REIT (www.usq-reit.com) invests in off campus student housing at large four-year public universities across the United States. USQ 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.

About Auctus

Auctus Investment Group Limited ('Auctus') is an ASX listed global investment manager with in-excess of A\$530M 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.

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 11,000+ 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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