

The Manager
Company Announcement Office
Australian Securities Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

30 November 2023

AMMENDMENT TO FORMAL REQUEST FOR DELISTING – US STUDENT HOUSING REIT (ASX: USQ)

Equity Trustees Limited, ABN 46 004 031 298, AFSL 240975 is the Responsible Entity of US STUDENT HOUSING REIT (ASX: USQ) and notes a reclassification to the Formal Request for Delisting uploaded on Thursday, 30 November 2023. The announcement should be marked as market sensitive and there are no further changes.

Yours sincerely,

Russell Beasley
Director

30 November 2023

ASX Announcement

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

Key Points:

- **Auctus and EQT to formally 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**

Delisting

Further to the ASX announcement made on 3 November 2023 with respect to the intention of Auctus Asset Management Pty Ltd (the "**Manager**") and Equity Trustees Limited (the "**Responsible Entity**") to request the removal of the US Student Housing REIT ("**USQ**" or "**Trust**") from the official list of the ASX ("**Official List**"), the Manager and the Responsible Entity now wish to announce that the Responsible Entity has made a formal application to ASX for removal from the Official List.

This formal application follows receipt of ASX's in-principle approval to the removal of USQ from the Official List, subject to the following conditions:

1. The request for removal of the Trust from the Official List is approved by way of a special resolution of the unitholders;
2. The notice of meeting seeking unitholder approval for the Trust's removal from the Official List of ASX must include, in a form and substance satisfactory to ASX:
 - a. a timetable of key dates, including the time and date at which the Trust will be removed from ASX if that approval is given;
 - b. details of the processes that will exist after the Trust is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and
 - c. the information prescribed in section 2.11 of Guidance Note 33;

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3. The removal from the Official List must not take place any earlier than one month after unitholder approval has been obtained so that unitholders have at least that period to sell their units on ASX should they wish to do so;
4. Auctus and EQT must apply for the Trust's units to be suspended from quotation at least two (2) business days before its proposed removal date; and
5. Auctus and EQT releases the full terms of this decision to the market upon making a formal application to ASX to remove the Trust from ASX.

The full terms of the ASX's in-principle decision have been annexed to this announcement.

Please note that the ASX is not required to act on USQ's request and may require conditions to be satisfied before it will act on the request. The Responsible Entity will make a further announcement to the market once it is advised by ASX whether or not it will agree to the request, and of any conditions that ASX requires to be satisfied before it will act on the request.

Reasons for seeking removal from the Official List

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\$1.31¹) to US\$1.06 (A\$1.60¹)** 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.

Selling securities

Unitholders may sell their units on the ASX at the prevailing market price at any time before market close on Monday 22 January 2024 (the date on which the units will be suspended based on the indicative timetable outlined below). Trading of units in USQ on the ASX will be suspended after market close on 22 January 2024, after which time unitholders will not be able to sell their units on market. USQ is then expected to be removed from the Official List on Friday 25 January 2024.

Following USQ's removal from the Official List, the Responsible Entity and the Manager expect to offer annual withdrawals. Withdrawal requests must be submitted between 1 January and 1 June each year

¹ *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

to be considered for processing that financial year. Withdrawal requests will be considered for acceptance on 15 September (or the next business day) and the withdrawal price of a unit will be based on USQ's net asset value as at the previous 30 June divided by the number of units on issue, and adjusted for an exit fee proposed to be 5%.

Delisting process and consequences of delisting

The consequences of USQ's removal from the Official List include:

- USQ's units ("**Units**") will no longer be quoted on the ASX and will no longer be traded on the ASX;
- Units will only be capable of redemption via the redemption procedures the Responsible Entity has in place from time to time, and will only be capable of sale via off-market private transactions which will require USQ unitholders to identify and agree terms with potential purchasers of Units;
- Following de-listing, USQ will not be subject to the ASX Listing Rules, including continuous disclosure and other periodic reporting requirements (although USQ's reporting requirements (including continuous disclosure – see below) will still be governed by the Corporations Act); and
- If, following removal from the Official List, USQ has 100 or more unitholders, it will be an "unlisted disclosing entity" under the Corporations Act. As an unlisted disclosing entity, USQ will be required to:
 - Prepare and lodge half yearly statutory accounts with ASIC which have been audit reviewed;
 - Prepare and lodge with ASIC annual audited accounts; and
 - Meet its continuous disclosure obligations under Chapter 6CA as if it continued to be an ASX listed entity.

Indicative Timetable

EVENT	DATE
Explanatory Memorandum issue date	Thursday 30 November 2023
Deadline for Proxy Forms for the Meeting	3:00pm Tuesday 19 December 2023
Record date for voting	7:00pm Tuesday 19 December 2023
Meeting of unitholders of the Fund	11.00am Friday 22 December 2023
If the Proposed Resolutions are approved by unitholders at the Meeting, the following key dates apply:	
Last day for trading in Units in the Fund on the ASX	Monday 22 January 2024
Suspension of trading in Units in the Fund on the ASX	4:00pm Monday 22 January 2024
Implementation Date for de-listing	Thursday 25 January 2024

Remedies available to USQ unitholders

If a unitholder considers the removal contrary to the interests of unitholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a unitholder or unitholders, they may be able to pursue a remedy under Part 2F.1 of the Corporations Act. Further, if a unitholder considers that the Proposal involves “unacceptable circumstances”, they may be able to pursue a remedy under Part 6.10 Division 2 Subdivision B of the Corporations Act.

About USQ

US Student Housing 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

For all shareholder enquiries please contact:

enquiries@boardroomlimited.com.au

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US Student Housing REIT ('USQ'): In-principle decision - removal from official list

ASX has made the following in-principle decision.

1. Subject to resolution 2 and based solely on the information provided, on receipt of an application for the removal of US Student Housing REIT (the 'Trust') from the Official List of ASX Limited ('ASX') pursuant to Listing Rule 17.11, ASX would be likely to remove the Trust from the Official List, on a date to be determined by ASX in consultation with Auctus Asset Management Pty Ltd ('Auctus') as the manager and Equity Trustees Limited ('EQT') as the responsible entity of the Trust, subject to compliance with the following conditions:

1.1 The request for removal of the Trust from the Official List of ASX is approved by way of a special resolution of the unitholders.

1.2 The notice of meeting seeking unitholder approval for the Trust's removal from the Official List of ASX must include, in form and substance satisfactory to ASX:

1.2.1 a timetable of key dates, including the time and date at which the Trust will be removed from ASX if that approval is given;

1.2.2 details of the processes that will exist after the Trust is removed from the Official List to allow holders to dispose of their holdings and how they can access those processes; and

1.2.3 the information prescribed in section 2.11 is Guidance Note 33.

1.3 The removal from the Official List must not take place any earlier than one month after unitholder approval has been obtained so that unitholders have at least that period to sell their units on ASX should they wish to do so.

1.4 Auctus and EQT must apply for the Trust's units to be suspended from quotation at least two (2) business days before its proposed removal date.

1.5 Auctus and EQT releases the full terms of this decision to the market upon making a formal application to ASX to remove the Trust from ASX.

2. Resolution 1 only applies until 24 February 2023 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.

3. ASX has considered Listing Rule 17.11 only and makes no statement as to the Trust's compliance with other Listing Rules.

Basis for the In-Principle Confirmation

Listing Rule 17.11

4. ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the Official List at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to shareholders' legitimate interests. ASX may impose conditions on granting the request. The power to impose

conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These conditions may include: (i) seeking shareholder approval for delisting by way of a special resolution; (ii) giving advanced notice of an amount of time which is adequate to the particular circumstances; or (iii) providing alternative arrangements for shareholders to exit their investment before or after delisting.

Facts/Reasons for Providing the In-Principle Confirmation

5. The circumstances faced by the Trust are those to which section 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary units are not readily able to be traded on another exchange, ASX will usually require the entity to obtain unitholder approval for removal from the Official List by way of a special resolution.

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