

US Student Housing REIT

Explanatory Memorandum

*Accompanying Notice of Meeting sent to Unitholders of
Auctus US Student Housing REIT
dated 30 November 2023*

DE-LISTING PROPOSAL

For personal use only

IMPORTANT NOTICE

This document is issued by Equity Trustees Limited (ABN 46 004 031 298 | AFSL 240 975) (**Equity Trustees** or **Responsible Entity**) in its capacity as responsible entity of the US Student Housing REIT, ARSN 655 096 629 (**Fund** or **USQ**).

PURPOSE OF THIS EXPLANATORY MEMORANDUM

This Explanatory Memorandum provides you with information about the proposed resolutions contained in the separate Notice of Meeting sent to unitholders of the Fund (**Unitholders**) (see **Appendix 1**) and the steps that will be required to implement the proposed transition of the Fund to an unlisted open-ended unit trust (**Proposal**). Under the Proposal, Auctus Asset Management (ABN 30 610 804 263 | AFS Representative Number 001247314) (**Investment Manager**) will continue to manage the Fund in accordance with the investment strategy.

Equity Trustees recommends that you read the Explanatory Memorandum and the Notice of Meeting in full and seek advice from a licensed financial adviser or other professional adviser before you determine how to exercise your vote on the Resolution set out in the Notice of Meeting. This Explanatory Memorandum provides information about the objectives of the Proposal, the benefits, and risks of the Proposal to the Unitholders in the Fund and details about how the Fund will operate as an open-ended unit trust.

FORWARD LOOKING STATEMENTS

To the extent that this Explanatory Memorandum contains any statements which may be considered to be forward-looking, those statements reflect the reasonably held and current expectations of the Investment Manager concerning future results and events as at the date of this Explanatory Memorandum. Forward looking statements involve subjective judgment and analysis and are subject to uncertainties, risks, and contingencies, many of which are outside the control of, and are unknown to, the Investment Manager and Equity Trustees (and its officers, employees, agents, or associates). Unforeseen or unpredictable events and various risks could affect future results of the Fund following the implementation of the Proposal, causing results to differ from those which are expressed, implied, or projected in any forward-looking statements. Any forward-looking statements are provided for information purposes only in order to assist Unitholders to make decisions about whether to vote in favour of the Resolution set out in the relevant Notice of Meeting. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

DISCLAIMER

The information in this Explanatory Memorandum does not take into account your investment objectives, financial situation, tax position or needs. It also does not analyse the implications of the Proposal on “foreign persons” under the *Foreign Acquisitions and Takeovers Act 1975* (Cth). It is important that you read the Explanatory Memorandum before making any voting decision. In particular, it is important that you consider the advantages and disadvantages of the Proposal (see Section 2 of this Explanatory Memorandum). If you would like to refer to current information about the Fund, the audited financial results for the year ended 30 June 2023 are available from the Fund's website, <https://usq-reit.com/>, or by calling 1300 133 472. To the maximum extent permitted by law, neither Equity Trustees nor any of its directors, officers, employees, agents, or advisers accepts any liability for any loss arising from the use of this Explanatory Memorandum or its contents or otherwise arising in connection with it. The information in this Explanatory Memorandum remains subject to change. Equity Trustees may vary the timetable for implementing the Proposal. We will notify you of

any material changes in relation to this Explanatory Memorandum via the ASX announcements platform and on the Fund's website: <https://usq-reit.com/>. The information in this Explanatory Memorandum is current as at 30 November 2023 unless otherwise stated.

The figures used throughout this Explanatory Memorandum are as of 30 June 2023.

PRIVACY

Equity Trustees or their agents may collect personal information in the process of convening the meeting and implementing the Proposal. Such information may include the names, contact details and Unit holdings of Unitholders and the names of persons appointed to act as a proxy, corporate representative, or attorney at the meeting. The primary purpose of the collection of personal information is to assist Equity Trustees to conduct the meeting and implement the Proposal. Personal information of the type described above may be disclosed to the print and mail service providers, registry service providers and related bodies corporate of Equity Trustees. Unitholders have a right to access their personal information and should contact the Responsible Entity in office at the time if they wish to access their personal information. Unitholders who appoint a named person to act as their proxy, corporate representative or attorney should ensure they inform that person of these matters.

For further information on Equity Trustees' privacy policy, please visit <https://www.eqt.com.au/global/privacystatement>.

ADDITIONAL INFORMATION

If after reading this Explanatory Memorandum you have any further questions, please contact your financial adviser or Auctus Asset Management on +61 3 9959 9888.

TABLE OF CONTENTS

IMPORTANT NOTICE	2
KEY DATES FOR THE PROPOSAL.....	5
1. LETTER FROM THE RESPONSIBLE ENTITY	6
2. OVERVIEW OF THE PROPOSAL.....	9
3. OPERATION OF THE FUND AFTER DE-LISTING.....	18
4. ADDITIONAL INFORMATION.....	23
5. APPENDIX 1: NOTICE OF MEETING.....	24

For personal use only

KEY DATES FOR THE PROPOSAL

EVENT	DATE
Explanatory Memorandum issue date	30 November 2023
Deadline for Proxy Forms for the Meeting	19 December 2023
Record date for voting	19 December 2023
Meeting of members of the Fund	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	22 January 2024
Suspension of trading in Units in the Fund on the ASX	After market close on 22 January 2024
Implementation Date for de-listing	25 January 2024

All dates following the issue date of this Explanatory Memorandum are indicative only and may be subject to change. The Responsible Entity will notify Unitholders of any change to this timetable via the ASX announcements platform and the Fund's website at <https://usq-reit.com/>. All times refer to Australian Eastern Standard Time (AEST) unless indicated otherwise.

For personal use only

1. LETTER FROM THE RESPONSIBLE ENTITY

Dear Unitholder,

On behalf of the board of Equity Trustees Limited (**Board**), in its capacity as Responsible Entity of the Fund, it is my pleasure to provide you with a Proposal to transition the Fund from a listed investment trust (**LIT**) to an open-ended unit trust.

The Proposal is made in light of the fact that the Fund has traded and continues to trade at a significant discount to its net asset value (**NAV**).

THE PROPOSAL

If the resolutions required to implement the Proposal (**Proposed Resolutions**) are approved by Unitholders, the Fund will de-list and become an unlisted open-ended unit trust. The Fund's Investment Manager, investment objective and strategy will remain the same, and there will be no change in the fee rates payable to the Responsible Entity or the Investment Manager.

Further information about the Proposal is provided in Section 2 of the Explanatory Memorandum.

The Proposal is intended to provide Unitholders the following benefits:

- for existing Unitholders, an ability to realise your investment in the Fund at NAV, less an exit fee, which has not been possible recently in the listed environment due to the Fund's ongoing discount to NAV. It should be noted that these withdrawals will also be subject to a redemption gate; and
- the opportunity for the Fund to grow and scale benefits from increased Fund size.

Importantly:

- the Investment Manager will be responsible for the costs of the Fund's tax and legal advice associated with the Proposal, while the costs of the administrator and unit registry associated with the transition will be borne by the Fund; and
- there will be no change in the fee rates payable to the Responsible Entity or the Investment Manager.

A de-listing will mean that Units can no longer be bought or sold on the ASX through your stockbroker, and information about the Fund will no longer be on the ASX announcements platform.

REASONS FOR THE PROPOSAL

Recent changes in regulatory and market conditions, have resulted in a more challenging environment for the LIT investment structure. Without a mechanism to acquire and withdraw Units at or around NAV, the lack of liquidity on the ASX has resulted in USQ consistently trading at a discount to its NAV. This has been particularly evident in the last 12 months.

Feedback from Unitholders on USQ's performance and strategy has been largely positive and the Fund has performed in line with expectations, even in the current macroeconomic environment. However, we continue to receive negative feedback from Unitholders about the discount to NAV and requests for us to address this.

USQ has explored the possibility of conducting share buy-backs, but are of the view that these would only increase the Unit price in the short-term, with no lasting impact. After undertaking a review of the

various options available to optimise the structure of the Fund, the Responsible Entity and Investment Manager of the Fund have decided to recommend that the Fund de-list from the ASX and convert to an open-ended unit trust structure.

For current Unitholders and buyers

The new structure will enable Unitholders to realise their investments at NAV, less an exit fee of 5% (**Exit Fee**), on an annual basis subject to conditions outlined in Section 3 of the Explanatory Memorandum.

Following this initial transitional period Unitholders will be able to realise their investments at or around NAV, regardless of the trading volumes of other Unitholders.

Replacement Identification Information Required

In anticipation of the Proposed Resolutions being approved, we expect to make a Transition Identification Form available to Unitholders shortly after the Meeting. This form must be completed to ensure uninterrupted access to quarterly income distribution, the ability to apply for new Units each quarter, or withdraw existing Units in the Fund each year after the Fund is de-listed. Please note that distribution payments will be held on account with the Fund's unit registry until identification documentation is received.

We do not anticipate that indirect investors who have invested via a platform will need to complete the Transition Identification Form or other identification documentation. These investors should confirm the requirements with their platform provider.

Please refer to Section 2.7 below for further details on the transition identification process.

FACTORS IN DECIDING HOW TO VOTE

This Explanatory Memorandum is intended to assist Unitholders in considering all aspects of the Proposal and to decide whether to vote for or against the Proposal at the Meeting of Unitholders to be held on 22 December 2023. For further information on the reasons for and against the Proposal, see Sections 2.4 and 2.5, of the Explanatory Memorandum, respectively. In this document you will find information concerning the Proposal including:

- a detailed description of the Proposal and the proposed steps to implement a NAV withdrawal process;
- an overview of the open-ended unit trust and how it differs from the current structure of the Fund;
- the key risks associated with the Proposal; and
- a summary of general tax considerations relevant to the Proposal.

VOTING ON THE RESOLUTIONS

The Meeting will be held:

- at the offices of Baker McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Barangaroo NSW 2000; and
- via Zoom at: https://us06web.zoom.us/webinar/register/WN_e2KfmVGoTvev9OZiW9M2xg.

Unitholders can vote by proxy or in person (including via Zoom). Further details are set out in the documents accompanying this Explanatory Memorandum.

We encourage you to read the attached Explanatory Memorandum and Notice of Meeting in Appendix 1, carefully. If you have any questions, please contact your financial adviser or Auctus Asset Management on +61 3 9959 9888.

Kind regards,

A handwritten signature in black ink, appearing to be 'R. Beasley', with a small dot at the end of the line.

Russell Beasley
Director

For personal use only

2. OVERVIEW OF THE PROPOSAL

2.1 BACKGROUND TO THE PROPOSAL

The Proposal involves a transition of the Fund from a listed investment trust (LIT) to an open-ended unit trust.

The Fund was listed on the ASX on 4 March 2022 as an investment entity focused on investing in purpose-built student housing real estate assets within close proximity to top-tier public universities across the United States of America.

The Fund's performance from March 2022 to 30 June 2023 has delivered on this strategy with the Fund's Gross Asset Value (GAV) increasing from US\$136.6 million on listing, to US\$147.75 million as at 30 June 2023. The NAV total return for financial year 2023 was 7.80% per annum (net of fees, costs, and taxes).

Since the listing of the Fund, there have been significant changes in the LIT market. Regulatory changes to the way that LITs are distributed to investors, changes in market conditions and an increase of alternative investment products have changed the investment proposition for many LITs. The changes have contributed to a growing mismatch between buyers and sellers causing LITs to trade at discounts to NAV.

The Fund is no exception. Since listing, the Fund has on average, traded consistently at a 30-50% discount to its NAV.

The Responsible Entity and the Investment Manager have explored a number of strategies to enhance the Fund's efficiency and liquidity and have come to the conclusion that the LIT structure is no longer the optimal vehicle for Unitholders to access an underlying portfolio of corporate bonds and other fixed income investments.

In an effort to optimise the structure of the Fund for existing Unitholders, support growth and to be in a better position for the Fund to meet the demands of Unitholders, the Responsible Entity and Investment Manager have undertaken a review of the options available. Several alternative options to the Proposal were considered, including ongoing share buy backs. The Investment Manager concluded that the Proposal is superior to both the existing arrangements and the other alternatives considered.

The Proposal is intended to provide Unitholders the following benefits:

- an ability to realise your investment in the Fund at NAV;
- increased opportunities for new and existing Unitholders to invest;
- the opportunity for scale benefits from an increased Fund size;
- the opportunity for the Fund to grow; and
- continuity of the same investment program and team.

Importantly, subject to the Exit Fee set out in Section 2.2

- the costs of the Fund's tax, legal, administrator and unit registry associated with the transition will be borne by the Fund; and
- there are no changes in the fee rates payable to the Responsible Entity or Investment Manager.

A de-listing will mean that Units can no longer be bought or sold through your stockbroker, and information about the Fund will be provided via the Fund's website <https://usq-reit.com/> rather than on the ASX announcements platform.

2.2 EXIT FEE

In order to facilitate an orderly process after the de-listing has occurred, the Responsibility Entity will impose a Exit Fee on withdrawals of 5% to allow the Fund to transition the program to an open-ended unit trust with annual liquidity.

The Exit Fee will apply to withdrawals after de-listing to ensure that continuing Unitholders are not disadvantaged as the Fund changes from being a closed LIT to an open ended unlisted fund. The Exit Fee will be charged by the Responsible Entity but will be retained in the assets of the Fund for the benefit of remaining Unitholders. The Exit Fee will be deducted from Unitholders' withdrawal proceeds.

The Exit Fee will be incorporated into the Scheme Constitution through a resolution by Unitholders to be considered concurrently with the resolution to de-list the Fund. The Resolution will seek approval to make the following amendment:

- (a) inserting a new definition of 'Exit Fee' in clause 1.1 of the Constitution as follows:

Exit Fee is 5%

- (b) inserting a new clause 23.2 as follows:

23.2 Exit Fee

- (a) If at any time the Units cease to be Officially Quoted, Unitholders must pay the Responsible Entity the applicable Exit Fee in respect of each Unit the Unitholder redeems.
- (b) The Responsible Entity is not entitled to be paid the Exit Fee out of the Assets, but rather, the Exit Fee is to be held on trust as part of the Assets and for the benefit of the existing Unitholders.

The Exit Fee will continue to apply indefinitely following the de-listing..

2.3 OPEN-ENDED FUND

In order to ensure that the Fund remains liquid following the transition to an open ended unlisted fund, the Responsible Entity proposes to introduce a 545 day period for the consideration of requests for redemption from the Fund.

This period will be incorporated into the Scheme Constitution through a resolution by Unitholders to be considered concurrently with the resolution to de-list the Fund. The Resolution will seek approval to make the following amendment:

- (c) amending clause 11.5 to read as follows:

11.5 Responsible Entity may redeem

- (a) Subject to the Corporations Act, the Responsible Entity may decide to Accept a request from a Member to redeem some or all of their Units, in whole or in part. The Responsible Entity is not required to Accept any such request.
- (b) If the Responsible Entity determines to Accept a redemption request in respect of a Unit, it must redeem the relevant Unit within 545 days.

- (c) If the Responsible Entity determines to Accept a redemption request in respect of a Unit, it must pay from the Assets the Redemption Price of that Unit calculated in accordance with clause 10. The payment must be made within 21 days of the date on which the Responsible Entity redeems the relevant Unit, or such longer period as allowed by clause 11.6(a).

2.4 RESOLUTIONS

To implement the Proposal, **special resolutions** of Unitholders must be passed (**Proposed Resolutions**).

The Proposed Resolutions can only be passed if at least 75% of the votes cast by Unitholders entitled to vote either in-person or by proxy are in favour of each Proposed Resolution. The Proposed Resolutions are inter-conditional, that is, neither resolution will take effect unless both of the resolutions are passed by the requisite majority. If the Proposed Resolutions are passed, the Proposal will proceed even if some Unitholders have not voted in favour of it or if some Unitholders have not cast a vote.

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 (or equivalent overseas legislation). Under section 657D of the Corporations Act, if the Takeovers Panel has declared the circumstances to be unacceptable, it may make any order that it considers appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

PROPOSED RESOLUTIONS

The Responsible Entity has applied for the Fund to be removed from the ASX official list under Listing Rule 17.11 (**de-listing**) and Guidance Note 33 *Removal of Entities From the ASX Official List* and the ASX has imposed a requirement under Listing Rule 17.11 and Guidance Note 33 *Removal of Entities From the ASX Official List* that the Responsible Entity obtain approval by a special resolution of Unitholders.

In accordance with this condition, Resolution 1 seeks the required Unitholder approval of the de-listing under and for the purposes of the ASX Listing Rules subject to amendments to be made to the Fund's Constitution in Resolution 2.

If Unitholders approve the Proposed Resolutions, the Fund will be removed from the official list of the ASX. The date of removal will be approximately three months and not less than one month after the date of the meeting. If Unitholders do not approve the Proposed Resolutions, the Fund will continue as a listed investment trust on the ASX.

The indicative date for the de-listing is 25 January 2024.

Equity Trustees will release an ASX announcement confirming the timetable for the de-listing process in due course if the Proposed Resolutions are approved by Unitholders at the Meeting. Prior to the date of the de-listing, Unitholders will continue to be able to trade their Units on the ASX for approximately three months and not less than one month after the date of the Meeting and be able to exit their investment prior to the de-listing. Following the de-listing, Unitholders will be able to withdraw their investment in the Fund pursuant to the process outlined in Section 3.4.

2.5 REASONS YOU SHOULD VOTE IN FAVOUR OF THE PROPOSAL

Some factors which may lead you to vote in favour of the transition of the Fund from a LIT to an open-ended unit trust include those listed below.

REASON TO VOTE FOR THE PROPOSAL	DESCRIPTION
Improved ability to realise investment at or around NAV	<p>Units are currently traded on the ASX. Since listing, Units have traded in the range of 5-50% discount to their NAV.</p> <p>In the last six months Units have traded at an average discount to NAV of 30-50%.</p> <p>Under the open-ended unit trust structure, Unitholders would be able to access liquidity at NAV, less the proposed Exit Fee , on an annual basis. Unitholders looking for liquidity should receive a higher price for their Units than if they were to sell on market at the current trading discount.</p>
Increased opportunities for new and existing Unitholders	The Fund has historically been thinly traded, with irregular selling volumes on market. This has made it difficult for new investors to gain exposure to the Fund and for existing Unitholders wanting to increase their investment in the Fund. The open-ended unit trust structure would allow new and existing Unitholders the ability to access the desired volume of investment.
Potential for scale benefits from an increased Fund size	Shifting the Fund from a fixed pool of capital to an open-ended unit trust structure provides the ability for the Fund to grow. This may help the Fund to achieve greater scale and diversification. However, net capital inflows to the Fund cannot be guaranteed.
Costs of the Proposal	The costs of the Fund's tax, legal, administrator and unit registry associated with the transition will be borne by the Fund.
No increase in fees	Unitholders should note the Exit Fee in Section 2.2, however, the fee rates currently paid by Unitholders to the Responsible Entity and Investment Manager will not be increased as a result of the Proposal.

2.6 REASONS YOU MIGHT CHOOSE TO VOTE AGAINST THE PROPOSAL

Some factors which may lead you to vote against the transition of the Fund from a LIT to an open-ended unit trust include those listed below.

REASONS YOU MAY CHOOSE TO VOTE AGAINST THE PROPOSAL	DESCRIPTION
Investments will no longer be ASX listed or tradeable on any other exchange	<p>Unitholders may prefer to hold securities listed on the ASX compared to holding units in an open-ended unit trust.</p> <p>Units can only be acquired or withdrawn through the Fund's unit registry.</p>
Additional administrative and compliance requirements	The process for investing in and withdrawing capital from an open-ended unit trust, as compared with holding an ASX-listed

**REASONS YOU MAY
CHOOSE TO VOTE AGAINST
THE PROPOSAL**

DESCRIPTION

	<p>investment, will involve additional administrative and compliance requirements.</p> <p>In anticipation of the Proposed Resolutions being approved, we expect to make a Transition Identification Form available to Unitholders shortly after the Meeting. This form must be completed to ensure uninterrupted access to quarterly income distributions, the ability to apply for new Units quarterly, or withdraw existing Units in the Fund annually after the Fund is de-listed. Please note that distribution payments will be held on account with the Fund's unit registry until identification documentation is received.</p> <p>Indirect investors who have invested via a platform should confirm the requirements with their platform provider.</p> <p>Currently, the above requirements may not apply to investors holding, buying, and selling Units on the ASX either on market or via their broker.</p>
Settlement time	<p>Currently the Fund is traded on the ASX, which has settlement timing of T+2. If the Proposal is successful, the application cycle will be quarterly and the withdrawal cycle will be annual and it is anticipated that the Responsible Entity will process withdrawal requests by the last Business Day of September each year. In certain circumstances as permitted under the Fund's Constitution, withdrawals may take longer, or be suspended.</p>
Liquidity	<p>Currently the Fund is traded on the ASX with liquidity provided from the matching of buyers and sellers on price and volume on market. If the Fund is transitioned to an open-ended unit trust, it is anticipated that net withdrawals of Units in the Fund will be limited per year to 5% of NAV at the end of the preceding year (unless the Responsible Entity waives such restriction). This can potentially restrict Unitholders being able to withdraw their Units in the Fund for a significant period. If the Proposal is approved, Unitholders who need the certainty of immediate liquidity should discuss with their adviser as to whether their continued participation in the Fund is appropriate.</p> <p>This liquidity also creates a risk that the Fund may face large withdrawals which may mean the Fund has insufficient scale to meet its objective and deliver the scale benefits outlined above.</p> <p>The Responsible Entity plans to mitigate this risk through the withdrawals restriction discussed at Liquidity above and through the Exit Fee.</p>
Portfolio Management	<p>From a portfolio management perspective there are more challenges in managing an offering where the size of the Fund can change on a quarterly basis i.e. capital inflows and annual withdrawals. Where there is significant additional capital added to the Fund this can potentially dilute the returns while the capital is</p>

**REASONS YOU MAY
CHOOSE TO VOTE AGAINST
THE PROPOSAL**

DESCRIPTION

	<p>deployed. Significant withdrawals can also require assets to be sold at inopportune times, this risk is mitigated by the 5% limit each year on withdrawals.</p>
<p>Disclosure requirement changes</p>	<p>The Fund is currently subject to the continuous disclosure requirements under the ASX listing rules. The ASX's continuous disclosure requirements will not apply to the Fund once de-listed, however, the Fund will continue to be subject to the Corporations Act continuous disclosure regime. While reports and some updates will continue to be provided to Unitholders, the platform for announcements will be the Fund's website rather than the ASX announcements platform.</p>
<p>Distribution</p>	<p>We anticipate that the offer to apply for Units in the Fund will be available to (i) Wholesale Clients (as defined under section 761G of the Corporations Act) in Australia, (ii) investors investing through an investor directed portfolio service ("IDPS") receiving this IM in Australia, and (iii) persons receiving this IM in New Zealand, (electronically or otherwise). We note that existing Unitholders who do not meet these criteria will be able to remain invested in the Fund but will not be able to apply for additional Units.</p> <p>We anticipate that the initial offer to apply for Units in the Fund after delisting will not be made to Retail Clients in Australia (as defined in section 761G of the Corporations Act).</p> <p>Retail Clients' ability to invest in the Fund will be more restrictive after the Fund is de-listed than it had been on the ASX.</p>

2.7 TAX CONSIDERATIONS

The following information assumes that you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. This summary is based on the Australian taxation laws in effect as at the date of this Explanatory Memorandum.

A number of tax reform measures are currently under review by the Australian Government. These reforms may impact on the tax position of the Fund and its Unitholders. Accordingly, it is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in or continuing to invest in the Fund.

The Fund is an Australian resident trust estate for Australian tax purposes, and elected into the Attribution Managed Investment Trust (AMIT) at the Fund's inception. The Fund is expected to continue to be eligible as an AMIT if the Proposal is approved by unitholders, and it is not considered to be a public trading trust. Therefore, the Fund is required to determine the amount of assessable income, exempt income, non-assessable non-exempt income, and tax offsets (i.e. tax credits) of the Fund for each year of income. On the basis that these amounts will be attributed to Unitholders on a "fair and reasonable basis" the Fund should be treated as a flow-through trust and should not be subject to Australian income tax. Further details will be set out in the Taxation section of the IM for the Fund.

On the basis that the Fund is not changing its legal status, structure or the profile of its underlying investments, the characterisation of the Fund as a “flow through” entity for Australian income tax purposes should not be impacted by the Proposal.

If the Proposal is approved, existing Unitholders will continue to hold the same Units in the Fund, while new unitholders will be issued Units under a new class. However, a sale or withdrawal of Units will constitute a disposal for Capital Gains Tax (CGT) purposes and may result in a capital gain or capital loss for a Unitholder. A capital gain will arise to the Unitholder where the capital proceeds received from the sale or withdrawal of the units are greater than the cost base for CGT purposes. A capital loss will arise if the capital proceeds on sale or withdrawal are less than the reduced cost base of the units for CGT purposes.

Unitholders should seek advice from their own professional taxation adviser regarding the Australian tax consequences of selling or holding Units, having regard to their particular circumstances.

2.8 REPLACEMENT IDENTIFICATION INFORMATION REQUIRED – ANTI-MONEY LAUNDERING LAWS

Once the Fund is de-listed, the Responsible Entity is required amongst other things, to verify Unitholders' identity. In order to do so, the Responsible Entity and the Fund's unit registry will require the necessary information under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF) to be collected and verified in relation to all of the Fund's Unitholders in the form of a Transition Identification Form. The method by which Unitholders' information is collected will depend on whether they have a financial adviser. Most, but not all, financial advisers who are authorised to do so will assist in the collection of the required information and provision of that information to the Fund's unit registry, who will perform the required checks to ensure the data meets the regulatory requirements. Unitholders are encouraged to contact their financial adviser to arrange for their information to be provided to the Fund's unit registry via the Transition Identification Form.

Where a Unitholder's financial adviser is not able to provide the required documentation, a Unitholder will need to provide their information to the Fund's unit registry via the Transition Identification Form directly. The information must be provided to the Fund's unit registry via post. The type of information required by the Fund's unit registry depends on the Unitholder's entity type (individual, trust, company etc).

We do not anticipate that indirect investors who have invested via a platform will need to complete the Transition Identification Form or other identification documentation. These investors should confirm the requirements with their platform provider.

The Transition Identification Form must be completed to ensure uninterrupted access to quarterly income distributions, the ability to apply for new Units, or withdraw existing Units in the Fund after the Fund is de-listed. Specifically, Equity Trustees will not be able to issue any new units in the Fund (including through distribution reinvestment) to that Unitholder, may suspend the payment of withdrawal proceeds if necessary to comply with applicable AML/CTF requirements and will not be able to pay future income distributions to Unitholders. Distribution payments will be held on account with the Fund's unit registry until identification documentation is received. If Equity Trustees has not received a Unitholder's identification documentation within 12 months of each distribution payment, then Equity Trustees may be required to forward these amounts to the relevant unclaimed monies authority. Unitholders can provide the documentation to Equity Trustees as requested, or if Unitholders do not wish to provide the required documents, they can seek to sell their units on market up until the last day of trading on the ASX (expected to occur on or about 22 January 2024).

Unitholders are still entitled to the Units they own in the Fund but after de-listing, the AML/CTF information must be provided in order to apply for more units or withdraw existing Units. Equity Trustees will also not permit future income distributions to be paid to Unitholders if the required information is not provided.

IF THE PROPOSAL PROCEEDS, UNITHOLDERS MUST COMPLETE A TRANSITION IDENTIFICATION FORM TO ENSURE UNINTERRUPTED ACCESS TO QUARTERLY DISTRIBUTIONS, APPLY FOR NEW UNITS OR WITHDRAW EXISTING UNITS.

IF EQUITY TRUSTEES HAS NOT RECEIVED A UNITHOLDER'S IDENTIFICATION DOCUMENTATION WITHIN 12 MONTHS OF EACH DISTRIBUTION PAYMENT, THEN EQUITY TRUSTEES MAY BE REQUIRED TO FORWARD THESE AMOUNTS TO THE RELEVANT UNCLAIMED MONIES AUTHORITY.

2.9 STEPS TO IMPLEMENT THE PROPOSAL

The Responsible Entity has applied for the Fund to be removed from the ASX official list under Listing Rule 17.11 and Guidance Note 33 *Removal of Entities From the ASX Official List* and the ASX has imposed a requirement under Listing Rule 17.11 and Guidance Note 33 *Removal of Entities From the ASX Official List* that the Responsible Entity obtain approval by a special resolution of Unitholders.

In accordance with this condition, Resolution 1 seeks the required Unitholder approval of the de-listing under and for the purposes of the ASX Listing Rules subject to amendments to be made to the Fund's Constitution in Resolution 2.

Furthermore, ASX has imposed the following conditions that must be satisfied before it will act on the request for removal from the official list:

- The request for removal of the Trust from the Official List is approved by way of a special resolution of the unitholders;
- 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 timetable of key dates, including the time and date at which the Trust will be removed from ASX if that approval is given;
 - 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
 - the information prescribed in section 2.11 of Guidance Note 33;
- 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;
- 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
- 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.

If the Proposed Resolutions are approved:

- After the Fund has continued as a listed entity for not less than one month after the meeting, it is anticipated the Fund will be de-listed on or about 25 January 2024; and

- The Responsible Entity will issue an IM for the Fund, so that applications and withdrawals can occur on an open-ended basis from the de-listing date, expected to be 25 January 2024 (noting the requirements in Section 2.7 above).

Unitholders may sell their Units on the ASX at the prevailing market price at any time before market close on Monday 22 January 2024. Trading of Units in the Fund on the ASX will be suspended after market close on 22 January 2024 after which time you will not be able to sell your Units on market. The Fund will then be removed from the Official List of the ASX on Friday 25 January 2024.

UNITHOLDERS WHO WISH TO SELL THEIR UNITS ON THE ASX MUST DO SO BEFORE THE FUND IS REMOVED FROM THE OFFICIAL LIST.

IF UNITHOLDERS DO NOT SELL THEIR UNITS ON THE ASX BEFORE THE FUND IS REMOVED FROM THE OFFICIAL LIST, UNITHOLDERS WILL BE ABLE TO WITHDRAW THEIR INVESTMENT IN THE FUND PURSUANT TO THE PROCESS OUTLINED IN SECTION 3.4.

2.10 WHAT YOU NEED TO DO

VOTING

The Notice of Meeting and Proxy Form are attached as Appendix 1 to this Explanatory Memorandum. Please refer to the Notice of Meeting for information on how to vote. The Record Date for voting is 19 December 2023. If Unitholders do not wish to vote in-person at the Meeting, the deadline for the submission of Proxy Forms prior to the meeting is 19 December 2023. All Proxy Forms must be received by this time in order to be cast at the Meeting. The Meeting will be held at 11.00am, 22 December 2023.

The Meeting will be held:

- at the offices of Baker McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Barangaroo NSW 2000; and
- via Zoom at: https://us06web.zoom.us/webinar/register/WN_e2KfmVGoTvev9OZiW9M2xg.

Unitholders can vote by proxy or in person (via Zoom). Further details are set out in the documents accompanying this Explanatory Memorandum.

If it becomes necessary to make further alternative arrangements for the Meeting, we will ensure Unitholders are given as much notice as possible.

Please refer to the Notice of Meeting for information on how to vote.

AFTER THE MEETING

If the Proposed Resolutions are passed by the requisite majority, the de-listing will proceed.

The Fund's unit registry will send out new holding statements to Unitholders upon de-listing. Unitholders will be able to access details about their holding through the Fund's unit registry's website once they have received their holding statements.

3. OPERATION OF THE FUND AFTER DE-LISTING

3.1 OPEN-ENDED UNIT TRUST

The Fund will remain as a registered managed investment scheme structured as a unit trust. It will not be listed on any security exchange. Each Unitholder's money is pooled together with other Unitholders' money, and the Investment Manager invests that money and manages the assets of the Fund on behalf of all scheme members in accordance with the Fund's investment strategy, and this will not change following de-listing.

The tables below provide an overview of the key features of an investment in the Fund, and how some of the Fund's features will differ after de-listing.

3.2 KEY TERMS

Fund structure	Open-ended unit trust.
Strategy inception	March 2022.

Applications

Applications for Units in the Fund can be made between 9.00am and 5.00pm on any Business Day. Applications for Units in the Fund are priced quarterly based on NTA valuations at 30 June and 31 December, and only applications received together with the application money before 2.00pm on the last Business Day of the quarter will be considered for processing. The Unit price will be the NAV per Unit

Business Day means a day other than a Saturday or a Sunday on which banks are open for general business in Sydney, New South Wales.

We anticipate that the offer to apply for new or additional Units in the Fund will be available to Wholesale Clients (as defined under section 761G of the Corporations Act) in Australia.

We note that existing Unitholders who do not meet these criteria will be able to remain invested in the Fund but will not be able to apply for additional Units.

We anticipate that the offer to apply for new or additional Units in the Fund will not be made to Retail Clients in Australia (as defined in section 761G of the Corporations Act).

Withdrawals	Withdrawal requests for Units in the Fund can be made between 9.00am and 5.00pm on any Business Day. Withdrawal requests must be submitted after 2.00pm on 1 January each year and before 2.00pm on 1 June each year, to be considered for processing that financial year. Withdrawal requests lodged outside of this window will be treated as having been submitted on the next 1 January. Withdrawal requests will be considered for acceptance on 15 September (or next Business Day) and the withdrawal price of a Unit in the Fund will be based on the NAV
-------------	---

valuations as at the previous 30 June divided by the number of Units on issue in the class and adjusted for the Exit Fee, proposed to be 5%. The Fund’s Constitution allows the Responsible Entity to make payment up to 21 days after Units are redeemed (which may be extended by a further 30 days or more in certain circumstances). The Responsible Entity reserves the right to change these withdrawal timeframes for the Fund subject to the above extensions of time.

Unitholders should note that if the Proposal proceeds as anticipated, the first withdrawal cut-off date following the de-listing will be 1 June 2025 with proceeds paid within 21 days of 15 September 2025.

Unit pricing and valuation frequency	The NAV of the Fund will be calculated on a six monthly basis at 30 June and 31 December
Liquidity	Net withdrawals of Units in the Fund will be limited per year to 5% of NAV at the end of the preceding year (unless the Responsible Entity waives such restriction).
Exit Fee	For an indefinite period after the Fund is de-listed, an Exit Fee of 5% will be applied to withdrawal requests.
New applications	Minimum initial investment of 15,000 Units.
Additional investment	Minimum additional investment 5000 Units.
Distributions	
Frequency	Quarterly.
Distribution reinvestment	<p>Yes.</p> <p>Unitholders may elect to reinvest distributions by nominating to do so in the Transition Identification Form.</p> <p>Unitholders should note that if the Proposal proceeds, your current distribution/DRP election will not be transferred to the de-listed Fund. Eligible Unitholders who wish to continue reinvesting their distributions will need to make a new election in the Transition Identification Form.</p> <p>Please note that the offer to reinvest distributions will only be available to (i) Wholesale Clients (as defined under section 761G of the Corporations Act) in Australia, (ii) investors investing through an investor directed portfolio service (“IDPS”) receiving this IM in Australia, and (iii) persons receiving this IM in New Zealand, (electronically or otherwise).</p>

3.3 COMPARISON OF KEY METRICS BEFORE AND AFTER IMPLEMENTATION OF THE PROPOSAL

The table below provides a comparison of key metrics before and after implementation of the Proposal.

METRIC	CURRENT	PROPOSED	EXPECTED PROPOSAL IMPACT
Liquidity	Liquidity is dependent on on-market volume and price.	Annual liquidity, subject to a maximum of 5% of NAV per year.	Ability to access the desired volume of investment but reduced frequency to access your capital.
Pricing	Live market available through the ASX trading platform.	Pricing is NAV, adjusted for the Exit Fee in the case of withdrawals.	Following the delisting, average pricing will be closer to NAV.
Distribution	The Fund is open to the general public via the ASX.	The offer to purchase additional / new Units in the Fund will only be open to Wholesale Clients (as defined under section 761G of the Corporations Act) in Australia.	Investor eligibility to participate in the Fund is more restrictive.
Valuation frequency	6 monthly	6 monthly	No change
Settlement	T+2 settlement.	The Responsible Entity will aim to process applications quarterly within approximately 10 calendar days of the last Business Day of each quarter, and withdrawal requests annually by the last Business Day of September each year.	Withdrawal settlement times will take considerably longer after implementation of the Proposal.
Minimum trading value	No minimum trading value.	Minimum initial investment of 15,000 Units. Minimum additional investment of 5,000 Units.	The minimum amount you will be able to invest will increase.
Investment Management Fees	Investment Management fees: 0.60% of GAV.	Investment Management fees: 0.60% of GAV.	No change to the Investment Management Fees.
Costs and Expenses	The Fund pays for all costs and expenses of its operations.	The Fund pays for all costs and expenses of its operations.	Additional administrative costs payable to the administrator and unit registry will be incurred in connection with the de-listing, in particular the processing of investor identification documentation.
Reporting	The Fund is subject to the	After de-listing, the Fund will continue to be a disclosing entity for the purposes	The Fund will no longer be subject to

METRIC	CURRENT	PROPOSED	EXPECTED PROPOSAL IMPACT
	ASX listing rules on Continuous Disclosure and Periodic Reporting.	<p>of the Corporations Act (an "unlisted disclosing entity") and will be required to comply with the continuous disclosure regime under the Corporations Act. As a disclosing entity, the Fund will be subject to regular reporting and disclosure obligations.</p> <p>The Responsible Entity will provide the following reporting;</p> <ul style="list-style-type: none"> – annual audited accounts for each period ended 30 June; – annual distribution, tax and confirmation of holdings statements for each period ended 30 June; – annual report containing details such as asset allocations, the liquidity profile of the portfolio assets and leverage ratio; and – quarterly report containing details such as distributions, the current NAV, and portfolio updates. <p>These reports will be available on the Fund's website: https://usq-reit.com/</p>	the ASX listing rules, however, the Corporations Act continuous disclosure regime will continue to apply.

3.4 APPLICATIONS & WITHDRAWALS

INITIAL INVESTMENT

You can acquire Units by completing the **Application Form** and paying the application money. The minimum initial investment in the Fund is 15,000 Units. The Responsible Entity is not bound to accept any application.

ADDITIONAL INVESTMENTS

You can make additional investments at any time. The minimum additional investment is 5,000 Units. **Additional Investment Forms** will be available from the Fund's unit registry. Completed forms should be sent to the Fund's unit registry along with your payment as per the instructions on the Additional Investment Form.

UNIT PRICES

The price of Units will vary as the market value of the assets in the Fund rises or falls. Unit prices are generally determined on a 6 monthly basis based on the NAV of the Fund, divided by the number of Units on issue in accordance with the Constitution. The Constitution of the Fund allows Unit prices to include an allowance for transaction costs (Buy/Sell Spread). In the case of an application price, the price is increased by an allowance for the estimated costs of the purchase of assets in the Fund. In the

case of a withdrawal price, the price is reduced by an allowance for the estimated cost of the sale of assets in the Fund.

HOW TO WITHDRAW

You may ask to withdraw part or all of your investment in the Fund at any time. Withdrawal requests are normally processed annually. Withdrawal requests must be submitted before 2.00pm on 1 June to be considered for processing. Withdrawal proceeds are generally confirmed by 15 September and paid in approximately 15 calendar days thereafter. However, the Fund's Constitution allows the Responsible Entity to make payment up to 21 days after Units are redeemed (which may be extended by a further 30 days or more in certain circumstances).

To withdraw, in part or in full, Unitholders will need to complete a **Withdrawal Form** which is available on the Fund's website and follow the instructions in the Withdrawal Form. In the event that the Fund becomes illiquid, you may not be able to withdraw your funds within the usual period upon request.

3.5 INFORMATION MEMORANDUM

Should the Resolution be passed, and the Fund de-lists, a new Information Memorandum (IM) will be issued. This IM will provide further information on the operation of the Fund as an open-ended unit trust and information for determining whether it is an appropriate investment option for investors.

4. ADDITIONAL INFORMATION

4.1 INVESTMENT MANAGEMENT

If the Proposed Resolutions are passed, Auctus Asset Management Pty Ltd will continue to be the Investment Manager of the Fund.

As part of the Proposal, there will be no change to the investment mandate, process or investment team. Since the listing of the Fund in March 2022 to 30 June 2023, the Fund's GAV has grown from US 136.6 million to US 147.75 million

OTHER SERVICE PROVIDERS

After the Fund is removed from the official list, we intend to operate the Fund in an unlisted format with Equity Trustees Limited acting as Responsible Entity, Auctus Asset Management Pty Ltd acting as Investment Manager, and Apex Group acting as Administrator and Custodian.

4.2 REMEDIES

The Corporations Act provides for remedies that Unitholders may pursue in the event that the Proposal proceeds, and they consider it to have been contrary to the interests of Unitholders as a whole or oppressive, unfairly prejudicial or discriminatory to a Unitholder or Unitholders. Further, the Takeovers Panel may prevent the Proposal if it considers it to involve "unacceptable circumstances". Remedies that may be available include:

- Members' rights and remedies

If a Unitholder considers the Proposal to be contrary to the interests of Unitholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a particular Unitholder or Unitholders, it may have rights to apply to the Court for an order under Part 2F.1 of the Corporations Act. This Part of the Corporations Act only explicitly applies to a company (rather than trusts such as the Fund) and so the Court may not accept such an application. If the Court accepts the application, it can make various orders under Part 2F.1 that it considers appropriate. Unitholders should obtain independent legal advice if they are considering such an application.

- Unacceptable circumstances

If a Unitholder considers the Proposal involves 'unacceptable circumstances', it may apply to the Takeovers Panel for a declaration of unacceptable circumstances. Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make an order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

5. APPENDIX 1: NOTICE OF MEETING

For personal use only

Notice of Meeting

Pursuant to section 252A of the *Corporations Act 2001* (Cth) (**Corporations Act**), notice is hereby given by Equity Trustees Limited (ABN 46 004 031 298 | AFSL 240 975) (**Equity Trustees or Responsible Entity**) in its capacity as Responsible Entity of the US Student Housing REIT (**Fund**) that a meeting of the Unitholders of the Fund will be held at 11.00am (Sydney time) on 22 December 2023.

The Meeting will be held:

- at the offices of Baker McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Barangaroo NSW 2000; and
- via Zoom at: https://us06web.zoom.us/webinar/register/WN_e2KfmVGoTvev9OZiW9M2xg.

Unitholders can vote by proxy or in person (including via Zoom). Further details are set out in the documents accompanying this Explanatory Memorandum.

This Notice of Meeting is dated 30 November 2023.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

This Notice of Meeting is an appendix to an Explanatory Memorandum. The Explanatory Memorandum has been prepared to assist Unitholders in determining whether or not to vote in favour of the Resolution set out in this Notice of Meeting. This Notice of Meeting and Explanatory Memorandum have been prepared without taking into account your particular investment objectives, financial situation, and particular needs. You should assess whether the information contained in this Notice of Meeting and Explanatory Memorandum is appropriate with respect to your own circumstances before making a decision to vote.

The Explanatory Memorandum should be read in conjunction with this Notice of Meeting. Unitholders are encouraged to vote by proxy prior to the Meeting and lodge questions prior to the Meeting.

BUSINESS

The business of the meeting is to consider, and if thought fit, to pass the following proposed resolutions (**Proposed Resolutions**):

Proposed Resolutions:

Resolution 1

A **special resolution** that, subject to Resolution 2, the US Student Housing REIT be removed from the official list of ASX under Listing Rule 17.11.

Resolution 2

A **special resolution** that, subject to Resolution 1, the constitution of the US Student Housing REIT (**Constitution**) be amended as follows:

- (a) inserting a new definition of 'Exit Fee' in clause 1.1 of the Constitution as follows:

Exit Fee means 5% applied to the Net Asset Value per Unit upon the withdrawal of Units.

- (b) inserting a new clause 23.2 as follows:

23.2 Exit Fee

- (a) If at any time the Units cease to be Officially Quoted, Unitholders must pay the Responsible Entity the Exit Fee in respect of each Unit the Unitholder redeems after the Units cease to be Officially Quoted.
- (b) The Responsible Entity is not entitled to be paid the Exit Fee out of the Assets, but rather, the Exit Fee is to be held on trust as part of the Assets and for the benefit of the existing Unitholders.

- (c) amending clause 11.5 to read as follows:

11.5 Responsible Entity may redeem

- (a) Subject to the Corporations Act, the Responsible Entity may decide to Accept a request from a Member to redeem some or all of their Units, in whole or in part. The Responsible Entity is not required to Accept any such request.
- (b) If the Responsible Entity determines to Accept a redemption request in respect of a Unit, it must redeem the relevant Unit within 545 days.
- (c) If the Responsible Entity determines to Accept a redemption request in respect of a Unit, it must pay from the Assets the Redemption Price of that Unit calculated in accordance with clause 10. The payment must be made within 21 days of the date

on which the Responsible Entity redeems the relevant Unit, or such longer period as allowed by clause 11.6(a).

- (d) making any consequential amendments to clause numberings as a result of the above amendments in paragraph (a), (b) and (c).

For the avoidance of doubt, Resolution 1 and Resolution 2 are inter-conditional, that is, neither Resolution 1 nor Resolution 2 will take effect unless both of the resolutions are passed by the requisite majority.

For personal use only

VOTING ON THE RESOLUTIONS

The Proposed Resolutions will be decided on a poll. The Proposed Resolutions can only be passed if at least 75% of the votes cast by Unitholders entitled to vote either in-person or by proxy are in favour of each Proposed Resolution.

On a poll, each Unitholder has one vote for each of their Units in the Fund. You need not exercise all of your votes in the same way, nor need you cast all of your votes.

VOTING EXCLUSIONS

The Responsible Entity will disregard any votes cast by a person who is not entitled to vote because of section 253E of the Corporations Act. This section provides that the Responsible Entity, the Investment Manager, and its associates are not entitled to vote their interest on a resolution at a meeting of the Unitholders if they have an interest in the resolution or matter other than as a member.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

HOW TO VOTE

Entitlement to Vote

The Responsible Entity has determined that, for the purposes of the Meeting, Units in the Fund will be taken to be held by Unitholders who are the registered holders at a time not more than 48 hours prior to the commencement of the Meeting, being 11.00am on 22 December 2023.

Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If your Units in the Fund are jointly held, only one of the joint holders is entitled to vote. If more than one holder votes in respect of jointly held Units, only the vote of the person named first in the register of Unitholders counts.

How to exercise your right to vote

Unitholders entitled to vote at the Meeting may vote:

- (a) at the Meeting;
- (b) by appointing a proxy to participate and vote on their behalf, using the Proxy Form accompanying this Notice. A proxy may be an individual or body corporate; and
- (c) by appointing an attorney to participate in the Meeting and vote on their behalf or, in the case of corporate Unitholders or proxies, a corporate representative to participate at the Meeting and vote on its behalf.

If it becomes necessary to make further alternative arrangements for the Meeting, Unitholders will be provided with as much notice as possible. Further information will be made available on the Fund's website at <https://usq-reit.com/>.

Proxies

If Unitholders are unable to vote during the Meeting, they may appoint a proxy to participate and vote on their behalf at the Meeting.

Any Unitholder entitled to participate and vote at the Meeting is entitled to appoint not more than two proxies to participate and vote in their stead.

A proxy need not be a Unitholder of the Fund. If a Unitholder appoints two proxies, that Unitholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that which a Unitholder is entitled to, each proxy may exercise half of that Unitholder's votes. Any fractions of votes brought about by the appointment of votes to a proxy will be disregarded.

To appoint a proxy, a Unitholder must complete and sign the Proxy Form, which must be:

- (a) lodged by posting it to the address specified below; or
- (b) received at the fax number specified below,

in each case, by 11:00am (Sydney time) on 19 December 2023 for a Unitholder's proxy appointment to be valid. Notices received after this time will not be accepted.

Online:	https://www.votingonline.com.au/usqegm2023
Address:	Boardroom Pty Limited Level 8, 210 George Street, Sydney NSW 2000 Australia
Fax:	+61 2 9290 9655

A Proxy Form is provided with this Notice of Meeting.

Attorneys

Any Unitholder entitled to participate and vote at the Meeting is entitled to appoint an attorney to participate and vote in their stead.

An attorney need not be a Unitholder of the Fund.

The power of attorney appointing the attorney must be duly signed and specify the name of each of the Unitholder, the Fund, and the attorney, and also specify the Meetings at which the appointment may be used. The appointment may be a standing one. To be effective, the power of attorney must also be returned in the same manner (other than online), and by the same time, as outlined above for the Proxy Form.

Corporate representatives

A Unitholder, or proxy, that is a corporation and entitled to participate and vote at the Meeting may appoint an individual to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with section 253B of the Corporations Act.

To be effective, the appointment must also be lodged in the same manner (other than online), and by the same time, as outlined above for the Proxy Form.

The Chair Acting as proxy

The chair of the Meeting is deemed to be appointed as a Unitholder's proxy where a Proxy Form is returned which does not contain the name of the proxy or where the person appointed on the form is absent from the Meeting.

For proxies without voting instructions that are exercisable by the chair, the chair intends to vote undirected proxies in favour of the resolution.

CHAIR

In accordance with section 252S(1) of the Corporations Act and clause 19.7 of the Fund's constitution, the Responsible Entity intends to nominate Mr Alan Darwin of Baker McKenzie, to act as chair of the Meeting, but may appoint another person if he is unable to attend the Meeting for any reason.

QUORUM

In accordance with clause 19.5 of the Fund's constitution the quorum requirement for the Meeting is two Unitholders present in person or by proxy together holding at least 5% of all Units in the Fund.

If a quorum is not present within 15 minutes of the scheduled time for the Meeting, the Meeting will be adjourned to such place and time as the Responsible Entity decides.

SUBMITTING QUESTIONS PRIOR TO THE MEETING

Unitholders, proxyholders, attorneys, and corporate representatives may also submit questions in advance of the meeting by emailing enquiries@boardroomlimited.com.au by no later than 5:00pm (Sydney time) on 19 December 2023.

Unitholders should note that it may not be possible to respond to all questions.

By order of the Board.

Russell Beasley – Director

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

