

ASX Announcement
16 September 2020

Auctus to more than double AUM

Key points:

- **Auctus to be appointed as manager on US\$95M (A\$130M) of existing US student housing assets**
- **Assets Under Management (“AUM”) now in-excess of A\$220M**
- **Fee Earning AUM ~A\$150M**

Auctus Investment Group Limited (ASX: AVC) (**‘the Company’, ‘Auctus’ or ‘AVC’**) is pleased to announce that Auctus Asset Management (AAM), its wholly owned subsidiary, is to be appointed the fund manager of two existing investment trusts as part of their joint venture with Student Quarters, LLC (“SQ”). Formal documentation is expected to be finalised in the coming weeks.

The two trusts own 8 student housing properties across the United States worth US\$94.5M, including US\$36.8M of equity. Auctus will earn revenue as part of the joint venture agreement with SQ on the existing portfolio.

The performance of both trusts have been strong, generating an average yield of approximately 6% p.a. with growth in Net Operating Income since inception. Importantly, US student housing has performed well in the midst of COVID-19, with average occupancy remaining high through the first half of 2020. Occupancy for the 20/21 academic year is anticipated to above 90% across the portfolio demonstrating the durability and attractiveness of the sector.

We look forward to working with SQ and the investors in these existing trusts over the coming years.

In addition, Auctus recently launched the SQ Property Opportunities Fund. This fund initially aims to raise US\$50m and is currently open to domestic investors. The funds will be designated to acquire a diversified portfolio of US student housing assets. Both Auctus and SQ believe the current period represents a multi-decade opportunity in the sector. The launch has received strong interest to date from both HNW, family office and wholesale investors.

To remain consistent in our reporting, Auctus will quote both Total Assets Under Management (debt plus equity) and Fee Earning Assets Under Management (equity) when referencing our property AUM.

Auctus intends to provide updates to shareholders on the SQ joint venture on a quarterly basis.

-Ends

This announcement has been authorised for release by the Board of AVC.

For shareholder enquires please contact:

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