



## UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

(Constituted in Republic of Singapore pursuant to a trust deed dated 18 September 2019 (as amended))

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD FROM 12 MARCH 2020 (LISTING DATE) TO 30 JUNE 2020

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United Overseas Bank Limited was the sole financial adviser for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited and UBS AG, Singapore Branch were the joint issue managers and global coordinators for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited, UBS AG, Singapore Branch, Credit Suisse (Singapore) Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch were the joint bookrunners and underwriters for the Offering.

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**INTRODUCTION**

**Overview**

United Hampshire US Real Estate Investment Trust (“United Hampshire US REIT” or “UHREIT” or the “Group”) is a Singapore real estate investment trust constituted pursuant to the Trust Deed dated 18 September 2019 (as amended) between United Hampshire US REIT Management Pte. Ltd., in its capacity as the manager of UHREIT (the “Manager”) and Perpetual (Asia) Limited, in its capacity as the trustee of UHREIT (the “Trustee”).

UHREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 12 March 2020 (the “Listing Date”). UHREIT’s principal investment strategy is to invest, directly or indirectly, in stabilised income-producing (i) grocery-anchored and necessity-based retail properties (“**Grocery & Necessity Properties**”), and (ii) modern, climate-controlled self-storage facilities (“**Self-Storage Properties**”), located in the United States of America (“U.S”). The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omni-channel platforms. UHREIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution per Unit (“DPU”) and net asset value (“NAV”) per Unit, while maintaining an appropriate capital structure.

UHREIT completed the acquisition of its initial portfolio on the Listing Date. UHREIT’s portfolio comprises 18 Grocery & Necessity Properties and 4 Self-Storage Properties (the “Properties” or “IPO Portfolio”) located across the U.S., with an aggregate net lettable area of 3.17 million sq ft, as follows:

<b>Property</b>	<b>State</b>	<b>Asset type</b>
<b><u>Grocery &amp; Necessity Properties</u></b>		
Hudson Valley Plaza	New York	Regional Center with Grocery
Albany ShopRite – Supermarket	New York	Grocery & Necessity
Albany ShopRite – Gas Station	New York	Grocery & Necessity
Towne Crossing	New Jersey	Grocery & Necessity
Lynncroft Center	North Carolina	Grocery & Necessity
Garden City Square – BJ’s Wholesale Club	New York	Wholesale Club
Garden City Square – LA Fitness	New York	Fitness Club
Price Chopper Plaza	New York	Grocery & Necessity
Big Pine Center	Florida	Grocery & Necessity
Stop & Shop Plaza	New Jersey	Grocery & Necessity
Fairhaven Plaza	Massachusetts	Grocery & Necessity
Wallington ShopRite	New Jersey	Grocery & Necessity
Parkway Crossing	Maryland	Grocery & Necessity
Walkill Price Chopper	New York	Grocery & Necessity
St. Lucie West	Florida	Grocery & Necessity
BJ’s Quincy	Massachusetts	Wholesale Club
Arundel Plaza	Maryland	Grocery & Necessity
Lawnside Commons	New Jersey	Grocery & Necessity
<b><u>Self-Storage Properties</u></b>		
Carteret Self-Storage	New Jersey	Self-Storage
Millburn Self-Storage	New Jersey	Self-Storage
Elizabeth Self-Storage	New Jersey	Self-Storage
Perth Amboy Self-Storage	New Jersey	Self-Storage

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**Financial Statements Presentation and Announcement**

UHREIT is announcing its first financial results for the period from the Listing Date to 30 June 2020. No comparative figures have been presented as UHREIT was dormant from its date of constitution (18 September 2019) to the Listing Date. Moving forward, the Manager will adopt half-yearly announcement of financial statements. The Manager will continue its regular and effective stakeholder engagement initiatives to keep unitholders updated on material developments between the announcements of half-yearly financial statements.

Any discrepancies in the tables included in this announcement between the listed amounts and the totals thereof are due to rounding.

**Distribution Policy**

UHREIT intends to make distributions to Unitholders on a semi-annual basis. The first distribution will be for the period from Listing Date to 30 June 2020 and will be paid on or before 30 September 2020.

UHREIT'S distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2021. Thereafter, UHREIT will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager's discretion.

**SUMMARY OF UHREIT'S RESULTS for the period from 12 March 2020 to 30 June 2020**

	12 March 2020 to 30 June 2020		
	Actual	Forecast <sup>(1)</sup>	+/(-) <sup>(2)</sup>
	US\$'000	US\$'000	%
Gross revenue	15,312	15,861	(3.5%)
Property expenses	4,484	4,680	(4.2%)
Net property income	11,314	11,971	(5.5%)
Net income available for distribution to Unitholders	8,793	8,772	0.2%
Distribution per Unit (DPU) (US cents) <sup>(3)</sup>	1.78	1.78	-

- (1) The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast numbers for the period from 12 March 2020 to 30 June 2020 were derived by pro-rating the forecast figures for the 10-month forecast period as disclosed in the Prospectus, except for fair value change arising from the acquisition cost of US\$4,334,000 recognised on the Listing Date that was not subject to pro-rating.
- (2) Refer to the Section 9 "Variance Between Actual and Forecast Results" for the reasons behind the variance.
- (3) DPU of 1.78 US cents for the period from 12 March 2020 to 30 June 2020 was calculated based on 493,277,002 issued units as at 30 June 2020.

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1(A)(i)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND DISTRIBUTION STATEMENT

	Note	Group 12 March 2020 to 30 June 2020 US\$'000
<b><u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u></b>		
Gross revenue	a	15,312
Property expenses	b	(4,484)
Other income	c	486
<b>Net property income</b>		<b>11,314</b>
Manager's base fee	d	(879)
Trustee's fee		(47)
Other trust expenses	e	(380)
Finance income		2
Finance costs	f	(2,120)
Net income before tax and change in fair value of investment properties and derivatives		7,890
Fair value change in investment properties		(5,636)
Fair value change on financial derivatives	g	(2,005)
<b>Net income before tax</b>		<b>249</b>
Tax expense	h	(898)
<b>Net loss after tax</b>		<b>(649)</b>
<b>Net income/(loss) after tax attributable to:</b>		
Unitholders		(705)
Non-controlling interests		56
<b>Net loss for the period</b>		<b>(649)</b>
<b><u>DISTRIBUTION STATEMENT</u></b>		
Net loss after tax attributable to the Unitholders		(705)
Distribution adjustments	i	9,498
Net income available for distribution to Unitholders		8,793
<b>Distribution per Unit (US cents)</b>		<b>1.78</b>

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**Notes to the Consolidated Statement of Comprehensive Income and Distribution Statement**

**a) Gross revenue**

	<b>Group</b> <b>12 March 2020 to</b> <b>30 June 2020</b> US\$'000
Rental income	12,346
Recoveries income <sup>(1)</sup>	2,920
Other operating income	46
<b>Gross revenue</b>	<b>15,312</b>

Footnote:

<sup>(1)</sup> Recoveries income includes, among others, charges to tenants for reimbursements of certain property expenses primarily for common area maintenance such as repair and maintenance expenses, utilities, property management fees and reimbursements, real estate taxes and other recoverable costs and is estimated in accordance with the individual tenant leases.

**b) Property expenses**

	<b>Group</b> <b>12 March 2020 to</b> <b>30 June 2020</b> US\$'000
Real estate taxes	2,283
Repair, maintenance, and utilities expenses	676
Property management fees	619
Insurance expenses	257
Other property expenses <sup>(1)</sup>	649
<b>Property expenses</b>	<b>4,484</b>

Footnote:

<sup>(1)</sup> Inclusive of a provision of US\$0.3m for rent relief.

**c) Other income**

Other income comprises Top-Ups from the Hampshire Sponsor in relation to Elizabeth Self-Storage.

**d) Manager's base fee**

The Manager has elected to receive 100% of its base fee in the form of units for the period from 12 March 2020 to 30 June 2020.

**e) Other trust expenses**

	<b>Group</b> <b>12 March 2020 to</b> <b>30 June 2020</b> US\$'000
Audit fees	134
Tax compliance fees	78
Unit registry expense	14
Other trust expenses	154
<b>Other trust expenses</b>	<b>380</b>

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f) **Finance costs**

**Group**  
**12 March 2020 to**  
**30 June 2020**  
 US\$'000

Interest expense on loans and borrowings, commitment fees and amortisation of upfront debt-related transaction costs	1,928
Loan conversion fee	22
Interest on lease liability	170
<b>Finance costs</b>	<b>2,120</b>

g) **Fair value change on financial derivatives**

The Group has entered into interest rate swaps to hedge against floating interest rates. For accounting purposes, the derivatives are carried at fair value on the balance sheet with changes in fair value recognised in profit or loss. No hedge accounting has been elected on the derivatives. The net fair value change in derivatives will not be taxable or tax-deductible and has no impact on the distributable income to the Unitholders.

h) **Tax expense**

Tax expense comprises current and net deferred tax expenses. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

i) **Distribution adjustments**

**Group**  
**12 March 2020 to**  
**30 June 2020**  
 US\$'000

Property related non-cash items <sup>(1)</sup>	(518)
Manager's base fee paid/payable in Units	879
Trustee's fee	47
Amortisation of upfront debt-related transaction costs <sup>(2)</sup>	206
Fair value change in investment properties	5,636
Fair value change on financial derivatives	2,005
Deferred tax expense	721
Other income <sup>(3)</sup>	753
Interest on lease liability	170
Ground lease rental payment	(401)
<b>Distribution adjustments</b>	<b>9,498</b>

Footnotes:

(1) Mainly comprise straight-line rent adjustments and lease commission amortisation.

(2) Upfront debt-related transaction costs are amortised over the life of the borrowings.

(3) Other income comprises Top-Ups from Hampshire Sponsor in relation to St Lucie West and Perth Amboy Self-Storage.

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1(B)(i) STATEMENTS OF FINANCIAL POSITION  
 AS AT 30 JUNE 2020

	Note	Group US\$'000	Trust US\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		11,764	1,555
Restricted cash		480	-
Trade and other receivables		6,774	1,033
Prepaid expenses		1,150	5
<b>Total current assets</b>		<b>20,168</b>	<b>2,593</b>
<b>Non-current assets</b>			
Restricted cash		259	-
Other receivables		279	-
Prepaid capital expenditure	a	10,452	-
Investment properties	b	597,975	-
Investment in subsidiaries		-	375,865
<b>Total non-current assets</b>		<b>608,965</b>	<b>375,865</b>
<b>TOTAL ASSETS</b>		<b>629,133</b>	<b>378,458</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		4,633	1,544
Provision for taxation		177	-
Lease liability		770	-
<b>Total current liabilities</b>		<b>5,580</b>	<b>1,544</b>
<b>Non-current liabilities</b>			
Loans and borrowings		216,748	-
Other payables		700	-
Rental security deposits		498	-
Derivative liability	c	2,005	-
Deferred tax liabilities		721	-
Lease liability		23,567	-
<b>Total non-current liabilities</b>		<b>244,239</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>249,819</b>	<b>1,544</b>
<b>NET ASSETS</b>		<b>379,314</b>	<b>376,914</b>
<b>Net assets attributable to:</b>			
Unitholders		377,293	376,914
Non-controlling interests		2,021	-
		<b>379,314</b>	<b>376,914</b>
<b>Units in issue and to be issued ('000)</b>		<b>494,761</b>	<b>494,761</b>
<b>Net asset value per Unit (US\$)</b>		<b>0.76</b>	<b>0.76</b>

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**Notes to the Statements of Financial Position**

**a) Prepaid capital expenditure**

Prepaid capital expenditure represents the excess of the independent valuation of Perth Amboy Self-Storage on an as-completed basis, over its independent valuation on an as-is basis as Perth Amboy Self-Storage is acquired based on as-completed valuation pursuant to the Purchase and Sale Agreements.

**b) Investment properties**

	<b>Group 30 June 2020 US\$'000</b>
Reconciliation of carrying amount	
Carrying value of properties <sup>(1)</sup>	597,975
Add: income top-up and prepaid capital expenditure	12,602
Less: Right-of-use assets	(24,337)
Less: additions in capital expenditure, tenant improvements, leasing commissions	(1,691)
Acquisition value of the IPO Portfolio	<u>584,549</u>

Footnote:

(1) Fair value of properties includes Perth Amboy Top-Up and Elizabeth Top-Up.

<b>Property</b>	<b>State</b>	<b>Group Acquisition Value US\$'000</b>
<b><u>Grocery &amp; Necessity Properties</u></b>		
Hudson Valley Plaza	New York	46,050
Albany ShopRite – Supermarket	New York	22,850
Albany ShopRite – Gas Station	New York	4,150
Towne Crossing	New Jersey	13,425
Lynncroft Center	North Carolina	24,950
Garden City Square – BJ's Wholesale Club	New York	47,900
Garden City Square – LA Fitness	New York	21,700
Price Chopper Plaza	New York	20,050
Big Pine Center	Florida	9,150
Stop & Shop Plaza	New Jersey	29,300
Fairhaven Plaza	Massachusetts	18,500
Wallington ShopRite	New Jersey	15,900
Parkway Crossing	Maryland	26,625
Wallkill Price Chopper	New York	13,600
St. Lucie West	Florida	76,100
BJ's Quincy	Massachusetts	33,575
Arundel Plaza	Maryland	45,300
Lawnside Commons	New Jersey	32,700



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Property	State	Group Acquisition Value US\$'000
<b><u>Self-Storage Properties</u></b>		
Carteret Self-Storage	New Jersey	17,300
Millburn Self-Storage	New Jersey	22,200
Elizabeth Self-Storage	New Jersey	23,924
Perth Amboy Self-Storage	New Jersey	19,300
Investment properties		584,549

**c) Derivative liability**

This relates to the interest rate swaps entered into by the Group for hedging purpose. Interest rates decreased from when the interest rate swaps were entered, resulting in derivative losses from mark-to-market of these swaps.

**1 (B)(ii) AGGREGATE AMOUNT OF LOANS AND BORROWINGS AND DEBT SECURITIES**

**Details of loans and borrowings, and collaterals**

	Maturity	30 June 2020 US\$'000
<b>Non-current loans and borrowings</b>		
Revolving credit facility ("RCF")	March 2023	-
Term Loan 1 facility ("TL1")	March 2023	91,500
Term Loan 2 facility ("TL2")	March 2024	66,500
Arundel Plaza Mortgage Loan	March 2024	21,143
St Lucie West Mortgage Loan	February 2028	40,000
Total non-current loans and borrowings		219,143
Less: Unamortised upfront debt-related transaction costs		(2,395)
<b>Total loans and borrowings.</b>		216,748

**RCF, TL 1 & TL2 Facilities**

The total amount available under the RCF is US\$20.0 million, this facility was not drawn as at 30 June 2020. The amounts of US\$91.5 million and US\$66.5 million were drawn down from TL1 and TL2 facility respectively. The borrowers are United Hampshire US Parent REIT, Inc and United Hampshire US Holdings LLC jointly and severally. The facilities are secured by share pledges of the borrowers and its subsidiaries (excluding the subsidiaries that own properties securing the St. Lucie West Mortgage Loan and the Arundel Plaza Mortgage Loan), as well as a pledge over certain bank accounts.

**St Lucie West Mortgage Loan**

Certain subsidiaries of UHREIT assumed the existing 96-month mortgage loan of US\$40.0 million ("St. Lucie West Mortgage Loan"), which is secured by, among others, a mortgage over St. Lucie West. The St. Lucie West Mortgage Loan has a maturity date of February 2028 and a fixed interest rate of 3.42% per annum, for which interest-only repayments will be made for the first 60 months followed by repayment of interest and principal for the next 36 months thereafter based on a fixed amortization schedule. The St. Lucie West Mortgage Loan includes representations, warranties and covenants by the borrower which are customary for U.S. mortgage loans. The St. Lucie West Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

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*Arundel Plaza Mortgage Loan*

A subsidiary of UHREIT assumed the existing mortgage loans of US\$15.0 million and US\$6.1 million (the "Arundel Plaza Mortgage Loan") with a fixed interest rate of 3.88% and 4.23% per annum respectively. The Arundel Plaza Mortgage loan is secured by, among others, a mortgage over Arundel Plaza and has a maturity date of March 2024. The Arundel Plaza Mortgage Loan includes representations, warranties and covenants by the borrower which are customary for U.S. mortgage loans. The Arundel Plaza Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

As at 30 June 2020, the Group had total gross loans and borrowings of US\$219.1 million and US\$20 million undrawn revolving credit facility to meet its future obligations. The interest rate on the TL1 and TL2 facilities have been hedged using floating-for-fixed interest rate swaps and both the Arundel Plaza and St Lucie West mortgage loans have fixed interest rates. The weighted average interest rate on loans and borrowings from 12 March 2020 to 30 June 2020 was 2.84% (taking into account the interest rate swaps but excluding commitment fee on the undrawn revolving credit facility). Aggregate leverage, as defined in the Property Funds Appendix, as at 30 June 2020 was 36.2%.

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**1 (C) CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>Notes</b>	<b>Group 12 March 2020 to 30 June 2020 US\$'000</b>
<b>Cash flows from operating activities</b>	
Net income before tax	249
Adjustments for:	
Property related non-cash items	(518)
Manager's fee paid/payable in Units	879
Fair value change in investment properties	5,636
Fair value change on financial derivatives	2,005
Finance expenses	2,120
Finance income	(2)
Operating income before working capital changes	10,369
Changes in working capital:	
Trade and other receivables	(4,884)
Restricted cash	(614)
Prepaid expenses	1,489
Trade and other payables	(289)
Rental security deposits	(89)
Net cash generated from operating activities	5,982
<b>Cash flows from investing activities</b>	
Acquisition of investment properties and related assets and liabilities <sup>1</sup>	a (524,112)
Additions to investment properties	b (1,691)
Interest received	2
Net cash used in investing activities	(525,801)
<b>Cash flows from financing activities</b>	
Proceeds from issuance of Units	c 394,622
Contribution from a non-controlling interest	290
Payment for transaction costs relating to issuance of Units	(17,474)
Proceeds from loans and borrowings	158,329
Payment of debt related transaction costs	(2,203)
Finance costs paid on loans and borrowings	(1,580)
Repayment of lease liability	(231)
Interest paid on lease liability	(170)
Net cash generated from financing activities	531,583
Net increase in cash and cash equivalents	11,764
Cash and cash equivalents at beginning of the period	-
<b>Cash and cash equivalents at end of the period</b>	<b>11,764</b>

Footnote:

(1) Includes acquisition-related debt transaction costs of US\$420,000.

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**Notes to the Consolidated Statement of Cash Flows**

**a) Acquisition of investment properties and related assets and liabilities**

	<b>Group</b>
	<b>12 March 2020 to</b>
	<b>30 June 2020</b>
	US\$'000
Agreed purchase consideration for investment properties	584,549
Less: Non-controlling interest	(1,675)
Acquisition of the properties	582,874
Add: Acquisition costs	4,187
Net cash consideration for investment properties	587,061
Trade and other receivables	19
Prepaid expenses	2,623
Restricted cash	124
Loans and borrowings	(60,814)
Debt related transaction costs	420
Trade and other payables	(4,734)
Rental security deposits	(587)
Net liabilities acquired	(62,949)
Net cash outflow for the acquisition	524,112

**b) Additions to investment properties**

Includes spending on capital expenditure, tenant improvement allowances and leasing commissions.

**c) Proceeds from issuance of Units**

On Listing Date, an aggregate of 493,277,000 Units were issued at US\$0.80 per unit which together with two Units which were in issue prior to the Offering, raised gross proceeds of US\$394.6 million.

The proceeds from the issue of Units and loan facilities drawn on were used in accordance with the stated uses as disclosed in the Prospectus and are set out below.

	Actual	Prospectus	Variance
	US\$'000	US\$'000	US\$'000
Acquisition of the properties <sup>(1)</sup>	582,874	582,490	384
Transaction costs <sup>(2)(3)</sup>	23,864	26,764	(2,900)
Working capital	6,896	4,993	1,903
Total	613,634	614,247	(613)

Footnotes:

(1) The actual amount consists of the agreed purchase consideration for investment properties net of capital expenditure and leasing costs under seller's responsibility at Listing Date. Acquisition costs are included as part of transaction costs to be consistent with the disclosure in the Prospectus.

(2) Transaction costs include expenses incurred in relation to the acquisition of the Properties, the issue of units at the Listing Date, and debt upfront costs.

(3) The favourable variance is mainly from lower than expected IPO related costs. These savings will be used for general working capital purposes.

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**1 (D)(i) STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS**

<b>Group</b>	<b>Units in issue and to be issued US\$'000</b>	<b>Accumulat ed Loss US\$'000</b>	<b>Non- controlling interests US\$'000</b>	<b>Total US\$'000</b>
At 12 March 2020 ("Listing Date")	-(1)	(29) (2)	-	(29)
Operations				
Net loss for the period	-	(705)	56	(649)
Unitholders' transactions				
Issue of new unit prior to Listing Date	-(1)	-	-	-(1)
Issue of new units on the Listing Date	394,622	-	-	394,622
Issue costs (3)	(17,474)	-	-	(17,474)
Manager's base fee payable in Units	879	-	-	879
Total Unitholders' transactions	378,027	-	-	378,027
Acquisition of non-controlling interests	-	-	1,675	1,675
Contribution from non-controlling interests	-	-	290	290
<b>As at 30 June 2020</b>	<b>378,027</b>	<b>(734)</b>	<b>2,021</b>	<b>379,314</b>
<b>Trust</b>				
At 12 March 2020 ("Listing Date")	-(1)	(8)	-	(8)
Operations				
Net loss for the period	-	(1,105)	-	(1,105)
Unitholders' transactions				
Issue of new unit prior to Listing Date	-(1)	-	-	-(1)
Issue of new units on the Listing Date	394,622	-	-	394,622
Issue costs (2)	(17,474)	-	-	(17,474)
Manager's base fee payable in Units	879	-	-	879
Total Unitholders' transactions	378,027	-	-	378,027
Total Unitholders' funds as at 30 June 2020	378,027	(1,113)	-	376,914

Footnotes:

(1) Less than US\$1,000.

(2) Accumulated loss as at Listing Date is mainly for professional fees incurred for corporate secretarial service and private trustee fees for period 18 September 2019 to 31 December 2019.

(3) Issue costs comprise underwriting and selling commissions, professional and other fees, and other issue expenses.

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**1 (D)(ii) DETAILS OF ANY CHANGES IN UNITS**

	<b>Group 18 September 2019 to 30 June 2020</b>
Units in issue:	
At 18 September 2019 (Date of constitution)	1
New Units issued prior to Listing Date	1
New Units issued on the Listing Date	493,277,000
Total issued Units as at 30 June 2020	<u>493,277,002</u>
Units to be issued:	
Manager's base fee payable in Units <sup>(1)</sup>	1,483,945
Total units issued and to be issued as at the end of the period	<u>494,760,947</u>

Footnote:

(1) The Manager has elected to receive 100.0% of the Manager's base fee in units for the period from 12 March 2020 to 30 June 2020. The number of units is calculated based on the volume weighted average traded price of the Units on the SGX-ST for the last 10 business days for the period ended 30 June 2020 of US\$0.5926.

**1 (D)(iii) TOTAL NUMBER OF ISSUED UNITS**

UHREIT does not hold any treasury units as at 30 June 2020. The total number of issued units as at 30 June 2020 was 493,277,002.

**1 (D)(iv) SALES, TRANSFERS, DISPOSALS, CANCELLATION AND/OR USE OF TREASURY UNITS**

Not applicable.

**2. AUDIT**

The figures have neither been audited nor reviewed by the auditors.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation as described in the Prospectus in the preparation of the consolidated financial statements for the current reporting period.

**5. CHANGES IN ACCOUNTING POLICIES**

Not applicable.

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**6. CONSOLIDATED EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)**

	<b>Group 12 March 2020 to 30 June 2020</b>
<b>EPU</b>	
Net loss for the period (US\$’000)	(649)
Weighted average number of Units in issue and to be issued <sup>(1)</sup>	494,018,975
Basic and diluted EPU (US cents) <sup>(2)</sup>	nm
<hr/>	
<b>DPU</b>	
Income available for distribution to Unitholders (US\$’000)	8,793
Number of Units in issue at the end of the period <sup>(3)</sup>	493,277,002
DPU (US cents)	1.78
<hr/>	

Footnotes:

- (1) Based on the weighted average number of units in issue during the period and the units to be issued as payment of the Manager’s base fee incurred for the period from Listing Date to 30 June 2020.  
 (2) Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the period.  
 (3) Number of units in issue as at 30 June 2020.

**7. NET ASSET VALUE (“NAV”) AND NET TANGIBLE ASSET (“NTA”) PER UNIT**

	<b>30 June 2020</b>	
	Group	Trust
Net assets <sup>(1)</sup> (US\$’000)	377,277	376,914
Number of Units in issue and to be issued <sup>(2)</sup>	494,760,947	494,760,947
NAV and NTA per Unit <sup>(3)</sup> (US\$)	0.76	0.76
<hr/>		

Footnotes:

- (1) This excludes the non-controlling interests’ share of net asset value.  
 (2) Based on the number of units in issue during the period and the units to be issued as full payment of the Manager’s base fee.  
 (3) NAV and NTA is the same as there are no intangible assets as at the end of the period.

**8. REVIEW OF PERFORMANCE**

Please refer to “Variance Between Actual and Forecast Results” for a review of the actual results for the period from 12 March 2020 (Listing Date) to 30 June 2020 against the forecast as disclosed in the Prospectus.

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9. VARIANCE BETWEEN ACTUAL AND FORECAST RESULTS

	12 March 2020 to 30 June 2020		
	Actual <sup>(1)</sup> US\$'000	Forecast <sup>(2)</sup> US\$'000	Change %
<b><u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u></b>			
Gross revenue	15,312	15,861	(3.5%)
Property expenses	(4,484)	(4,680)	(4.2%)
Other income	486	790	(38.5%)
<b>Net Property Income</b>	<b>11,314</b>	<b>11,971</b>	<b>(5.5%)</b>
Manager's base fee	(879)	(877)	0.2%
Trustee's fee	(47)	(40)	17.5%
Other trust expenses	(380)	(401)	(5.2%)
Finance income	2	10	(80.0%)
Finance costs	(2,120)	(2,815)	(24.7%)
Net income before tax and change in fair value of investment properties and derivatives	7,890	7,848	0.5%
Fair value change in investment properties	(5,636)	(4,959) <sup>(3)</sup>	n.m. <sup>(4)</sup>
Fair value change on financial derivatives	(2,005)	-	n.m. <sup>(4)</sup>
<b>Net income before tax</b>	<b>249</b>	<b>2,889</b>	<b>(91.4%)</b>
Tax expense	(898)	(897)	0.1%
<b>Net (loss) / income after tax</b>	<b>(649)</b>	<b>1,992</b>	<b>n.m.</b>
<b><u>DISTRIBUTION STATEMENT</u></b>			
Net (loss) / income after tax	(649)	1,992	n.m.
Distribution adjustments	9,498	6,825	39.2%
<b>Net income available for distribution</b>	<b>8,849</b>	<b>8,817</b>	<b>0.4%</b>
Net income available for distribution attributable to:			
Unitholders	8,793	8,772	0.2%
Non-controlling interests	56	45	24.4%
<b>Income available for distribution</b>	<b>8,849</b>	<b>8,817</b>	<b>0.4%</b>

Footnotes:

- (1) UHREIT was a dormant private trust up to 11 March 2020. Therefore, the actual income derived from the properties for the current period was from 12 March 2020 to 30 June 2020.
- (2) The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast results for the period from 12 March 2020 to 30 June 2020 were derived by pro-rating the forecast figures.
- (3) Includes fair value change arising from the acquisition cost of US\$4,334,000 recognised on Listing Date, that was not subjected to pro-rating.
- (4) n.m.: not meaningful. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.



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Actual vs Forecast for the financial period from 12 March 2020 to 30 June 2020

Gross revenue of US\$15.3 million was 3.5% or US\$0.5 million lower than forecast largely due to US\$0.2 million in lower recoveries income from Grocery & Necessity Properties, primarily driven by the lower spending in the recoverable expense. Self-Storage Properties reported a lower gross revenue by US\$0.3 million due to a deceleration in leasing activities arising from COVID-19 and the delay in Perth Amboy completion. Grocery & Necessity base rent revenue was higher than forecast by US\$0.1 million but was offset by rent relief of US\$0.1 million that was given in the form of rent waivers.

Property expenses of US\$4.5 million were 4.2% or US\$0.2 million lower than forecast, primarily due to lower spending in repair and maintenance as we re-prioritised and adopted a more prudent necessity maintenance program to improve the operational resiliency. Property expenses for the period include a provision for rent relief of US\$0.3 million which is currently in negotiation.

Other income of US\$0.5 million was 38.5% or US\$0.3 million lower than forecast due to the reclassification of Perth Amboy Top-Up from other income to distribution adjustment due to the delay in completion of construction. This does not have an impact on distributable income.

Overall, net property income of US\$11.3 million was 5.5% or US\$0.7 million lower than forecast due to the reasons described above. For the US\$0.4 million rent relief described above, it was provided as a form of assistance to certain tenants whose businesses are adversely impacted by COVID-19. For certain rent reliefs granted, we have also secured lease extensions that are accretive to the overall WALE of the portfolio.

Manager's base fee of US\$0.9 million was in line with forecast as income available for distribution to Unitholders was marginally higher than forecast by 0.2%. Manager's base fee is 10.0% of income available for distribution to Unitholders (calculated before accounting for the Manager's base fee).

Other trust expenses of US\$0.4 million were marginally lower than forecast.

Finance costs of US\$2.1 million was 24.7% or US\$0.7 million lower than forecast. This was largely a result of favorable floating-to-fixed interest rate swap rates secured for the TL1 and TL2 term loans.

Fair value change in investment properties includes US\$0.7 million fair value adjustment for Earn-out of Carteret and Millburn Self-Storage. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.

Fair value on financial derivatives resulted in a loss of US\$2.0 million as interest rates decreased from the date interest rate swaps were entered. The forecast did not assume any changes in interest rates. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.

Due to the net effects of the above, net loss after tax attributable to Unitholders was US\$0.6 million. After adjusting for distribution adjustments, which were non-cash and non-tax in nature, the overall net income available for distribution to Unitholders was US\$8.8 million which is 0.2% higher than forecast.

## 10. PROSPECTS

*A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months*

The U.S. economy recently reported an annualised GDP growth guidance of -32.9% for the second quarter of 2020<sup>1</sup>, reflecting the disruptions associated with pandemic-control measures. To combat the economic impact of COVID-19, the U.S. Government funded a stimulus package of over \$2 trillion to assist businesses and consumers. An additional package providing more stimulus which is reported to be greater than US\$1 trillion is currently being deliberated in the Congress as many benefits from the initial stimulus package have begun to expire.

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<sup>1</sup> [U.S. Bureau of Economic Analysis, 30 July 2020 - Gross Domestic Product, 2Q 2020 \(Advance Estimate\) and Annual Update](#)

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With the continued resumption of the economic activity, the U.S. unemployment rate declined for the third straight month in July 2020 to 10.2%, a marked decline from close to 15% at the height of the pandemic. Notable employment growth occurred in leisure and hospitality, government, retail trade, professional and business services, other services and health care<sup>2</sup>.

The U.S. retail and food services sector saw a strong uptick in May, with a 18.2% increase month-on-month (“**MOM**”), and an increase of 7.5% MOM and 1.1% year-on-year (“**YOY**”) in June, demonstrating its resilience<sup>3</sup>. The brunt of the downturn in retail, however, was felt more disproportionately by department stores and malls. The grocery anchored, neighborhood strip center sector has fared much better due to their tenants which offer a much larger percentage of essential goods and services such as groceries, home improvement supplies and consumer services. The stabilised portfolio occupancy of the Retail Strip Center Index is estimated to be approximately 94.3% for 2020 which is above the 10-year average and projected to remain at this level through 2023<sup>4</sup>. Additionally, although investment in the overall retail sector is down 73% YOY due to the slowdown in business activity, average cap rates are down 10 basis points from the prior year<sup>5</sup>. Grocery anchored centers accounted for approximately 24% of the investment activity in the second quarter and pricing for the sub-sector was up by 1.6%, outperforming the rest of the retail sector<sup>5</sup>.

The Self-Storage sector experienced peak drawdowns in May as lockdown measures limited move-ins and hindered demand during the sector’s peak Spring Season. However, as lockdown restrictions have eased, the sector’s move-in rate has rebounded dramatically towards the end of the second quarter. Early July move-in rate data for Self-Storage is showing widespread YOY growth, signalling that the absent leasing volume during peak lockdown measures of May and June was not lost, but instead delayed<sup>6</sup>.

With respect to the UHREIT portfolio, the majority of the retail base rents are derived from “essential” tenants which include some of the largest grocery stores, warehouse clubs and home improvement retailers in the U.S. Retail tenants comprising over 90% of the total base rental income were open for business in June 2020 as most retail tenants re-commenced operations and have remained open despite the recent resurgence and increased transmissions with the rollback of loosening guidelines in the southern and western regions of the U.S.

As at 30 June 2020, UHREIT has committed to extend tenant support to its retail tenants that includes US\$0.1 million of rent waivers and a provision for rent relief of US\$0.3 million which is currently in negotiation. There are also other rental relief requests from certain tenants whose businesses have been adversely affected by COVID-19. The Manager continues to assess these requests on a case-by-case basis. These measures may continue to impact the cashflow and financial performance of the portfolio and UHREIT for the next 12 months.

UHREIT’s Self-Storage Properties have also demonstrated resiliency during the pandemic. After an initial deceleration in leasing volumes towards the end of March till the first half of May due to sheltering in place orders, UHREIT’s Self-Storage Properties’ leasing trends have been increasing after the gradual lifting of guidelines from May 2020.

As the COVID-19 pandemic continues to affect countries worldwide, it is challenging to estimate the full impact at this time, but the pandemic and its impact on economic conditions is expected to continue for some time. In addition to the length of the course of the pandemic and the development of a vaccine, the outcome of a new government stimulus plan currently being deliberated on in Congress reported to be greater than US\$1 trillion will have a major impact on the pace of the recovery. The Manager will continue to monitor the situation closely and will announce any material developments regarding the Group’s operations in a timely manner.

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<sup>2</sup> [U.S. Bureau of Labor Statistics, 7 August 2020 – The Employment Situation – July 2020](#)

<sup>3</sup> [U.S. Census Bureau, 16 July 2020 – Advance Monthly Sales For Retail And Food Services, June 2020](#)

<sup>4</sup> [Green Street, REIT Stabilised Portfolio Occupancy as of 1 August 2020](#)

<sup>5</sup> [Real Capital Analytics, US Retail Capital Trends 2Q 2020](#)

<sup>6</sup> [Green Street Advisors, Self-Storage Sector, 3 August 2020](#)

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**11. DISTRIBUTIONS**

**(a) Current Financial Period reported on**

Any distribution recommended for the current financial period reported on?

Yes.

Distribution period :	First distribution for the period from 12 March 2020 to 30 June 2020
Distribution type/rate:	Distribution of US 1.78 cents per Unit comprising of: a. Tax-exempt income: US 1.25 cents per Unit b. Capital: US 0.53 cents per Unit
Tax rate :	<p>Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No Singapore withholding tax will be deducted at source from this income.</p> <p>Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of UHREIT Units, the amount of capital distribution will be applied to reduce the cost base of UHREIT Units for Singapore income tax purpose.</p> <p>Unitholders who do not submit required U.S. tax forms completely and accurately by Tuesday, 8 September 2020 date will be subject to 30% U.S. withholding taxes on the distribution.</p>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any distribution declared for the corresponding period of the immediately preceding financial year?

Not applicable.

**(c) Book closure date:** 20 August 2020

**(d) Date payable:** 29 September 2020

**12. DISTRIBUTION STATEMENT**

Other than as disclosed in Paragraph 11(a), no distribution has been declared / recommended.

**13. GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS**

The Group has not obtained a general mandate from Unitholders for interested party transactions.

**14. NEGATIVE CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors of United Hampshire US REIT Management Pte. Ltd., as the Manager of UHREIT (the "Manager"), hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited financial statements of UHREIT for the period from 12 March 2020 (Listing Date) to 30 June 2020 to be false or misleading in any material aspect.

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**15. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**On behalf of the Board**  
**United Hampshire US REIT Management Pte. Ltd.**  
**(Company Registration Number: 201916768W)**  
**As Manager of United Hampshire US REIT**

Mr. Tan Tong Hai  
Chairman

Mr. Chua Teck Huat Bill  
Director

12 August 2020

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. The value of units in UHREIT (the "Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited (as trustee of United Hampshire US Real Estate Investment Trust) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (the "Unitholder") have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of UHREIT is not necessarily indicative of its future performance.

**By Order of the Board**  
**United Hampshire US REIT Management Pte. Ltd.**  
**(Company Registration Number: 201916768W)**  
**As Manager of United Hampshire US REIT**

**Boardroom Corporate & Advisory Services Pte. Ltd.**  
**Company Secretary**  
**12 August 2020**