



UNITED HAMPSHIRE US REIT'S 1Q 2021 DISTRIBUTABLE INCOME IS 1.3% HIGHER THAN IPO FORECAST

- ***Publix officially opens new 54,965 sq ft store at St. Lucie West, Florida, on 15 April, with construction completed ahead of schedule and under budget***
- ***Grocery & Necessity Properties maintain high portfolio occupancy rate of 93.9% and long WALE of 8.1 years¹***
- ***Strong leasing momentum with the execution of 15 new and renewal leases***
- ***Occupancies for the two new Self-Storage Properties continue to trend upwards***
- ***Conservative gearing of 37.5% and interest coverage ratio of 6.6 times***
- ***Prudent capital management with no refinancing requirements until 2023***

SINGAPORE, 12 MAY 2021 – United Hampshire US REIT Management Pte. Ltd. (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**United Hampshire US REIT**”, “**UHREIT**”), announced today that its distributable income for the first quarter ended 31 March 2021 (“**1Q 2021**”) was US\$7.6 million, 1.3% higher than IPO forecast. 1Q 2021 gross revenue and net property income (“**NPI**”) were 1.9% and 1.8% lower than forecast respectively. Grocery & Necessity Properties maintained a high portfolio occupancy rate of 93.9% and long WALE of 8.1 years¹ and the occupancies for the two new Self-Storage Properties continue to trend upwards whilst the remaining two Self-Storage Properties maintained their high occupancy above 93.0%.

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “Operationally, we have witnessed the resilience of our portfolio, backed by our cycle-agnostic tenants providing essential services. Our tenants have successfully adopted omni-channel strategies and are thriving in this new environment. We are pleased to see that our restaurant tenants have remained resilient, as evidenced by the lease renewals this quarter. It is noteworthy that overall, Food & Beverage (“**F&B**”) and Consumer Services tenants formed a majority of the new and renewal leases signed during this period.”

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.

¹ *Grocery & Necessity Properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 7.7 years as at 31 March 2021.*

“As the US economy recovers, we have seen strong leasing momentum for our Self-Storage portfolio year-to-date, with occupancies continuing to trend upwards for our two newer properties. Our properties are strategically located in the New York metropolitan area where there is an undersupply of Self-Storage facilities and enjoy good connectivity and access to the nearby communities. In addition, the good growth momentum can be attributed to a number of factors, including a steady increase in consumer awareness of the benefits of self-storage, an increasingly mobile population and the decluttering of homes to create more efficient workspaces – a dynamic that we expect will continue even as the country transitions to a post-COVID environment.”

“We are delighted to have crossed another milestone this quarter, with the official opening of the new Publix store in St. Lucie West on 15 April 2021, ahead of schedule and under budget. We are in the process of negotiating another lease for approximately 20.0% of the former Publix space and are receiving several expressions of interest, from home furnishing to off-price retail sectors.”



***The 54,965 sq ft Publix Store at St. Lucie West, Florida, has officially opened on 15 April 2021, ahead of schedule
(Photo credit – United Hampshire US REIT Management Pte. Ltd.)***



Portfolio Review and Management

In 1Q 2021, UHREIT experienced robust leasing momentum, with the execution of 15 new and renewal leases totalling approximately 46,480 sq ft. As at 31 March 2021, Grocery & Necessity Properties' occupancy remains high at 93.9% with a long WALE of 8.1 years¹. Majority of the tenants provide essential goods or services, and their leases are primarily triple net.

Overall, UHREIT generates a significant amount of organic growth as a majority of the leases for Grocery & Necessity Properties benefit from rental increases during the lease terms. The Grocery & Necessity portfolio also features a long lease maturity profile with less than 3.0% of the leases by base rental income expiring in 2021.

The UHREIT's Self-Storage assets have also performed well and occupancies for these properties have continued to trend up since May last year, after COVID-19 related lockdown guidelines were loosened.

Elizabeth Self-Storage recorded significant occupancy growth to 43.7% as at 31 March 2021, up from 37.7% as at 31 December 2020. As for Perth Amboy Self-Storage, since the commencement of leasing activities in January 2021, occupancy has climbed to 12.9% as at 31 March 2021. Both Millburn Self-Storage and Carteret Self-Storage's occupancies have remained consistently high, with occupancies of 93.5% and 94.7% as at 31 March 2021 respectively.

The 54,965 sq ft Publix Store at St. Lucie West, Florida, has officially opened ahead of schedule on 15 April 2021. The Manager has earlier secured a new lease with Beall's Outlet Stores, with a tenure of seven years, which will occupy 57.0% of the existing space that Publix has vacated from, with its relocation to the new store. UHREIT is proactively in discussions with prospective tenants for the leasing of the remaining space.

Prudent Capital Management

UHREIT continues to focus on a disciplined and prudent capital management strategy. As at 31 March 2021, UHREIT maintains a conservative leverage of 37.5%, well below the aggregate leverage limit of 50% set by the Monetary Authority of Singapore.

UHREIT earlier entered into interest rate swaps to hedge the floating rate of the Term Loan Facilities into fixed rates, which remove any near-term interest rate risk. The weighted average interest rate is 2.79% and interest coverage ratio stood at 6.6 times. The weighted average debt maturity is 3.2 years with no refinancing requirements until 2023.

U.S. Market Outlook

U.S. first quarter GDP figures for 2021 increased at an annualised rate of 6.4%, mostly driven by consumer spending². The economy is expected to rebound in 2021 with a GDP forecast of 6.5% increment³. Across the U.S., over 260 million doses of COVID-19 vaccinations have been administered⁴ as at 12 May 2021. Additionally, unemployment rate is expected to continue to fall in 2021 to 4.5% by the end of the year³.

Retail spending led the way and surged in March 2021 due to the U.S. Government's distribution of stimulus checks and its vaccination rollout. Based on advance estimates, sales receipts for March 2021 increased by 27.7% year-on-year ("YOY") while the first quarter recorded an overall increase of 14.3% YOY. Underpinned by healthy consumer fundamentals, pent-up demand, and a widespread vaccination plan, the industry is expected to grow between 6.5% to 8.2% in 2021⁵.

² CNBC, "Consumer-fueled economy pushes GDP to 6.4% first-quarter gain", 29 April 2021.

³ Federal Open Market Committee, "Summary of Economic Projection", 17 March 2021.

⁴ Bloomberg, "[More Than 1.34 Billion Shots Given: Covid-19 Tracker](#)", 12 May 2021.

⁵ National Retail Federation, 24 February 2021, "[NRF Forecasts Retail Sales to Exceed \\$4.33T in 2021 as Vaccine Rollout Expands](#)"



On the self-storage front, remote learning and working continues to drive demand as this trend takes away space in the home, where families require the additional storage space. Relocation to less dense and suburban areas has also driven up self-storage demand. As such, the self-storage sector is poised to ride these demand tailwinds.

As the global economy continues its path to recovery, the Manager will closely monitor the situation, optimise the assets and seek opportunities to strengthen income streams. The Manager also believes that UHREIT's portfolio remains well-positioned to tide through this period and will continue to selectively look for suitable accretive acquisition opportunities.

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About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange on 12 March 2020, UHREIT is a Singapore real estate investment trust established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based⁶ retail properties (“**Grocery & Necessity Properties**”), and (ii) modern, climate-controlled self-storage facilities (“**Self-Storage Properties**”), located in the 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 platforms⁷.

UHREIT’s portfolio comprises 22 predominantly freehold Grocery & Necessity Properties, and Self-Storage Properties, primarily concentrated in the East coast of the U.S., with an appraised value of approximately US\$585.5 million and an aggregate net lettable area (“**NLA**”) of approximately 3.2 million square feet.

⁶ “**Grocery-anchored and necessity-based**” retail properties are assets which are anchored by non-discretionary spending businesses such as supermarkets and grocers (generally accounting for 50 to 70 per cent of the NLA), complemented by smaller inline tenants (generally each accounting for less than 5 per cent of the NLA) for lifestyle services such as hair salons, laundry and dry cleaning stores.

⁷ “**Omni-channel platforms**” means the utilisation of multiple distribution channels, both physical and digital to allow the retailer to be better positioned to engage with the customer. These channels include the physical store, websites, phones, e-mail offers, social media, and traditional advertisement methods (i.e. print media).



About the Sponsors

UOB Global Capital LLC

UOB Global Capital LLC is an originator and distributor of private equity, hedge funds, fixed income and real estate products, and a global asset management subsidiary of United Overseas Bank Limited (“UOB”), a leading bank in Asia. UOB Global Capital LLC was founded in 1998 and has US\$2.88 billion in Asset Under Management (“AUM”) as of 31 December 2020. It operates from offices in New York and Paris, with representation at UOB’s headquarters in Singapore. In this way, the firm can conduct its activities and meet investors’ needs across the Americas, Europe, the Middle East and Asia.

The Hampshire Companies, LLC

The Hampshire Companies, LLC is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including industrial, retails, self-storage, office, industrial and multifamily. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 175 properties across the U.S. with an AUM in excess of approximately US\$1.7 billion in value and totalling over 12.25 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.3 billion⁸.

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US\$1.1 billion (as at 31 December 2020) to focus on investment opportunities in income producing real estate assets in the U.S.

⁸ As at 31 December 2020.



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