



UNITED HAMPSHIRE US REIT ACHIEVES DISTRIBUTABLE INCOME OF US\$7.7 MILLION FOR 3Q 2021, 4.1% ABOVE 3Q 2020

- **Recent DPU accretive acquisitions of Penrose Plaza and Colonial Square expected to complete and contribute to UHREIT's portfolio from 4Q 2021**
- **Grocery & Necessity Properties achieved higher committed occupancy rate of 95.5%¹; WALE remained long at 8.1 years², one of the longest WALEs in the S-REIT universe**
- **Cycle agnostic tenants in essential services continue to perform well**
- **Strong leasing trend with execution of 32 new and renewal leases, with leases expiring in 2022 reduced from 8.5%³ to 3.0%⁴**
 - **Low leasing risk with only 0.5%⁴ of leases due in 2021**
- **Elizabeth and Perth Amboy Self-Storage Properties experienced strong increases in occupancies whilst Carteret and Millburn Self-Storage maintained high occupancies above 92%**

SINGAPORE, 10 November 2021 – United Hampshire US REIT Management Pte. Ltd., the manager (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that its distributable income for the third quarter ended 30 September 2021 (“**3Q 2021**”) of US\$7.7 million was 4.1% higher than the third quarter ended 30 September 2020 (“**3Q 2020**”) and in line with IPO Forecast (“**Forecast**”). Supported by a resilient portfolio, gross revenue and net property income (“**NPI**”) for 3Q 2021 rose 5.8% and 6.1% year-on-year to US\$13.6 million and US\$10.3 million respectively. Comparing against the Forecast, which was made prior to the outbreak of the COVID-19 pandemic⁵, 3Q 2021 gross revenue and NPI were 4.9% and 1.6% lower respectively.

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 Compared to 94.8% as at 30 June 2021.

² Grocery & Necessity Properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 8.1 years as at 30 September 2021.

³ As at 30 June 2021. Based on base rental income of Grocery & Necessity Properties for the month of June 2021.

⁴ Based on base rental income of Grocery & Necessity Properties for the month of September 2021.

⁵ Forecast from UHREIT Prospectus dated 3 March 2020. World Health Organization (WHO) announced that COVID-19 can be characterised as a pandemic on 11 March 2020.

Distributable income for year-to-date ended 30 September 2021 (“**YTD Sep 2021**”) of US\$22.9 million was 1.0% above Forecast, while gross revenue and NPI of US\$40.4 million and US\$30.8 million were 3.9% and 0.9% below Forecast respectively.

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “Our tenants for Grocery & Necessity Properties, mainly in essential services, continued to benefit from the rising U.S. consumer spending, and a rebound in strip centers’ foot traffic. We continued to see Food & Beverage, Consumer Goods and Services tenants experiencing improvement in performance, forming a majority of the new and renewal leases signed during this period. For Self-Storage Properties, the two new properties, Elizabeth and Perth Amboy experienced a strong increase in occupancies whilst Carteret and Millburn maintained high occupancies above 92%.”

“During the quarter, we also announced our very first acquisitions since IPO, strategically adding two dominant grocery-anchored freehold assets to our high-quality portfolio in the Eastern seaboard, where we have strong familiarity. Both Penrose Plaza, Pennsylvania and Colonial Square, Virginia are anchored by superior tenants and fit in well with our investment criteria given that they are well-located in neighbourhoods with limited competition and have high barriers to entry for new retail development. This DPU accretive acquisition, expected to complete and contribute to UHREIT’s portfolio from 4Q 2021, reinforces our commitment to pursue long-term value that will support UHREIT’s growth and strengthen distributions to Unitholders.”



***DPU accretive acquisitions of Penrose Plaza, Pennsylvania (left) and Colonial Square, Virginia (right) expected to complete and contribute to UHREIT’s portfolio from 4Q 2021
(Photo credit – United Hampshire US REIT Management Pte. Ltd.)***

Portfolio Review and Management

Grocery & Necessity Properties achieved a higher portfolio occupancy rate of 95.5% as at 30 September 2021¹, with strong rental collections of 99.0%⁶ and a long WALE of 8.1 years². Leasing momentum remained brisk with the execution of 32 new and renewal leases in the first nine months of 2021, totalling approximately 300,575 sq ft. The leases expiring in 2022 were reduced from 8.5%³ to 3.0%⁴, while leases expiring in 2021 remained low at only 0.5%⁴. UHREIT will also experience organic growth as most of the leases for Grocery & Necessity Properties have built-in rental increases during the lease terms.

A new 10-year lease was secured with Five Below, a specialty discount store with over 1,000 stores in the U.S., at St. Lucie West, Florida. Five Below will be occupying approximately 10,400 sq ft of the space that was vacated by Publix when it moved to the newly constructed store and 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. Together, they will occupy approximately 78.7% of the old Publix space, and Beall's Outlet Stores and Five Below are expected to commence operations in 2Q 2022 and 3Q 2022 respectively. UHREIT continues to actively engage with prospective tenants for the leasing of the remaining one unit of approximately 10,000 sq ft.

Occupancies for the two new Self-Storage Properties have also continued to trend upwards. Occupancy for Perth Amboy Self-Storage, which commenced leasing activities in January 2021, has increased significantly to 41.0% as at 30 September 2021, from 25.0% as at 30 June 2021, and Elizabeth Self-Storage also recorded strong occupancy growth to 59.9%, from 46.3% over the same period. Occupancies of both Carteret and Millburn Self-Storage have remained high at 92.1% and 93.9% as at 30 September 2021 respectively.

Prudent Capital Management

UHREIT continues to focus on a disciplined and prudent capital management strategy. As at 30 September 2021, UHREIT maintains a conservative leverage of 37.6%, well below the aggregate leverage limit of 50.0% set by the Monetary Authority of Singapore. UHREIT also has an undrawn US\$12.5 million committed revolving credit facility.

⁶ Based on total base rent collected for Grocery & Necessity Properties for YTD Sep 2021.



As at 30 September 2021, 96.7% of UHREIT's total debt was at fixed rates, which removed any near-term interest rate risk. The weighted average interest rate is 2.77% and interest coverage ratio stood at 6.5 times. The weighted average debt maturity is 2.7 years with no refinancing requirements until 2023.

In relation to the acquisition of Penrose Plaza, Pennsylvania and Colonial Square, Virginia, a placement of new issues ("**Private Placement**") was launched on 5 October 2021. The Manager received strong demand from both existing unitholders and new investors. In view of the strong demand, the Placement Upsize was exercised in full with approximately US\$35.0 million raised. In relation to the Private Placement, UHREIT announced an advanced distribution estimated to be between US 1.73 and US 1.77 cents which will be paid to unitholders⁷.

U.S. Market Outlook

Based on advance estimates released by the Bureau of Economic Analysis, U.S. third quarter GDP in 2021 increased at an annualised rate of 2.0%⁸, and GDP is expected to expand 5.9% in 2021⁹. According to U.S. Bureau of Labor Statistics, unemployment rate dropped further in October to 4.6%, and available jobs in August 2021 remained high at 10.4 million which was largely due to mismatched job openings and potential employees, irregular school schedules and a high savings rate amidst the ongoing COVID-19 pandemic.

According to the U.S. Census Bureau, overall retail spending for 3Q 2021 and YTD Sep 2021 increased 14.9% and 20.1% year-on-year respectively. Consumer Confidence Index rebounded in October to 113.8 from 109.8 in September¹⁰, while September 2021 personal savings rate remained high at 7.5%¹¹. These positive trends are expected to bode well for UHREIT's Grocery & Necessity portfolio.

⁷ *Announcement dated 5 October 2021.*

⁸ *Bureau of Economic Analysis, 28 October 2021.*

⁹ *Federal Open Market Committee, "Summary of Economic Projection", 22 September 2021.*

¹⁰ *The Conference Board, "Consumer Confidence Increased in October", 26 October 2021.*

¹¹ *Bureau of Economic Analysis, 29 October 2021.*



Self-storage leasing activities and rental rates have been affected by the pandemic, and an anti-price gouging law introduced by the U.S. Government at the onset of the pandemic which limited a landlord's ability to assess rental rate increases on existing customers. However, the self-storage market is expected to continue its upward trend owing to several factors such as businesses adopting a more flexible remote working model, strong home sale activities, smaller housing arrangements and an increasingly mobile population.

The Manager continues to focus on enhancing asset value, achieving optimal lease and capital management, and actively seeks investment opportunities that will deliver long-term value to Unitholders.

ENDS

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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-based¹² 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 platforms¹³.

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 a carrying value of approximately US\$584.9 million¹⁴ and an aggregate net lettable area (“**NLA**”) of approximately 3.2 million square feet.

¹² “**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.

¹³ “**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).

¹⁴ Based on carrying value of investment properties as at 30 September 2021.



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 and multifamily. The Hampshire Companies, LLC 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 billion¹⁵.

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.

¹⁵ As at 31 December 2020.

IMPORTANT NOTICE

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