UNITED-HAMPSHIRE

PROVEN RESILIENCE **DELIVERING SUSTAINABLE GROWTH**

UNITED HAMPSHIRE US REIT
ANNUAL REPORT 2022

PROVEN RESILIENCE
DELIVERING SUSTAINABLE GROWTH

United Hampshire US REIT's portfolio comprises two recession-resistant, cycle-agnostic sectors, namely Grocery & Necessity properties and modern, climate-controlled Self-Storage properties that produce stable cash flows over time, supported by long weighted average lease expiry ("WALE") and resilient consumer demand for essential products and services in the U.S. We strive to offer Unitholders a sustainable return underpinned by stable and consistent cash flow as well as growth potential.

CONTENTS

CORPORATE PROFILE

United Hampshire US REIT ("UHREIT" or the "REIT") is a real estate investment trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 March 2020. It was established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based retail properties ("Grocery & Necessity"), and (ii) modern, climate-controlled self-storage facilities ("Self-Storage"), located in the United States ("U.S.").

As at 31 December 2022, UHREIT's portfolio comprised 21 Grocery & Necessity and two Self-Storage properties that serve the non-discretionary needs of the U.S. consumer. The properties are strategically located in the populous and affluent East Coast markets of the U.S. They have a total appraised value of approximately US$738.7 million and an aggregate net lettable area ("NLA") of approximately 3.8 million square feet.

The majority of UHREIT's tenants are providing essential goods and services, and comprise grocers & wholesalers, warehouse clubs, home improvement stores, discount retailers and other uses with strong omnichannel platforms.

UHREIT is managed by United Hampshire US REIT Management Pte. Ltd. (the "Manager"). The Manager is jointly owned by UOB Global Capital LLC ("UOB Sponsor"), a subsidiary of United Overseas Bank Limited ("UOB"), and Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of The Hampshire Companies, LLC ("Hampshire Sponsor"). The UOB Sponsor is an originator and distributor of private equity, hedge funds, fixed income and real estate products, while, the Hampshire Sponsor has over 60 years of experience in acquiring, developing, leasing, repositioning, managing, financing and divesting of real estate.

21 GROCERY & NECESSITY AND
2 SELF-STORAGE PROPERTIES

TOTAL APPRAISED VALUE OF APPROXIMATELY
US$738.7 MILLION

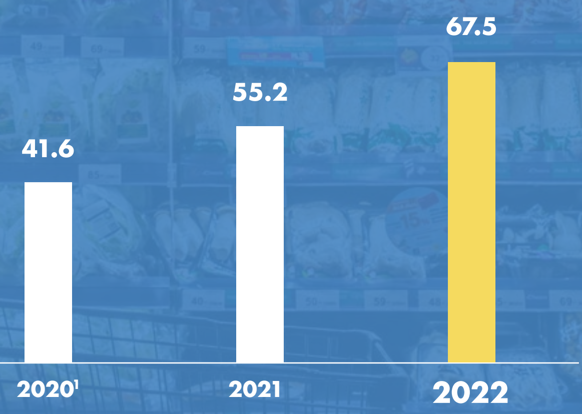
AGGREGATE NET LETTABLE ARE ("NLA") OF APPROXIMATELY
3.8 MILLION SQ FT

FY2022 HIGHLIGHTS

GROSS REVENUE

US$67.5 MILLION

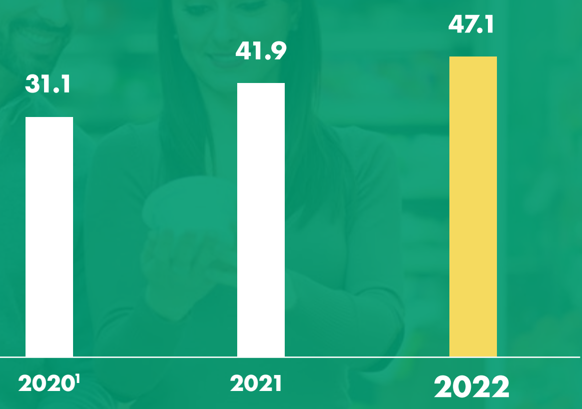
▲ 22.2% VS FY2021



NET PROPERTY INCOME

US$47.1 MILLION

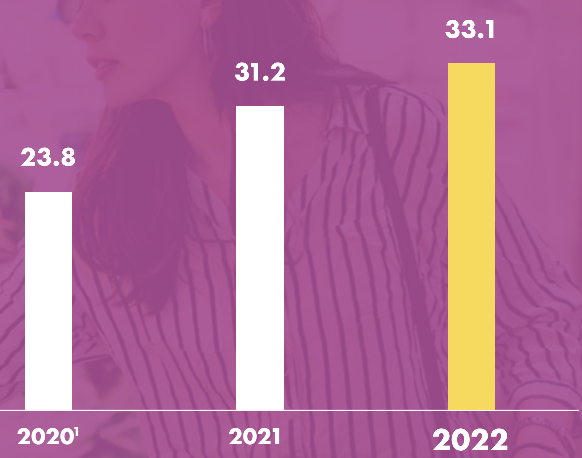
▲ 12.2% VS FY2021



DISTRIBUTABLE INCOME

US$33.1 MILLION

▲ 6.2% VS FY2021



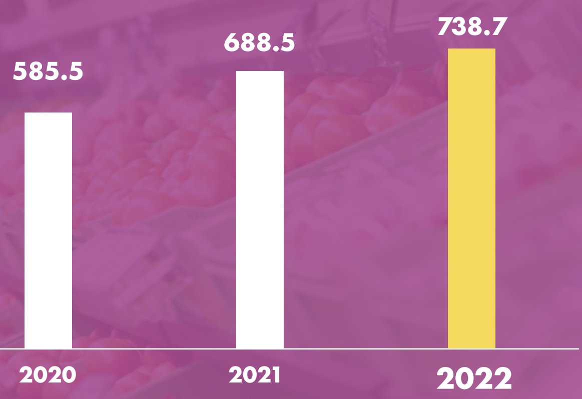
1 For the Financial Period from 18 September 2019 (date of constitution) to 31 December 2020.

FY2022 HIGHLIGHTS

APPRAISED VALUE

US$738.7 MILLION

▲ 7.3% VS FY2021



DISTRIBUTION PER UNIT

5.88

US CENTS

STABLE NET ASSET VALUE

US$0.75

PER UNIT

FIXED RATE DEBT

81.4%[2]

AGGREGATE LEVERAGE

41.8%

INTEREST COVERAGE RATIO

3.3 TIMES

WEIGHTED AVERAGE INTEREST RATE

2.77%[3]

PER ANNUM

2 Includes floating-rate loans that have been swapped to fixed rate.

3 Excludes upfront debt-related transaction costs. The comparative weighted average interest rate as at 31 December 2021 is 2.33%.

DELIVERING OUR COMMITMENTS

UHREIT's steady operational performance during an inflationary environment demonstrates the resilience of its portfolio, which is strategically located in the populous and affluent East Coast of the U.S. During a period of heightened inflationary pressures, UHREIT strives to expand its portfolio and ensure sustainable long-term returns for its Unitholders. UHREIT will further augment its sustainability initiatives as part of its strategy of enhancing assets in a manner that will also benefit the environment.

SIGNIFICANT LEASING PROGRESS, LEASES EXPIRING IN 2023 REDUCED FROM

8.7%[1] to 2.6%[2]

NEW DEVELOPMENT INITIATIVE TO DEVELOP A NEW BUILDING OF

63,224 sq ft

within St. Lucie West Property

IN FY2022, EXECUTED 31 LEASES, AMOUNTING TO

301,615 sq ft and 8.0%[3]

of the Grocery & Necessity Portfolio by NLA

1 Based on base rental income of Grocery & Necessity properties for the month of December 2021.

2 Based on base rental income of Grocery & Necessity properties for the month of December 2022.

3 Computation is based on existing Grocery & Necessity properties NLA of 3,688,379 sq ft as at 31 December 2022 and new development initiative to develop a new building of 63,224 sq ft within the St. Lucie West Property.

RECOGNITION

In 2022, UHREIT was included into three new indices, namely iEdge SG Real Estate Index, iEdge S-REIT Index, and iEdge SG ESG Transparency Index. This elevates the REIT's profile with various global real estate equity funds and extends UHREIT's outreach to even more investors.

INCLUDED IN

SGX FAST TRACK PROGRAM

For High Corporate Governance Standards And Good Compliance Track Record

RANKED

12th

in Governance Index For Trusts ("GIFT") 2022

AWARDED BY IR MAGAZINE AWARDS – SOUTH EAST ASIA 2022

CERTIFICATE OF EXCELLENCE IN INVESTOR RELATIONS

CAPITAL RECYCLING

The recent disposal of Elizabeth Self-Storage and Perth Amboy Self-Storage and the acquisition of Upland Square Shopping Center underscores UHREIT's focus on active capital recycling into higher yielding assets. Upland Square is UHREIT's second acquisition in Pennsylvania and its largest acquisition to-date. It further extends the REIT's footprint in the affluent Eastern seaboard and contributes to a larger, more diversified income base.

COMPLETED
DPU ACCRETIVE ACQUISITION OF UPLAND SQUARE
in July 2022

PORTFOLIO VALUATION UPLIFT OF
1.3%[1]
since 31 December 2021

STRONG AUM GROWTH, TOTAL ASSETS GREW BY
7.7%
since 31 December 2021

1 Based on appraised value of investment properties as at 31 December 2022, excluding Elizabeth and Perth Amboy Self-Storage divested on 22 June 2022, and Upland Square acquired on 28 July 2022.

RESILIENT

UHREIT's properties focus on serving the non-discretionary, day-to-day needs of the U.S. consumer. Its Grocery & Necessity properties are primarily leased to cycle-agnostic tenants providing essential services, and are anchored by leading retailers such as Walmart, Home Depot, Ahold Delhaize and Publix. These quality tenants have strong omnichannel platforms and continue to perform well despite the current high inflationary environment. The quality properties and tenants will continue to serve as one of the key pillars for UHREIT's commitment to deliver resilient performance.

MAINTAINED HIGH GROCERY & NECESSITY COMMITTED OCCUPANCY

96.9%

LONG WALE

7.5 Years[1]

64.2%[2]

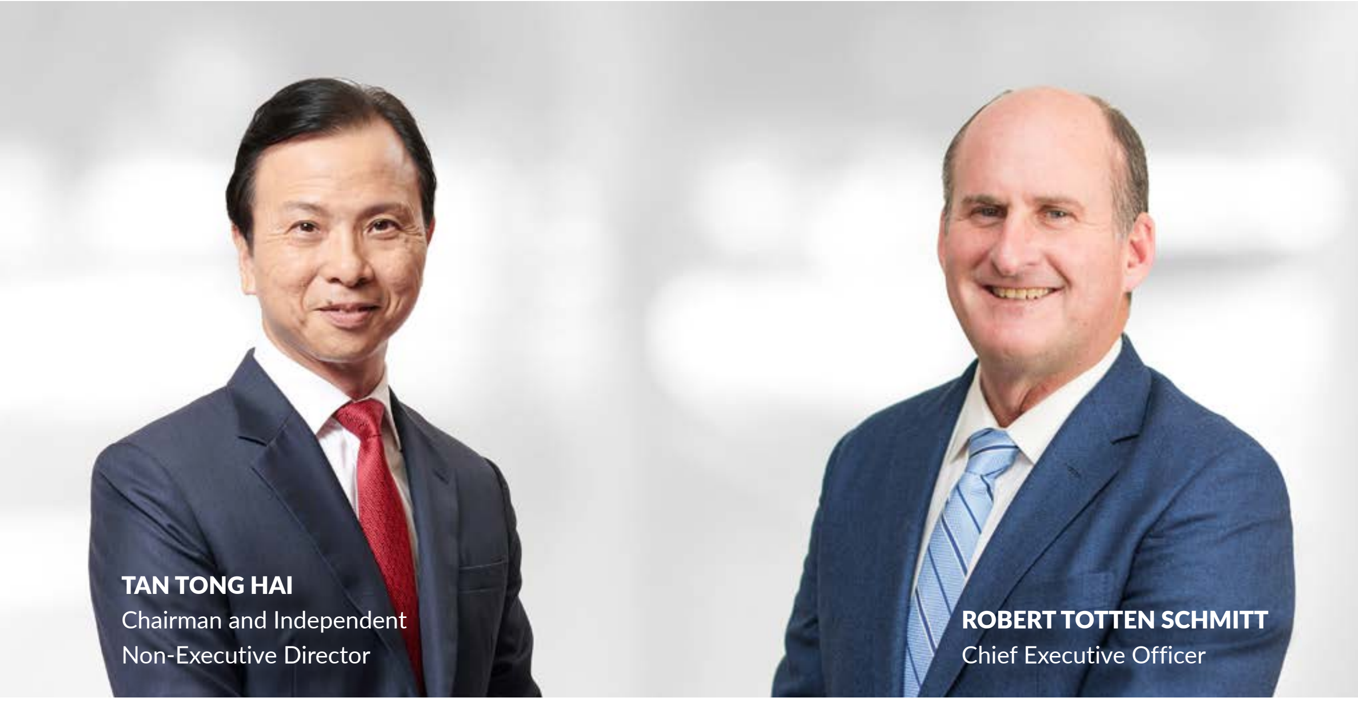
of rents generated from tenants in the Essential Services sector[3]

1 Computation included forward committed leases for Grocery & Necessity properties only. Excluding forward committed leases, the WALE is 7.3 years as at 31 December 2022.

2 Based on base rental income for the month of December 2022.

3 Based on the definition of "Essential Retail Businesses" by the State of New Jersey.

MESSAGE TO UNITHOLDERS



TAN TONG HAI
Chairman and Independent Non-Executive Director

ROBERT TOTTEN SCHMITT
Chief Executive Officer

Dear Unitholders,

On behalf of the Board and management, we are pleased to present United Hampshire US Real Estate Investment Trust's ("UHREIT") annual report for the financial year ended 31 December 2022 ("FY2022").

In 2022, as the global economy continued its return to normalcy from the effects of the COVID-19 pandemic, new challenges continued to emerge through the year, with the most significant one being the Russia-Ukraine conflict in February. This conflict and associated geopolitical tensions contributed to the elevated volatility in both global food and energy prices. Coupled with ongoing supply chain issue and sticky inflationary pressures, these resulted in significant interest rate hikes by the US Federal Reserve and many other Central Banks globally. Annual inflation in the U.S., whilst still elevated, showed signs of slowing with inflation declining to 6.5%[1] in December 2022 and further down to 6.0%[1] in February 2023, the lowest seen in the past twelve months. Although inflation has weighed on consumer confidence, it did not dampen consumer spending activity. Total sales for retail and food services in 2022 were up 9.2% from 2021, while total retail sales for 4Q 2022 were up 6.7% from 4Q 2021[2]. The International Monetary Fund's latest World Economic Outlook released in January 2023 showed that barring new shocks, 2023 is expected to be a year of turning points, with inflation expected to trend down.

As you read this report, we would have crossed our third year of listing on the Singapore Stock Exchange. We are pleased to share that our resilient portfolio of Grocery & Necessity and Self-Storage properties have faced these macro challenges head-on well, grounded by strong fundamentals.

RESILIENT PERFORMANCE, CREATING VALUE

Despite a challenging and highly volatile macroeconomic backdrop, UHREIT delivered commendable financial and portfolio performance results in FY2022. Gross revenue and net property income for FY2022 were US$67.5 million and US$47.1 million respectively, exceeding the preceding year ("FY2021") by 22.2% and 12.2%. FY2022 distributable income of US$33.1 million was also higher by 6.2% year-on-year ("y-o-y"), while distribution per unit ("DPU") of 5.88 US cents was 3.6% lower than FY2021. However, excluding non-recurring income, adjusted DPU[3] for FY2022 was 5.85 US cents, which is 9.3% higher than FY2021.

1 U.S. Bureau of Labor Statistics, "Consumer Price Index – February 2023", 14 March 2023.
2 U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services, December 2022", 18 January 2023.
3 Adjusted DPU excludes Top-Ups and Stipulated Damages.

"The year in review also witnessed our third and largest accretive acquisition of the dominant grocery-anchored freehold property, Upland Square Shopping Center, in July 2022. Overall, coupled with our proactive asset enhancement initiatives, UHREIT successfully grew our total property value by 26.4% to US$738.7 million as at 31 December 2022, up from US$584.6 million[7] at IPO."

During the year, UHREIT experienced robust leasing momentum for our Grocery & Necessity portfolio with the execution of 31 new and renewal leases totalling 301,615 sq ft. As at 31 December 2022, leases expiring in 2023 were very low at only 2.6%[4], down significantly from 8.7%[5] a year ago. UHREIT will also benefit from organic income growth as a majority of the leases are triple net, with built-in rental escalations.

As part of our portfolio optimisation strategy, we have successfully negotiated a long-term, 15-year new lease agreement with Academy Sports + Outdoors ("Academy Sports"), a Fortune 500 corporation and one of the largest sporting goods retailers in the U.S., to develop a new 63,224 sq ft building on excess land at our St. Lucie West property in Florida. In addition to enhancing the property's tenant diversification, upon the completion and opening of the new store estimated in Q1 2025, we anticipate a significant increase in the foot-traffic at this location.

ROBUST GROWTH AND YIELD-ACCRETIVE ACQUISITION

The year in review also witnessed our third and largest accretive acquisition of the dominant grocery-anchored freehold property, Upland Square Shopping Center ("Upland Square"), in July 2022. The opportunistic divestment of the two Self-Storage properties, Elizabeth and Perth Amboy Self-Storage at a price above initial purchase consideration, followed by the acquisition of Upland Square, illustrates UHREIT's ability to actively recycle capital into higher yielding assets.

Through the acquisition of Upland Square, we further entrenched our presence on the affluent U.S. Eastern seaboard. Fully leased to a host of national and regional essential and complementary retailers, this acquisition also increased UHREIT's committed occupancy for Grocery & Necessity properties to 96.9%. Also, with our weighted average lease expiry ("WALE") standing at 7.5 years[6] post-acquisition, this enhances our long-term income stability and visibility for our Unitholders.

Overall, coupled with our proactive asset enhancement initiatives, UHREIT successfully grew our total property value by 26.4% to US$738.7 million as at 31 December 2022, up from US$584.6 million[7] at IPO. Furthermore, our proactive portfolio management philosophy also allows UHREIT to maximise operational performance of our assets and increase our adaptability to pursue growth opportunities.

4 Based on base rental income of Grocery & Necessity properties for the month of December 2022.
5 Based on base rental income of Grocery & Necessity properties for the month of December 2021.
6 Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.3 years as at 31 December 2022.
7 As at 12 March 2020.

MESSAGE TO UNITHOLDERS

BUILDING LASTING RELATIONSHIP WITH GROCERY & NECESSITY PROPERTIES TENANTS

In addition to adopting prudent strategies to enhance our long-term income stability, we continued to actively support our Grocery & Necessity tenants in a wide range of omnichannel strategies, including curbside pickup for online/app orders, buy online pickup in store and micro-fulfilment of online/app e-commerce orders. These fulfillment strategies are testament to an evolving trend whereby physical stores function as Last-Mile Distribution hubs[8]. Strip centers stand to benefit from this trend as they offer easy street access, accommodate drive-thru lanes and are located close to the end consumer[8].

We have also observed that many retailers with a physical store presence have experienced stronger online sales as these networks make returns or exchanges easier for consumers while reducing re-merchandising costs[9]. As this balance between online and brick-and-mortar continues to evolve, more online grocery shoppers prefer the in-store experience for discount opportunities and new product discovery[10]. Industry reports indicate that approximately 70% of the consumers who make purchases online ultimately make additional purchases inside the store when picking up their orders[10]. We will continue to collaborate with our tenants to successfully leverage this renewed balance between online and physical store sales for growth.

SELF-STORAGE SECTOR REMAINS RESILIENT

Occupancies for our Self-Storage properties have continued to grow, backed by active marketing efforts and favourable industry dynamics. For our two Self-Storage properties, Carteret and Millburn Self-Storage, occupancies have remained high at over 90% as at 31 December 2022, with average quarterly net rental rates trending upwards during FY2022. We see ongoing opportunities to accelerate rental rate increases for existing customers due to the continued growth of demand drivers such as hybrid work-from-home dynamics, a high rate of suburban home ownership and a growing utility rate especially within the millennial segment of the population.

The completion of the divestment of Elizabeth and Perth Amboy Self-Storage at a premium above initial purchase consideration was a strategic opportunity created by the high investment demand for best-in-class Self-Storage facilities. We will continue to prudently explore additional Self-Storage acquisitions in the future as market conditions dictate. We are of the view that investment demand remains strong for well performing, modern, climate-controlled Self-Storage properties, backed by attractive supply-demand dynamics in the New York Metro Area.

PRUDENT CAPITAL MANAGEMENT

During the year, UHREIT successfully completed the refinancing of our prior term loan credit facilities maturing in 2023 and 2024. This almost doubled our weighted average debt maturity to 4.0 years[11], from 2.1 years as at 30 September 2022, resulting in UHREIT having no significant refinancing requirements until November 2026[11], with only a US$21.1 million mortgage loan due for refinancing in 2024. With the new debt in place, aggregate leverage is 41.8%, well below the aggregate leverage limit set by the Monetary Authority of Singapore[12].

The existing interest rate swaps that were put in place with the original debt facility have been novated to hedge the floating-rate new term loans. Therefore, UHREIT will continue to benefit from the existing interest rate swaps until the maturity of these swaps. As at 31 December 2022, 81.4% of UHREIT's total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps.

Our robust balance sheet and remaining undrawn revolving credit facility provides us with the flexibility to prudently pursue new acquisitions and asset enhancement initiatives.

DIVIDEND REINVESTMENT PLAN

To provide Unitholders with an opportunity to increase their unitholding in UHREIT without incurring brokerage fees, stamp duties and other related costs, we established the Distribution Reinvestment Plan ("DRP") on 23 February 2022. Unitholders have the option to elect to receive distributions in cash or new units in UHREIT or combination of both cash and new units. The issue of new Units in lieu of cash distributions under the DRP will also strengthen UHREIT's balance sheet, enhance our working capital reserves and improve the liquidity of the Units.

COMMITMENT TO SUSTAINABILITY AND GOOD CORPORATE GOVERNANCE

The REIT believes that having a robust Environmental, Social and Governance ("ESG") strategy is important to our long-term success. This year, we have strengthened our ESG efforts, making good strides to achieve energy efficient operations and lower greenhouse gas emissions.

8 Green Street, "U.S. Strip Center Outlook", 27 January 2023.
9 Cushman and Wakefield Research.
10 Supermarket News – "Grocery Shoppers Take The Omnichannel Route", 9 September 2022.
11 Assuming the exercise of loan extension options.
12 On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45% of the fund's deposited property but may exceed 45% (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

Two of our key sustainability initiatives for FY2022 include the rolling out of Electric Vehicle ("EV") charging station and LED lightings installations at 13% and 39% of our properties respectively, surpassing the FY2022 target of 10% and 15% set out in our sustainability roadmap. Additionally, we originally targeted to install Solar Panel Systems for 25% of our Self-Storage properties in FY2022. Post divestment of the two Self-Storage properties, Elizabeth and Perth Amboy Self-Storage in June 2022, solar installations were completed at both of the remaining two Self-Storage properties, Carteret and Millburn Self-Storage, which also enabled us to exceed our target.

In addition to our ESG efforts, UHREIT embraces and maintains high standards of corporate governance and transparency. To that end, we are pleased to have the SGX include us in their Fast Track program which is reserved for public companies with exceptional compliance track records. UHREIT is also thankful to be included in the iEdge SG ESG Transparency Index which is an ESG-factor index that measures the performance of stocks in the broad sustainability index. We continue to strive to conduct our business in a sustainable and responsible manner, as well as implement regular ESG initiatives.

UHREIT was also included in the iEdge SG Real Estate Index and iEdge S-REIT Index with effect from 26 September 2022. This is an excellent milestone, reflecting the steady growth and visibility in the market that we have achieved since listing on the SGX-ST. Being featured on these indices will magnify UHREIT's profile and heighten awareness with various global real estate equity funds. This opportunity also furthers our outreach efforts to high quality and diversified institutional investors as we continue to pursue asset portfolio growth.

OUTLOOK AHEAD

UHREIT's performance remained resilient in the face of recession concerns through the resilience of non-discretionary spending in the grocery and necessity retail sector as well as leveraging on the hybrid grocery shopping experience.

The U.S. Bureau of Economic Analysis and Labor Statistics have released estimate of fourth quarter GDP increasing at an annualised rate of 2.7%[13]. Nonetheless, the labour market remained resilient with high job vacancies of 10.8 million in January 2023[14], and nonfarm payroll employment increased by 311,000 in February 2023[15].

Consumer spending remains intact. U.S. consumption remains strong, with the Consumer Price Index rising 6.0% in February 2023[1]. Retail and food services in 2022 were up 9.2% from 2021[2], confirming that consumers are choosing to spend on household priorities.

The Strip Center sector is well prepared for a potentially challenging 2023. Retailers increased the number of their stores in 2022 despite concerns about the slowing economy due to resilient retail sales and a shift in focus from e-commerce to brick-and-mortar businesses. This sector has seen historically high tenant retention rates, which continue to outstrip minimal new strip center supply. UHREIT's cycle-agnostic tenants continue to remain resilient and largely unaffected given their omnichannel distribution capabilities. Demand in the Self-Storage segment is expected to remain steady. However, the overall trend of move in rent and occupancy growth is expected to moderate in the coming year with a portion of employees returning to the office.

Against a backdrop of broader macro uncertainties caused by a high inflation rate and rising interest rates, we will continue to focus on portfolio optimisation and asset enhancement to strengthen UHREIT's income streams. We will selectively look for suitable investment opportunities that will provide Unitholders with long-term accretive value.

ACKNOWLEDGEMENT

In closing, we would like to take this opportunity to thank our Board for their strong stewardship, guidance and wise counsel. We would also like to thank our management team and staff for their dedication and hard work. Together, we will continue to navigate well to reach new heights.

A special word of thanks also goes to our sponsors, partners, tenants and shoppers for your steadfast and continued support. We would also like to extend our special appreciation to our Unitholders, for your continued trust in our strategy.

We are committed to ensuring the continued growth of our resilient, quality property portfolio and delivering stable returns to investors. With the continued support of our Unitholders, we look forward to charting UHREIT's next phase of growth.

Yours sincerely,

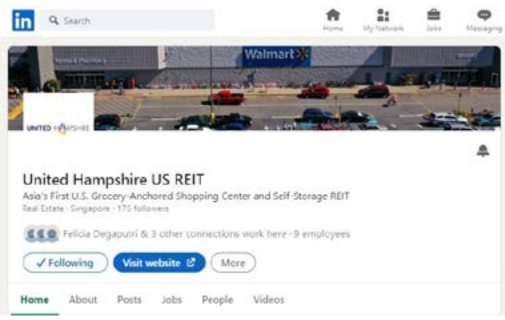
TAN TONG HAI
Chairman and Independent
Non-Executive Director

ROBERT TOTTEN SCHMITT
Chief Executive Officer

13 U.S. Bureau of Economic Analysis, "Gross Domestic Product, Fourth Quarter and Year 2022 (Second Estimate)", 23 February 2023.
14 U.S. Bureau of Labor Statistics, "Job Openings and Labor Turnover Summary – January 2023", 8 March 2023.
15 U.S. Bureau of Labor Statistics, "The Employment Situation – February 2023", 10 March 2023.

KEY EVENTS

2022



UHREIT's Corporate LinkedIn Page

Virtual Annual General Meeting 2022

UHREIT's third and largest accretive acquisition, Upland Square Shopping Center

Inclusion into three iEdge Indices

FEBRUARY

- Announced 2H 2021 & FY2021 financial results on 23 February 2022, FY2021 Distributable Income of US$31.2 million exceeds IPO forecast by 3.0%.
- Announced divestment of two properties, Elizabeth Self-Storage and Perth Amboy Self-Storage, on 23 February 2022.
- Establishment of Distribution Reinvestment Plan.
- Official launch of UHREIT's Corporate LinkedIn Page.

APRIL

- Held virtual Annual General Meeting on 26 April 2022 with all proposed resolutions duly passed.

MAY

- Announced 1Q 2022 Key Business and Operational Updates on 12 May 2022, Distributable Income of US$8.1 million for 1Q 2022 was 7.9% higher than 1Q 2021.
- Participated in REITs Symposium to share insights on UHREIT's strategy and business developments with the retail investors.

JUNE

- Announced the acquisition of a dominant grocery-anchored property, Upland Square, in the state of Pennsylvania for a total purchase consideration of approximately US$85.7 million on 9 June 2022.
- Announced the completion of divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage for a total sale consideration of US$45.5 million on 22 June 2022.

JULY

- Announced the completion of acquisition of Upland Square, on 28 July 2022.

AUGUST

- Announced 1H 2022 financial results on 12 Aug 2022, Distributable Income of US$16.3 million for 1H 2022 was 7.2% higher than 1H 2021.

SEPTEMBER

- Inclusion into three iEdge Indices, namely iEdge SG Real Estate Index, iEdge S-REIT Index, as well as iEdge SG ESG Transparency Index.

NOVEMBER

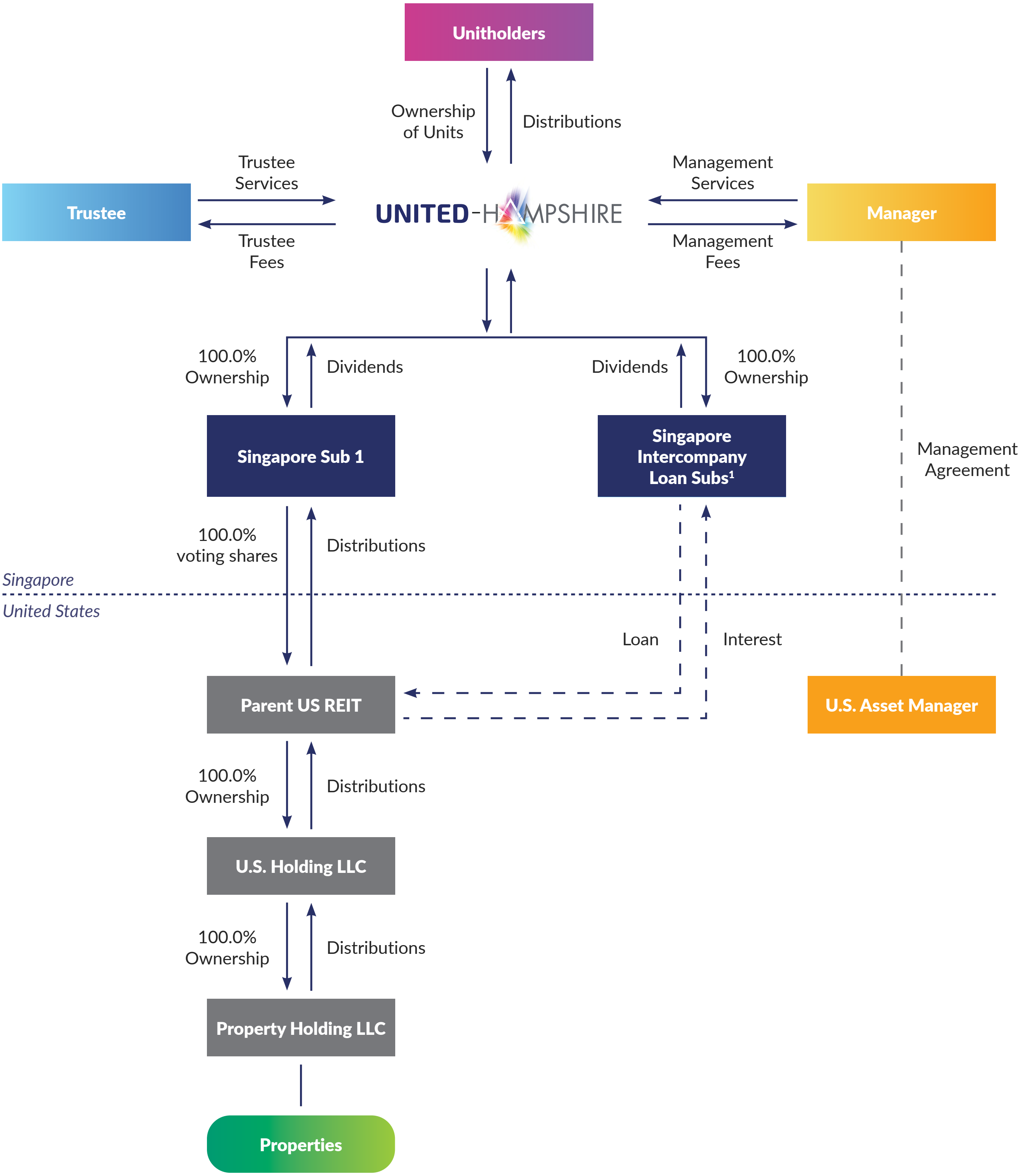
- Announced 3Q 2022 Key Business and Operational Updates on 09 Nov 2022, Distributable Income of US$8.3 million for 3Q 2022 was 8.1% higher than 3Q 2021.

DECEMBER

- Awarded Certificate of Excellence in Investor Relations by IR Magazine Awards – South East Asia 2022.

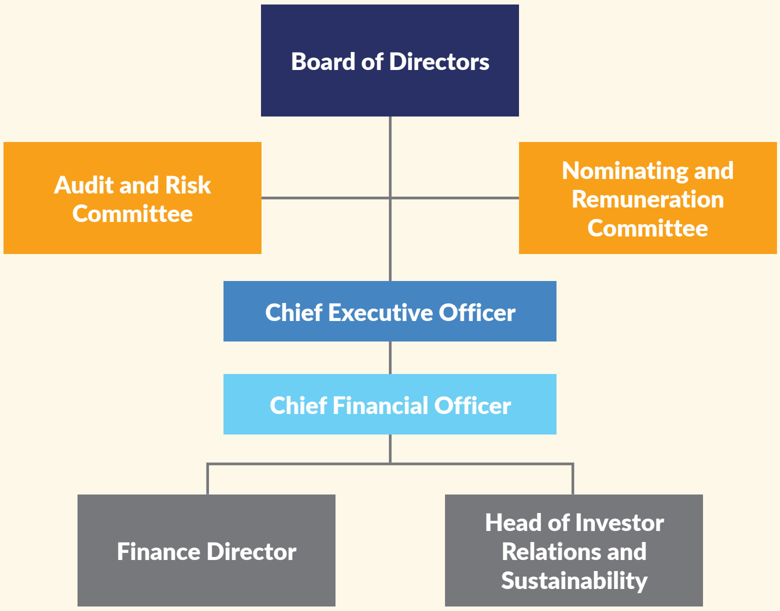
TRUST AND TAX STRUCTURE

The following diagram illustrates the relationship, among others, between UHREIT, the Manager, the Trustee, the U.S. Asset Manager and Unitholders as at 31 December 2022:



1 There are two wholly-owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.

ORGANISATION STRUCTURE



THE SPONSORS AND THE MANAGER

THE SPONSORS

The Sponsors of UHREIT are UOB Global Capital LLC and The Hampshire Companies, LLC.

UOB Global Capital LLC ("UOB Sponsor")

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 with US$3.0 billion in Asset under Management ("AUM") as of 31 December 2022. 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 ("Hampshire Sponsor")

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 retail, self-storage, office, industrial and multifamily. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 190 properties across the U.S. with an AUM in excess of US$2.0 billion in value and totalling over 15 million square feet[1]. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.7 billion[1].

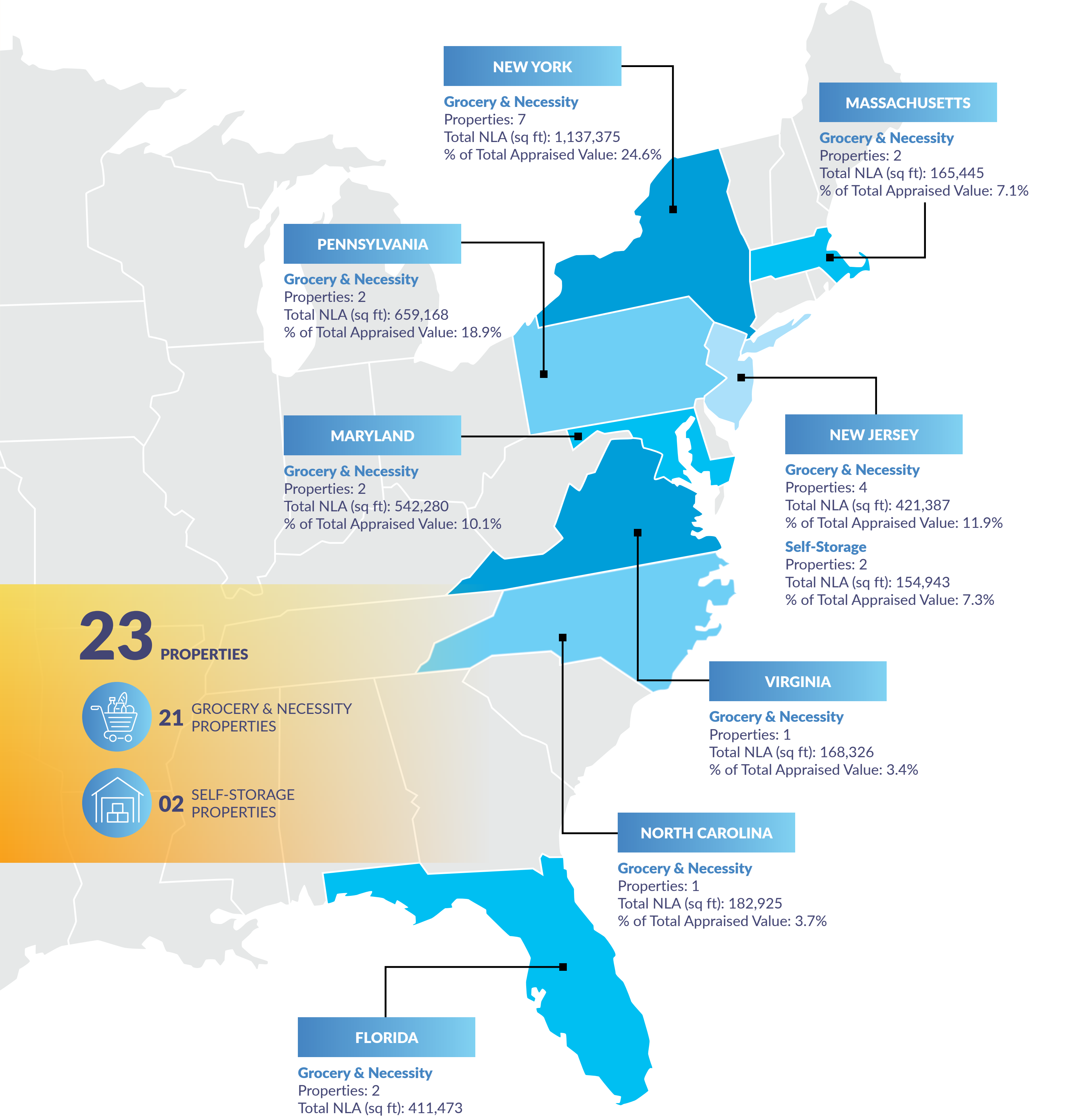
Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US$1.3 billion (as at 31 December 2022) to focus on investment opportunities in income producing real estate assets in the U.S.

THE MANAGER

United Hampshire US REIT Management Pte. Ltd. is the Manager of UHREIT. The Manager is jointly owned by UOB Sponsor and Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of the Hampshire Sponsor. The Manager is able to harness synergies and draw competencies from the two best-in-class management platforms of its Sponsors.

1 As at 31 December 2022.

OUR PRESENCE



NEW YORK
Grocery & Necessity
Properties: 7
Total NLA (sq ft): 1,137,375
% of Total Appraised Value: 24.6%

MASSACHUSETTS
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 165,445
% of Total Appraised Value: 7.1%

PENNSYLVANIA
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 659,168
% of Total Appraised Value: 18.9%

MARYLAND
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 542,280
% of Total Appraised Value: 10.1%

NEW JERSEY
Grocery & Necessity
Properties: 4
Total NLA (sq ft): 421,387
% of Total Appraised Value: 11.9%

Self-Storage
Properties: 2
Total NLA (sq ft): 154,943
% of Total Appraised Value: 7.3%

23 PROPERTIES

21 GROCERY & NECESSITY PROPERTIES

02 SELF-STORAGE PROPERTIES

VIRGINIA
Grocery & Necessity
Properties: 1
Total NLA (sq ft): 168,326
% of Total Appraised Value: 3.4%

NORTH CAROLINA
Grocery & Necessity
Properties: 1
Total NLA (sq ft): 182,925
% of Total Appraised Value: 3.7%

FLORIDA
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 411,473
% of Total Appraised Value: 13.0%

BOARD OF DIRECTORS

TAN TONG HAI
Chairman and Independent Non-Executive Director

JAMES ERNEST EDWIN HANSON II
Non-Independent Non-Executive Director

DAVID TUVIA GOSS
Non-Independent Non-Executive Director

WEE TENG WEN
Non-Independent Non-Executive Director

CHUA TECK HUAT BILL
Independent Non-Executive Director

JAELLE ANG KER TJIA
Independent Non-Executive Director

BOARD OF DIRECTORS

TAN TONG HAI, 59
Chairman and Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Date of First Appointment as a Chairman (for Chairman only)
21 February 2020

Length of Service as a Director (as at 31 December 2022)
2 years 10 months

Board Committees Served On
- Chairman of the Nominating and Remuneration Committee
- Member of the Audit and Risk Committee

Present Directorships in other Listed Companies
- Taiwan Mobile Co. Ltd
- Metis Energy Limited

Present Principal Commitments
- Super Sea Cable Networks Pte. Ltd. (Director)
- Seax Global Pte. Ltd. (Director)
- Nanyang Polytechnic (Chairman of Board of Governors)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022)
Nil

Background and Working Experience
Mr. Tan is the Director of SEAX Global Pte. Ltd., a telecommunication company which provides regional connectivity solutions within Indonesia, Malaysia and Singapore. Mr. Tan is also the Director of Super Sea Cable Networks Pte. Ltd., a wholly owned subsidiary of SEAX Global Pte. Ltd.

Prior to this, Mr. Tan held the position of the President and Chief Executive Officer ("CEO") of StarHub Ltd. from March 2013 to May 2018, and the position of Chief Operating Officer of StarHub Ltd. from January 2009 to February 2013.

From August 2005 to December 2008, Mr. Tan was with SCS Computer Systems Pte. Ltd. (f.k.a. Singapore Computer System Ltd) as the President and CEO. From March 2001 to August 2005, Mr. Tan was with Pacnet Internet Corporation (S) Pte. Ltd. as the President and CEO.

Academic and Professional Qualifications
Bachelor of Electrical Engineering (Hons), National University of Singapore

Awards
The Public Service Medal, 2020

JAMES ERNEST EDWIN HANSON II, 64
Non-Independent Non-Executive Director

Date of First Appointment as a Director
24 May 2019

Length of Service as a Director (as at 31 December 2022)
3 years and 7 months

Board Committees Served On
Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
- Lakeland Bancorp, Inc. (Director)
- Lakeland Bank, Inc. (Director)

Present Principal Commitments
- United Hampshire US Parent REIT, Inc. (Director)
- Anderson Fund VII, LLC (Director)
- Owl Creek Capital Corp. (Director)
- The Hampshire Companies, LLC (Director)
- Hampshire Partners REIT VIII, Inc (Director)
- Hampshire Partners II, LLC (Director)
- Sonehan, LLC (Director)
- JDJ Associates (Director)
- Hanson Family LP (Director)
- FIMCO LLC (Director)
- CIMCO Fourteen LLC (Director)
- Hampshire Destination Properties LLC (Director)
- NJ Division of Investments, State Investment Council (Council Member)
- Palisades Interstate Park Commission (Commissioner & President)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022)
- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)

Background and Working Experience
Mr. Hanson is the President and Chief Executive Officer of The Hampshire Companies, LLC, a vertically integrated real estate development and operating platform. As at 31 December 2022, The Hampshire Companies, LLC owns and operates a diversified portfolio of 190 properties across the U.S. with an AUM in excess of US$2.0 billion. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.7 billion. Mr. Hanson oversees the operation and investment activities of The Hampshire Companies and its Funds and has over 35 years of real estate investment management and operational experience. Prior to this, he was the President of The Hampshire Companies, LLC from September 2001 to December 2003.

Academic and Professional Qualifications
- Bachelor of Arts, Hope College
- Juris Doctor Degree, Vermont Law School

BOARD OF DIRECTORS

DAVID TUVIA GOSS, 75
Non-Independent Non-Executive Director

Date of First Appointment as a Director
6 June 2019

Length of Service as a Director (as at 31 December 2022)
3 years and 6 months

Board Committees Served On
Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
Nil

Present Principal Commitments
- United Hampshire US Parent REIT, Inc. (Director)
- UOB Capital Partners LLC (Director)
- UOB Global Capital Private Limited (Director)
- UOB Global Strategies Funds PLC (Director)
- UOB Portfolio Advisors Pan Asia Select Fund GP, Ltd. (Director)
- UOB Global Capital LLC (Director)
- Asia Select Management Ltd. (Director)
- ACIF GP Ltd. (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022)
- U.S. RE Fund Offshore Feeder 1, Ltd (Director)
- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)
- UOB Global Capital (Dublin) Ltd. (Director)

Background and Working Experience
Mr. Goss is the Managing Director of UOB Global Capital LLC since September 1998. Prior to co-founding UOB Global Capital LLC in 1998, Mr. Goss was President and CEO of AIG Asset Management Services ("AIG") in New York from March 1995, with global responsibility for AIG's third-party asset management activities.

Before joining AIG, he was Global Marketing Director for Equitilink, an Australian independent asset management company, from September 1986. Before joining Equitilink, he was an executive with overall management responsibilities at Bingo Cash and Carry, a wholesale distributor, from April 1982. Before Bingo Cash and Carry, he was a sales and marketing executive at Reinhold Brothers, a diamond dealer, from March 1978. Prior to Reinhold Brothers, he was a Partner at the law firm Harry Goss Attorneys from December 1972.

Academic and Professional Qualifications
Bachelor of Arts in Law and Economics and a Bachelor of Laws, University of Witwatersrand Johannesburg

WEE TENG WEN, 42
Non-Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Length of Service as a Director (as at 31 December 2022)
2 years 10 months

Board Committees Served On
Nil

Present Directorships in other Listed Companies
Nil

Present Principal Commitments
- The Lo and Behold Group Pte. Ltd. (Director)
- The White Rabbit Pte. Ltd. (Director)
- Over Easy Pte. Ltd. (Director)
- Tanjong Beach Club Pte. Ltd. (Director)
- For the Love of Laundry Pte. Ltd. (Director)
- TWTC Pte. Ltd. (Director)
- Extra Virgin Pizza Pte. Ltd. (Director)
- MS15 Pte. Ltd. (Director)
- Loof Pte. Ltd. (Director)
- Cecil Street Pte. Ltd. (Director)
- Lo and Behold Hotels Pte. Ltd. (Director)
- Odette Restaurant Pte. Ltd. (Director)
- Esora Pte. Ltd. (Director)
- Horse Devours Pte. Ltd. (Director)
- Akronym Pte. Ltd. (Director)
- Behold Julien Pte. Ltd. (Director)
- Grain Holdings Pte. Ltd. (Director)
- Claudine Pte. Ltd. (Director)
- Clink Clink Pte. Ltd. (Director)
- Lo and Behold Properties Pte. Ltd. (Director)
- Verso Restaurant Pte. Ltd. (Director)
- Fico Restaurant Pte. Ltd. (Director)
- Re:Growth Pte. Ltd. (Director)
- W2HS (Owner)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022)
- Members Only Hospitality Pte. Ltd. (Director)
- Eatsy Technologies Pte. Ltd. (company has been struck-off) (Director)
- CS19 Pte. Ltd. (company has been struckoff) (Director)

Background and Working Experience
Mr. Wee is the Managing Director of The Lo and Behold Group Pte. Ltd., a Singapore-based hospitality group, since June 2007. From January 2006 to January 2008, Mr. Wee was based in Boston and held the position of Management Consultant at Monitor Group, a multinational strategy consulting practice.

Academic and Professional Qualifications
Bachelor of Science in Economics, University of Pennsylvania, U.S.A.

Awards
Outstanding Tourism Entrepreneur (Singapore Tourism Board)

CHUA TECK HUAT BILL, 69
Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Length of Service as a Director (as at 31 December 2022)
2 years 10 months

Board Committees Served On
- Chairman of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
- Amara Holdings Limited

Present Principal Commitments
- Sunseap Group Pte. Ltd. (Director)
- Citibank Singapore Limited (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022)
Nil

Background and Working Experience
Mr. Chua is currently an Independent Director of Sunseap Group Pte. Ltd., Citibank Singapore Limited and Amara Holdings Limited. He has served on other boards in the last 22 years, such as the Defence Science and Technology Agency, DSO National Laboratories, CLS AG, the holding company of CLS Bank & CLS Services Ltd, Jurong International, a subsidiary of JTC Corporation, and Singapore Technologies Electronics Ltd and Singapore Technologies Kinetics Limited, both subsidiaries of Singapore Technologies Engineering Ltd.

Mr. Chua has extensive financial services experience, having worked at United Overseas Banking Group ("UOB"), Overseas Union Banking Group and Citibank NA from 2000 to 2014. He was the Managing Director and Head of Global Financial Institutions Group at UOB when he retired in 2014. He has had other senior management responsibilities at these banks ranging from Coverage, Structuring, Distribution, Risk Management and Operations in Institutional, Wholesale and Retail Banking.

Academic and Professional Qualifications
Bachelor of Arts and Bachelor of Engineering (Hons), University of Newcastle, Australia

Awards
- The Public Service Star, 2012
- The Public Service Medal, 2004

JAELLE ANG KER TJIA, 42
Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Length of Service as a Director (as at 31 December 2022)
2 years 10 months

Board Committees Served On
- Member of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
- Country Group Development PCL (Director)

Present Principal Commitments
- Indigo Paradigm 13 Pte. Ltd. (Director)
- Sky Pacific Pte. Ltd. (Director)
- The Great Room Pte. Ltd. (Director)
- The George Offices Pte. Ltd. (Director)
- The Great Room CT Pte. Ltd. (Director)
- The Great Room RH Pte. Ltd. (Director)
- The Great Room NA Pte. Ltd. (Director)
- The Great Room AAIM Pte. Ltd. (Director)
- The Great Room SB Pte. Ltd. (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2020 to 31 December 2022):
- Playeum Ltd. (Director)

Background and Working Experience
Ms. Ang is the Co-Founder and CEO of The Great Room, a coworking space inspired by hospitality since January 2016.

From October 2009 to January 2016, Ms. Ang was the Head of Development of Country Group Development PCL. From February to August 2009, Ms. Ang was with Credit Suisse as the Assistant Vice President of Business Development, prior to which, Ms. Ang was with Citi Private Bank as an Associate of Strategy, Mergers and Acquisition (International) from June 2006 to February 2009.

Academic and Professional Qualifications
- Bachelor of Architecture, University College London
- Master of Business Administration, Imperial College London

THE MANAGER

ROBERT TOTTEN SCHMITT
Chief Executive Officer

Mr. Schmitt was appointed as the Chief Executive Officer of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Mr. Schmitt works closely with the Board to determine the strategy for UHREIT. He is also responsible for planning the future strategic development of UHREIT, the overall day-to-day management and operations, as well as working closely with the investment, asset management, financial and compliance personnel to meet the strategic, investment and operational objectives of UHREIT.

Mr. Schmitt has around 30 years of experience in the real estate industry spanning across property management, asset management, property financing, leasing and deal structuring. Prior to joining the Manager, he was a Principal and Fund Manager of The Hampshire Companies, LLC ("The Hampshire Companies"). Prior to joining The Hampshire Companies in 1995, Mr. Schmitt was with Legg Mason Real Estate Advisors and Amerada Hess Corporation.

Mr. Schmitt holds a Bachelor of Science in Civil and Environmental Engineering from Clarkson University and an MBA in Finance from Boston University. He is also a Member of the Board of Trustees of Homeless Solutions, Inc., a not-for-profit organization providing shelter, housing and counselling for the homeless throughout Morris County, New Jersey ("NJ"). Mr. Schmitt is a member of the National Association of Industrial Properties, NJ Chapter and a LEED Associate as certified by the US Green Building Council and holds a CSM designation from the International Council of Shopping Centers.

GERARD YUEN WEI YI
Chief Financial Officer

Mr. Yuen was appointed as the Chief Financial Officer of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Mr. Yuen works with the CEO and other members of the management team to formulate strategic plans for UHREIT. He is responsible for applying the appropriate capital management strategy, overseeing tax and treasury matters, as well as finance and accounting matters, and is involved in the implementation of UHREIT's short and medium-term business plans, fund management activities and financial condition.

Mr. Yuen has more than 20 years of experience in investment banking, finance and the public sector. Prior to joining the Manager, Mr. Yuen was a Managing Director with Nomura Singapore Limited. Before that, he was with Deutsche Bank AG, Singapore Branch where he held a variety of positions within the Global Banking and Global Markets Division.

Mr. Yuen started his career with the Ministry of Finance, Singapore.

Mr. Yuen graduated with First Class Honours, Bachelor of Arts, Philosophy, Politics and Economics from St Edmund Hall, University of Oxford, and a Master of Science, Economics for Development from St Edmund Hall, University of Oxford.

YAP SOH CHENG
Finance Director

Ms. Yap was appointed as the Finance Director of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Ms. Yap is responsible for the finances of UHREIT, including focusing, monitoring and reporting on the financial performance of UHREIT. She is also responsible for the preparation of the statutory accounts, co-ordination with external auditors, managing tax affairs and treasury matters, and preparation of performance reports for management, investors and regulators. Ms. Yap also develops and maintains appropriate policies, procedures and processes for finance and other operational areas to ensure appropriate internal controls are in place.

Ms. Yap has more than 19 years of experience in a wide spectrum of financial and accounting function, including financial strategic planning, corporate finance, treasury, group consolidation, management and financial reporting, budgeting and compliance matters, as well as auditing function. Prior to joining the Manager, she was the Financial Controller of CashShield Pte Ltd and Leader Energy Pte Ltd, and was a Finance Director with Heptagon Micro Optics Pte Ltd.

Early in her career, Ms. Yap was an external auditor with PricewaterhouseCoopers LLP and Ernst & Young LLP.

Ms. Yap graduated with a professional qualification with ACCA. She is a Chartered Accountant (Singapore) and member of the Institute of Singapore Chartered Accountants and affiliate member of the Association of Chartered Certified Accountants.

WONG SIEW LU, CFA, CA (SINGAPORE)
Head of Investor Relations and Sustainability

Ms. Wong is responsible for managing the Investor Relations, Communications and Sustainability functions of UHREIT. As the key liaison between UHREIT and the investment community, Ms. Wong nurtures relationships with institutional and retail investors, research analysts and the media, as well as facilitates two-way communication with the investment community. In addition, she works with the management team to develop and implement UHREIT's sustainability strategy.

Ms. Wong brings over 15 years of extensive international experience in investor relations, capital markets (buy-side), corporate banking, and has been actively involved in capital raising, M&A transactions, corporate strategy and business development.

Ms. Wong had extensive international exposure to various industries and roles, having worked and lived in 6 countries over the course of her career. Prior to joining the Manager, she was the Head of Investor Relations and Capital Markets in Sasseur REIT. At Sasseur REIT, she was instrumental in profiling the REIT to be the top 5 performing SREIT in 2019.

Early in her career, Ms. Wong held corporate banking positions at National Australia Bank as well as investment analyst positions at asset management firms, before heading the investor relations role at SGX Mainboard-listed oil and gas company, Falcon Energy Group Limited.

Ms. Wong holds a Bachelor of Applied Science (Computational Finance) Degree from National University of Singapore. She is a Chartered Financial Analyst (CFA) Charterholder and a Chartered Accountant of Singapore, as well as a member of the Institute of Singapore Chartered Accountants.

U.S. ASSET MANAGER

DEREK GARDELLA
Chief Investment Officer

Mr. Gardella is the Chief Investment Officer of The Hampshire Companies and was deeply involved in UHREIT's IPO. He works closely with The Manager on corporate strategy and planning initiatives in addition to overseeing the strategic execution of the portfolio management, acquisitions and asset management activities of UHREIT.

Mr. Gardella has 20 years of real estate experience and over 22 years of professional experience. He joined The Hampshire Companies in 2011 and has held a diverse range of positions over the last 11 years. Mr. Gardella was a Portfolio Manager for Core-Plus and Value-Add Closed-End Institutional Real Estate Funds, and also previously served as a Director of Acquisitions and Financing where he managed a team in structuring and negotiating acquisitions and financings for a variety of property types. Prior to joining The Hampshire Companies, he spent the majority of his career with JPMorgan where he held a variety of roles in the Investment Management and Investment Banking divisions.

Mr. Gardella holds a Bachelor of Science Degree from Fairfield University with a Dual Major in Finance and Information Systems, as well as a Master of Science Degree in Real Estate from New York University. He is a member of the International Council of Shopping Centers. Mr. Gardella is also a member of the Adjunct faculty at New York University and Fordham University where he teaches courses focused on real estate.

DANIEL CASEY
Acquisitions Associate

Mr. Casey is the Acquisitions Associate of The Hampshire Companies and his responsibilities include sourcing for acquisition opportunities, underwriting, due diligence and managing the valuation process. He is also involved in developing the property and portfolio-level analytical tools.

Mr. Casey joined The Hampshire Companies in 2017 and completed the three-year Analyst Program. In his prior role at The Hampshire Companies, Mr. Casey was responsible for the fund modeling for Core-Plus Real Estate Funds and underwriting for retail, industrial and self-storage properties.

Mr. Casey has over five years of experience in the real estate industry and holds a Bachelor of Science Degree in Business Management from Babson College.

LESLI SKIRBE
Asset Administrator

Ms. Skirbe is the Asset Administrator of The Hampshire Companies. She is responsible for overseeing the day-to-day administrative function which includes handling of leasing documents, calendar management, document maintenance, sustainability efforts as well as overseeing special projects while supporting Mr. Schmitt and the management team of the Manager.

Ms. Skirbe has more than 10 years of experience in the real estate industry and over 11 years of administrative experience. Prior to her current role, she was a Fund Administrator of The Hampshire Companies and prior to that, she was a Mortgage Account Executive responsible for generating monthly mortgage sales and overseeing the loan process. Ms Skirbe graduated from Berkeley College of Business.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

UHREIT CONTINUES TO MAINTAIN A STRONG BALANCE SHEET AND RESILIENT PERFORMANCE

OVERALL REVIEW

Despite the challenging macroeconomic environment in 2022, UHREIT's portfolio remained resilient and delivered a solid FY2022 financial performance.

The Group's distributable income for the financial year ended 31 December 2022 of US$33.1 million increased by 6.2% over the US$31.2 million achieved in the previous corresponding year ("FY2021"). This was mainly driven by the contribution from (i) Colonial Square and Penrose Plaza which were acquired in November 2021 as well as (ii) Upland Square which was acquired in July 2022. The improved rental performance in Self-Storage Properties also contributed to the increase in distributable income.

Distribution per Unit ("DPU") of 5.88 US cents, was 3.6% lower than FY2021's DPU of 6.10 US cents. Excluding Top-Ups and Stipulated Damages which are non-recurring, adjusted DPU was 9.3% higher than FY2021.

	FY2022 US$'000	FY2021 US$'000	+/(-) %
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Gross revenue	67,452	55,195	22.2
Property expenses	(20,569)	(16,276)	26.4
Other income	175	3,027	(94.2)
Net property income	**47,058**	**41,946**	**12.2**
Manager's base fee	(3,313)	(3,119)	6.2
Manager's performance fee	–	(17)	(100.0)
Trustee's fee	(138)	(136)	1.5
Other trust expenses	(1,943)	(2,061)	(5.7)
Finance costs	(12,204)	(7,234)	68.7
Finance income	45	14	221.4
Net income before tax, fair value changes and loss on divestment of investment properties	**29,505**	**29,393**	**0.4**
Loss on divestment of investment properties	(481)	–	N.M.
Fair value change in investment properties	(2,979)	18,615	(116.0)
Fair value change on financial derivatives	3,702	2,208	67.7
Net income before tax	**29,747**	**50,216**	**(40.8)**
Tax expense	(3,149)	(6,891)	(54.3)
Net income after tax	**26,598**	**43,325**	**(38.6)**
Net income after tax attributable to:			
Unitholders	26,166	42,860	(39.0)
Non-controlling interests	432	465	(7.1)
Net income for the year	**26,598**	**43,325**	**(38.6)**
DISTRIBUTION STATEMENT			
Net income after tax attributable to Unitholders	26,166	42,860	(39.0)
Distribution adjustments	6,965	(11,665)	(159.7)
Net income available for distribution to Unitholders	**33,131**	**31,195**	**6.2**
DPU (US cents) *(with Top-Ups and Stipulated Damages)*	**5.88**	**6.10**	**(3.6)**
Adjusted DPU (US cents) *(without Top-Ups and Stipulated Damages)*	**5.85**	**5.35**	**9.3**

N.M. Not Meaningful

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

GROSS REVENUE AND NET PROPERTY INCOME ("NPI")

Gross revenue of US$67.5 million for FY2022 was higher than FY2021 by 22.2% largely due to the contributions from (i) Colonial Square and Penrose Plaza which were acquired in November 2021 as well as (ii) Upland Square which was acquired in July 2022. The improved rental performance in Self-Storage Properties also contributed to the increase in gross revenue in FY2022.

Property expenses of US$20.6 million for FY2022 were higher than FY2021 by 26.4% due to the newly acquired properties, as well as higher repairs and maintenance for the existing portfolio.

In FY2022, other income of US$0.2 million was lower than FY2021 by 94.2% due to the absence of top-up income following the expiration of the Top Up in early 2022. As a result, NPI of US$47.1 million for FY2022 was higher than FY2021 by 12.2%.

NET INCOME

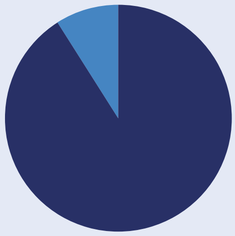
Finance expenses of US$12.2 million for FY2022 were 68.7% higher than FY2021, largely due to the additional loans taken to partially finance the acquisition of Colonial Square, Penrose Plaza and Upland Square as well as the additional revolving credit facility ("RCF") drawn during FY2022 to finance capital expenditures and tenant improvements. During the year, the Group successfully completed the refinancing of Prior Term Loan Credit Facilities. The residual upfront fee of US$1.9 million has been expensed off accordingly upon the repayment of the Prior Term Loan Credit Facilities.

Net fair value loss in investment properties for FY2022, after taking into consideration the capital expenditure and tenant improvements spent in FY2022, was US$3.0 million as compared with a net fair value gain of US$18.6 million in FY2021.

Fair value gain of US$3.7 million in derivatives in FY2022 was higher than fair value gain of US$2.2 million in FY2021 due to movement in interest rates for the respective periods.

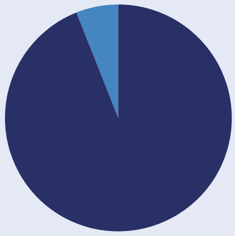
Consequently, FY2022 net income before tax of US$29.7 million was below FY2021 by 40.8%. The tax expense of US$3.1 million in FY2022 was lower than FY2021 by 54.3%, attributable to the lower deferred tax expenses in FY2022. Due to the net effects of the above, net income for FY2022 was US$26.6 million, which is 38.6% lower than FY2021.

BASE RENT BY SEGMENT[1]



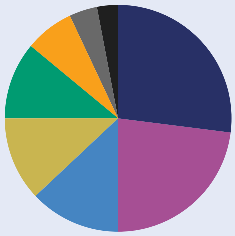
Grocery & Necessity	91.7%
Self-Storage	8.3%

NPI BY SEGMENT[1]



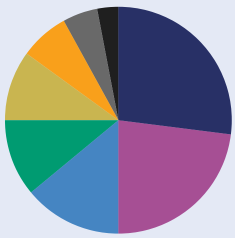
Grocery & Necessity	93.7%
Self-Storage	6.3%

BASE RENT BY LOCATION[1]



New York	26.9%
New Jersey	23.7%
Pennsylvania	12.6%
Florida	12.1%
Maryland	10.4%
Massachusetts	6.7%
North Carolina	4.4%
Virginia	3.2%

NPI BY LOCATION[1]



New York	26.4%
New Jersey	22.6%
Pennsylvania	13.9%
Maryland	11.1%
Florida	10.4%
Massachusetts	7.4%
North Carolina	4.7%
Virginia	3.5%

1 Based on FY2022 Base Rental Income and Net Property Income excluding Top-Ups and Stipulated Damages.

INVESTMENT PROPERTIES

The Group saw a y-o-y increase of 1.3%[2] in appraised portfolio valuation in the face of a challenging macro-economic climate. Including the latest acquisition of Upland Square and strategic divestment of two Self-Storage Properties, UHREIT successfully grew its total property value by 7.3% to US$738.7 million as at 31 December 2022, from US$688.5 million as at 31 December 2021.

NET ASSET VALUE ("NAV") PER UNIT

As at 31 December 2022, NAV per Unit was US$0.75 (31 December 2021: US$0.75). Excluding the DPU of 2.97 US cents, for the period from 1 July 2022 to 31 December 2022, the adjusted NAV per Unit was US$0.72 (31 December 2021: US$0.73).

PROACTIVE AND PRUDENT CAPITAL MANAGEMENT

Key Financial Indicators	
Total Gross Loans and Borrowings	US$319.5 million
Undrawn Revolving Credit Facilities	US$32.6 million
Aggregate Leverage	41.8%
Weighted Average Interest Rate	3.83% p.a.
Weighted Average Debt Maturity	4.0 years[3]
Interest Coverage Ratio	3.27 times
Unencumbered Properties as a percentage of Total Portfolio	70.7%

FUNDING AND BORROWINGS

As at 31 December 2022, UHREIT's gross borrowings amounted to US$319.5 million (31 December 2021: US$275.1 million). The y-o-y increase was mainly due to the assumption of a US$41.0 million fixed rate loan pursuant to the acquisition of Upland Square. As at 31 December 2022, UHREIT successfully refinanced its Prior Term Loan Credit Facilities that were originally due in March 2023, March 2024 and November 2024. The New Term Loan Credit Facilities provide term loan facilities of an aggregate of US$200.0 million and a RCF of US$50.0 million.

As at 31 December 2022, US$17.4 million was drawn from the RCF to fund capital expenditures, tenant improvements and for general working capital requirement. Therefore, there is US$32.6 million of unutilised RCF available to the Group to meet its future obligations.

The Group has previously entered into interest rate swaps to hedge the floating rate term loans. Following the completion of refinancing of its term loans, the existing interest rate swaps have also been novated to hedge the New Term Loan Credit Facilities partially. The Group will continue to benefit from the novated interest rate swaps until the maturity of these swaps.

All of UHREIT's borrowings are denominated in U.S. dollars, providing a natural hedge for its investments and income in the U.S. To mitigate interest rate risk, 81.4% (31 December 2021: 79.6%) of the total gross loans and borrowings are fixed rate loans or floating rate loans that have been hedged using floating-for-fixed interest rate swaps.

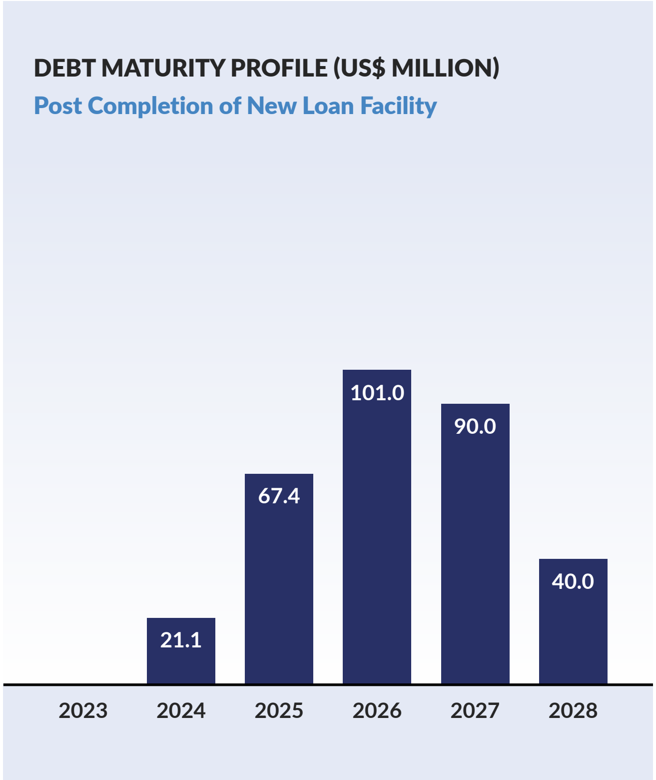
The weighted average interest rate on loans and borrowings for the financial year was 3.83% (31 December 2021: 2.63%) (taking into account interest rate swaps and upfront debt-related transaction costs including residual upfront fee of US$1.9 million relating to the Prior Term Loan Credit Facilities but excluding commitment fee on the undrawn RCF). Excluding upfront debt-related transaction costs, the average interest rate is 2.77% (31 December 2021: 2.33%). Aggregate leverage, as defined in the Property Funds Appendix set out in CIS Code, as at 31 December 2022 was 41.8% (31 December 2021: 39.0%). The increase in gearing ratio is not expected to have a significant impact on the risk profile of the Group.

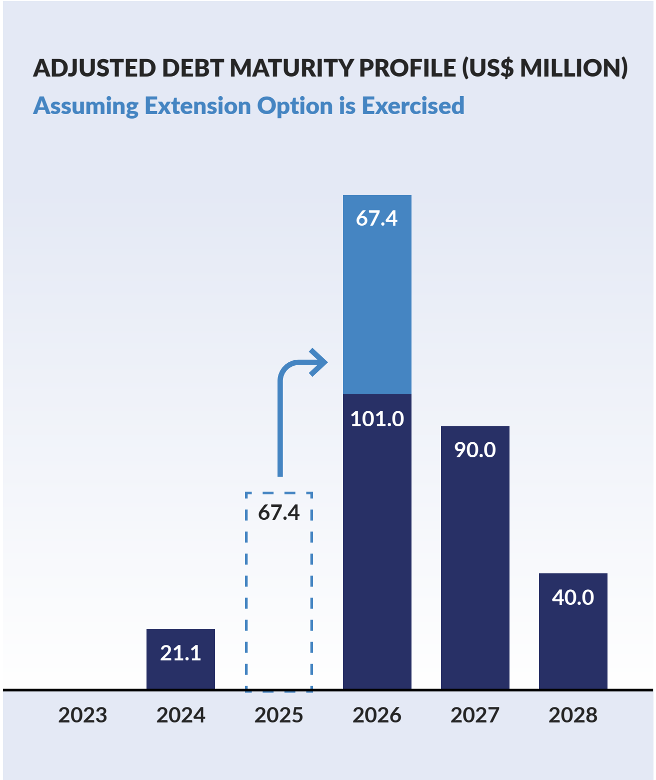
The Manager continues to adopt a prudent approach towards its capital management and closely monitors the REIT's cash flow and working capital requirements to ensure that there is adequate liquidity for the REIT to meet its short- and medium-term obligations. As at 31 December 2022, the weighted average term to maturity of UHREIT's loans and borrowings was 4.0 years (31 December 2021: 2.5 years), assuming the loan extension option is exercised.

2 Based on appraised value of investment properties as at 31 December 2022. Excluding Elizabeth and Perth Amboy Self-Storage divested on 22 June 2022, and Upland Square acquired on 28 July 2022.

3 Assuming the exercise of loan extension options.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT





As at 31 December 2022, the Group's cash and cash equivalents were US$12.2 million. Net cash generated from operating activities for FY2022 was US$43.6 million, mainly from cash received from NPI. Net cash used in investing activities for FY2022 amounted to US$9.8 million. This included net cash of US$47.6 million deployed for the acquisition of a new property, Upland Square, and related assets, liabilities and a loan assumption during FY2022. This was offset by net cash of US$43.9 million received from the divestment of the two Self-Storage Properties, Elizabeth and Perth Amboy Self-Storage. Net cash used in financing activities amounted to US$32.8 million.

WELL-SPREAD DEBT MATURITY PROFILE

As at 31 December 2022, the Group has a well-staggered debt maturity profile over six years with no significant refinancing requirements until November 2026, mitigating near-term liquidity and funding cost risks.

CAPITAL MANAGEMENT

The Manager manages the capital of the Group to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of debt and net assets attributable to Unitholders, and to ensure that all other externally imposed capital requirements are complied with.

The capital structure of the Group consists of debts which include bank borrowings and net assets attributable to Unitholders comprising issued and issuable units, and reserves. Effective 16 April 2020, the Trust and the Group are required to maintain aggregate leverage not exceeding 50.0% of the total asset value of the Group in accordance with the CIS Code issued by the Monetary Authority of Singapore ("MAS"). With a minimum ICR of 2.5 times, Singapore REITs are allowed to increase their leverage to beyond the prevailing 45.0% limit (up to 50.0%). A breach will result in a non-compliance to the regulation.

FINANCIAL AND TAX RISK MANAGEMENT

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects of changes in the financial markets on the financial performance of the Group. Risk management is carried out by the Group under internal management policies. The management of the Group identifies, evaluates and manages financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating interest rate risks, credit risk, liquidity risks and foreign currency exchange risks.

A subsidiary group of the Group has elected to be taxed as a Real Estate Investment Trust for U.S. Federal income tax purposes. This is subject to meeting certain qualification conditions over its income, asset, distribution and shareholders' test. The Group is in compliance with the relevant qualification test for the period ended 31 December 2022 to qualify as a Real Estate Investment Trust for U.S. Federal income tax purposes.

UPDATE ON EARN-OUT AGREEMENT

The initial purchase consideration of Carteret Self-Storage and Millburn Self-Storage by UHREIT was US$17.3 million and US$22.2 million (the "Initial Purchase Consideration"), respectively.

The Trustee, the Manager and the Hampshire Sponsor have entered into earn-out agreements pursuant to which an additional purchase consideration of US$200,000 (the "Carteret Earn-out Amount") would be payable if the net operating income ("NOI") of Carteret Self-Storage exceeded US$954,117 for any 12 months period (the "Carteret Target NOI") on or before 30 June 2021, and US$500,000 (the "Millburn Earn-out Amount"), if the NOI of Millburn Self-Storage exceeded US$1,145,703 for any 12 months period (the "Millburn Target NOI") on or before 30 April 2022, respectively.

During the respective financial years, the Group has not recognised any earn-out contingent consideration for both Carteret Self-Storage and Millburn Self-Storage as the performance targets have not been met.

ACCOUNTING POLICY

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed.

The Group's significant policies are discussed in more detail in the notes to the financial statements.

OPERATIONS REVIEW

PORTFOLIO SUMMARY

UHREIT's portfolio consists of Grocery & Necessity and Self-Storage properties located across eight states, focused on the populous and affluent East Coast markets of the U.S. The aggregate NLA of the portfolio is approximately 3.8 million sq ft, comprising 21 Grocery & Necessity and two Self-Storage properties.

PORTFOLIO VALUATION

All the properties were appraised by Cushman & Wakefield of New Jersey LLC, Inc., an independent valuer appointed by the Trustee of UHREIT. The total appraised value of the portfolio, including the newly acquired Upland Square was US$738.7 million as at 31 December 2022. Excluding the newly acquired property and the divestment of Elizabeth and Perth Amboy Self-Storage, the appraised value of the portfolio was US$652.7 million as at 31 December 2022, representing a 1.3% increase from US$644.1 million as at 31 December 2021.

VALUATION

	31 December 2022 (US$'000)	31 December 2021 (US$'000)	Change (%)
Garden City Square – BJ's Wholesale Club	49,000	48,000	2.1%
Garden City Square – LA Fitness	22,300	21,000	6.2%
Albany ShopRite – Supermarket	23,700	23,700	-
Albany ShopRite – Gas Station	4,400	4,400	-
Price Chopper Plaza	21,100	20,900	1.0%
Wallkill Price Chopper	12,600	13,000	-3.1%
Hudson Valley Plaza	48,600	49,200	-1.2%
Wallington ShopRite	15,700	16,300	-3.7%
Stop & Shop Plaza	26,000	25,500	2.0%
Towne Crossing	12,600	12,300	2.4%
Lawnside Commons	33,850	34,575	-2.1%
St. Lucie West	86,500	86,100	0.5%
Big Pine Center	9,500	9,100	4.4%
Arundel Plaza	44,200	45,200	-2.2%
Parkway Crossing	30,300	27,300	11.0%
BJ's Quincy	33,400	34,800	-4.0%
Fairhaven Plaza	18,900	19,500	-3.1%
Lynncroft Center	27,125	25,000	8.5%
Colonial Square	25,100	26,400	-4.9%
Penrose Plaza	53,900	55,100	-2.2%
Upland Square[1]	86,000	-	N.M.
Carteret Self-Storage	23,800	22,200	7.2%
Millburn Self-Storage	30,100	24,500	22.9%
Elizabeth Self-Storage[2]	-	24,000	N.M.
Perth Amboy Self-Storage[2]	-	20,400	N.M.
Total	**738,675**	**688,475**	**N.M.**
Grocery & Necessity Properties	684,775	597,375	N.M.
Self-Storage Properties	53,900	91,100	N.M.
Total	**738,675**	**688,475**	**N.M.**

N.M. Not Meaningful

1 Upland Square was acquired from a group of sellers consisting of Cedar Paramount Upland #1, LLC; Cedar Paramount Upland #2, LLC; Cedar Paramount Upland #3, LLC; Cedar Paramount Upland #4, LLC; Cedar Paramount Upland #5, LLC; Paramount Pad At Upland, LLC; Paramount Pad At Upland #2, LLC; Paramount Pad At Upland #3, LLC; Paramount Pad At Upland #4, LLC; and Paramount Pad At Upland #5, LLC on 28 July 2022.

2 Divestment of Elizabeth and Perth Amboy Self-Storage properties was completed on 22 June 2022.

GROCERY & NECESSITY PROPERTIES

Within UHREIT's portfolio, there are 21 Grocery & Necessity properties with a total NLA of 3.7 million sq ft and represent 92.7% of the total portfolio by asset value. UHREIT's Grocery & Necessity properties are equipped with large car parks and common areas. The single-storey, open-air centers not only provide a conducive environment for consumers to do their shopping, but also facilitate in-store and curbside pickup which are reflected of the omnichannel strategies adopted by the majority of the tenants who have achieved success in today's competitive retail environment. The number of lease renewals executed demonstrates the strength of UHREIT's properties and the continued demand by the U.S. consumer.

COMMITTED OCCUPANCY BY NLA (%)

	As at 31 December 2022	As at 31 December 2021
Garden City Square – BJ's Wholesale Club	100.0%	100.0%
Garden City Square – LA Fitness	100.0%	100.0%
Albany ShopRite – Supermarket	100.0%	100.0%
Albany ShopRite – Gas Station	100.0%	100.0%
Price Chopper Plaza	100.0%	100.0%
Wallkill Price Chopper	95.8%	95.8%
Hudson Valley Plaza	88.3%	88.3%
Wallington ShopRite	100.0%	100.0%
Stop & Shop Plaza	100.0%	100.0%
Towne Crossing	98.1%	67.9%
Lawnside Commons	100.0%	100.0%
St. Lucie West	97.1%	96.6%
Big Pine Center	93.5%	92.3%
Arundel Plaza	100.0%	100.0%
Parkway Crossing	100.0%	100.0%
BJ's Quincy	100.0%	100.0%
Fairhaven Plaza	100.0%	96.7%
Lynncroft Center	99.0%	97.7%
Colonial Square	97.6%	97.4%
Penrose Plaza	94.9%	94.1%
Upland Square	100.0%	N.A
Total	**96.9%**	**95.3%**

STABLE CASH FLOW FROM LONG LEASES AND HIGH OCCUPANCY

The Grocery & Necessity portfolio enjoys a high committed occupancy rate of 96.9% as at 31 December 2022. It also benefits from a long weighted average lease to expiry ("WALE") of 7.5 years by Gross Rental Income ("GRI"), including forward committed leases. Excluding forward committed leases, the WALE is 7.3 years by GRI with only 2.6% of GRI expiring in 2023. Further, the majority of the leases are triple net, with tenants responsible for their pro-rata share of all real estate taxes, building insurance, property expenses and common area operating expenses.

In 2022, 31 new leases, early extensions and renewals from expiring leases totalling 301,615 sq ft were executed, representing 8.0% of the total NLA of the Grocery & Necessity portfolio[3]. For new leases executed in 2022, the WALE based on the date of commencement of the leases is 12.5 years by GRI and accounts for 3.5% of the total GRI.

3 Computation is based on existing Grocery & Necessity properties NLA of 3,688,379 sq ft as at 31 December 2022 and new development initiative to develop a new building of 63,224 sq ft within the St. Lucie West Property.

OPERATIONS REVIEW

TRADE SECTOR MIX

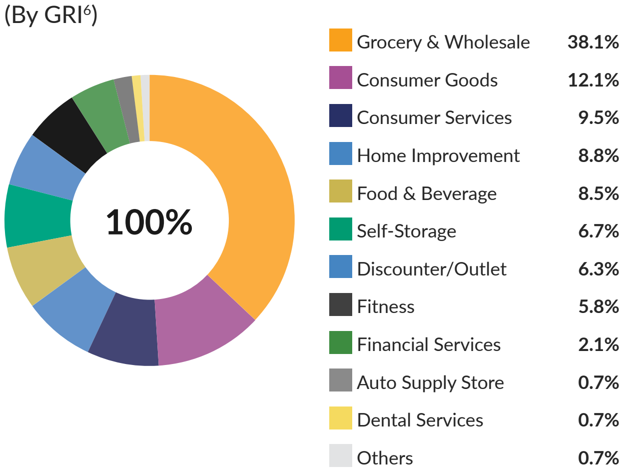
The Grocery & Necessity properties generate income that comes from a well-diversified tenant mix comprising supermarkets, home improvement stores, warehouse clubs, restaurants and other necessity retailers that serve the U.S. consumer. A large percentage of the tenants have adopted omnichannel strategies where the physical stores are an important element of the shopping experience and provide optionality for the consumers to receive their merchandise. Examples of omnichannel shopping options include in-store pick-up and BOPIS (Buy Online and Pickup In Store). The convenience of the physical store creates the opportunity for orders to be fulfilled within the same-day and for shoppers to pick-up their goods in stores or curbside, where the merchandise is brought to the shoppers' cars. Additionally, there are third-party shopping services available to help consumers to make purchases at their local stores and deliver their orders within a couple of hours. UHREIT has a total of 255 tenants as at 31 December 2022 and majority (64.2%[4]) of the tenants are providing essential good and services[5].

PORTFOLIO LEASE EXPIRY PROFILE (%)

(As at 31 December 2022)

TRADE SECTOR MIX

(By GRI[6])



TOP 10 TENANTS

Focused on the leading anchors in growing sectors and tenants with strong underlying financial and operating performance, our top 10 tenants included some of the largest grocers, wholesalers, home improvement retailers and discounters in the U.S.

	Tenant	Trade Sector	% of GRI[4]
1	Wakefern Food Corporation / ShopRite	Grocery and Wholesale	10.7%
2	BJ's Wholesale Club Holdings, Inc	Grocery and Wholesale	10.3%
3	Ahold Delhaize / Stop & Shop	Grocery and Wholesale	9.8%
4	Lowe's Companies, Inc	Home Improvement	5.3%
5	LA Fitness	Fitness	5.2%
6	Walmart Inc. / Sam's Club	Grocery and Wholesale	4.4%
7	Home Depot USA, Inc	Home Improvement	3.9%
8	Price Chopper Supermarkets	Grocery and Wholesale	2.8%
9	Publix Super Markets Inc.	Grocery and Wholesale	2.8%
10	PetSmart	Consumer Goods	1.4%
	Total		**56.6%**

4 Based on base rental income of Grocery & Necessity properties for the month of December 2022.
5 Based on the definition of "Essential Retail Businesses" by the State of New Jersey.
6 Based on base rental income for the month of December 2022.

SELF-STORAGE PROPERTIES

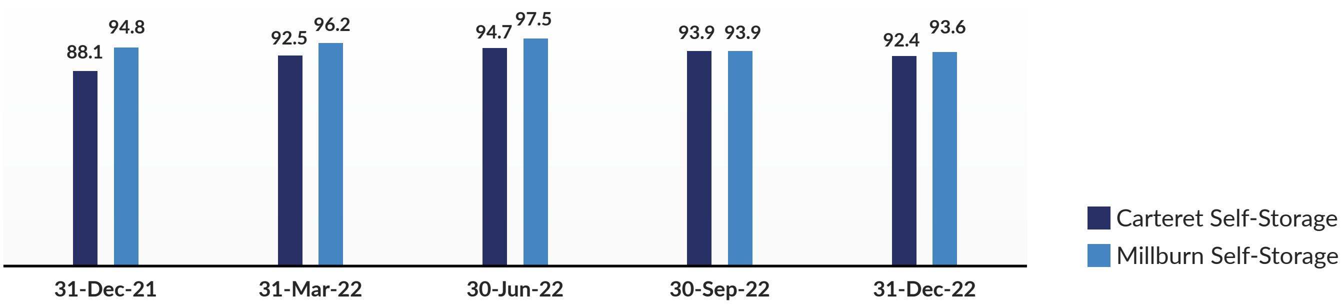
As at 31 December 2022, UHREIT's portfolio consists of two Self-Storage properties, Carteret Self-Storage ("Carteret") and Millburn Self-Storage ("Millburn"). The Self-Storage portfolio represents 7.3% of UHREIT's portfolio by asset value and has a total NLA of 0.1 million sq ft.

UHREIT's Self-Storage properties are located in New Jersey, which is the most densely populated state in the country. Both Carteret and Millburn have achieved strong occupancy levels in excess of 90% throughout the year 2022.

The Self-Storage Portfolio is managed by Extra Space Storage, Inc. ("Extra Space Storage"), which is one of the largest owner-operators and managers of self-storage properties in the U.S. Extra Space Storage is a publicly listed third party.

On 22 June 2022, UHREIT completed the divestment of Elizabeth and Perth Amboy Self-Storage. The total contractual sale price of US$45.5 million represents a 17.7% premium above the purchase price excluding the top-up or 4.9% if top-up is included. The sale price is also 2.5% above the valuation of the properties of US$44.4 million as at 31 December 2021. Proceeds from the divestment has been used to fund the acquisition of Upland Square which was completed on 28 July 2022.

SELF-STORAGE PROPERTY OCCUPANCY (%)



DPU ACCRETIVE ACQUISITION

On 22 June 2022, UHREIT announced the acquistion of a dominant grocery-anchored freehold property, Upland Square. The property is located in Pottstown, Pennsylvania, a borough in the northwest section of Montgomery County, the third highest populous county in the state. This aquisition represents UHREIT's second entry into Pennsylvania, further extending its presence in the affluent U.S. Eastern seaboard.

Upland Square has a diverse line-up of 36 tenants, and is anchored by Giant by Ahold Delhaize, a leading supermarket operator in the Mid-Atlantic region of the U.S. Other Fortune 500 corporations include TJ Maxx, Ross and Burlington, three of the most dominant national off-price retailers, Petco, a national pet store chain, Ashley Furniture and Ulta Beauty Supplies. While not part of the acquisition, the property is shadow anchored by a Target discount department store and an AMC Theatre which provides additional draw to the center.

The shopping center is strategically positioned within the Philadelphia Core Based Statistical Area and benefits from strong regional and local accessibility as well as the proliferation of peripheral draws.

UHREIT completed the acquisition of Upland Square on 28 July 2022. More details on the property can be found on page 56.

PORTFOLIO AT A GLANCE

Name	Location	NLA (31 Dec 2022) (sq ft)	Land Tenure
Garden City Square – BJ's Wholesale Club	711 Stewart Avenue, Garden City, Nassau County, New York 11530	121,000	Freehold
Garden City Square – LA Fitness	711 Stewart Avenue, Garden City, Nassau County, New York 11530	55,000	Freehold
Albany ShopRite – Supermarket	709 Central Avenue, Albany, Albany County, New York 12206	65,000	Freehold
Albany ShopRite – Gas Station	651 Central Avenue, Albany, Albany County, New York 12206	915	Freehold
Price Chopper Plaza	142-146 State Route 94, Warwick, New York 10990	84,295	Freehold
Wallkill Price Chopper	505-511 Schutt Road, Middletown, Orange County, New York 10940	137,795	Freehold
Hudson Valley Plaza	401 Frank Stottile Boulevard, Kingston, Ulster County, New York 12401	673,370	Freehold
Wallington ShopRite	375 Paterson Avenue, Wallington, Bergen County, New Jersey 07057	94,027	Leasehold[3]
Stop & Shop Plaza	581 Stelton Road, Piscataway, Middlesex County, New Jersey 08854	84,167	Freehold
Towne Crossing	2703 Burlington-Mount Holly Road, Burlington, Burlington County, New Jersey 08016	92,117	Freehold
Lawnside Commons	310 North White Horse Pike, Lawnside, Camden County, New Jersey 08045	151,076	Freehold
St. Lucie West	1315-1497 St. Lucie West Blvd, Port St. Lucie, St. Lucie County, Florida 34986	318,323	Freehold
Big Pine Center	251 Key Deer Boulevard, Big Pine Key, Monroe County, Florida 33043	93,150	Freehold
Arundel Plaza	6604-6654 Ritchie Highway, Glen Burnie, Anne Arundel County, Maryland 21061	282,039	Freehold
Parkway Crossing	2331-2535 Cleanleigh Drive, Parkville, Baltimore County, Maryland 21234	260,241	Freehold
BJ's Quincy	200 Crown Colony Drive, Quincy, Norfolk County, Massachusetts 02169	84,360	Freehold
Fairhaven Plaza	221 Huttleston Avenue, Fairhaven, Bristol County, Massachusetts 02719	81,085	Freehold
Lynncroft Center	3120-3160 Evans Street, Greenville, Pitt County, North Carolina 27834	182,925	Freehold
Colonial Square	3107 Boulevard, Colonial Heights, Virginia 23834	168,326	Freehold
Penrose Plaza	2900 - 3000 Island Ave, Philadelphia, Pennsylvania 19153	258,494	Freehold
Upland Square[6]	180 Upland Square Drive, Pottstown, Montgomery County, Pennsylvania 19464	400,674	Freehold
Carteret Self-Storage	6640 Industrial Highway, Carteret, Middlesex County, New Jersey 07008	74,150	Freehold
Millburn Self-Storage	30 Bleeker Street, Millburn, Essex County, New Jersey 07041	80,793	Freehold

N.M. Not meaningful

1 The purchase consideration of Wallkill Price Chopper excluded the related adjustment attributable to minority interests of 3.0%, or US$0.3 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$13.6 million.

2 The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,370 sq ft minus the non-functional static space of 67,616 sq ft.

3 The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two 10-year renewal options that would take the term through 24 June 2060.

PORTFOLIO AT A GLANCE

Market Valuation (31 Dec 2022) (US$ Million)	Purchase Price (US$ Million)	Acquisition Date	Committed Occupancy Rate (31 Dec 2022)	No of Tenants	Major Tenants
49.0	47.9	12-Mar-20	100.0%	1	BJ's Wholesale Club
22.3	21.7	12-Mar-20	100.0%	1	LA Fitness
23.7	22.9	12-Mar-20	100.0%	1	ShopRite
4.4	4.2	12-Mar-20	100.0%	1	ShopRite
21.1	20.0	12-Mar-20	100.0%	8	Price Chopper Supermarkets
12.6	13.3[1]	12-Mar-20	95.8%	7	Price Chopper Supermarkets
48.6	46.0	12-Mar-20	88.3%[2]	9	Walmart, Lowe's, Sam's Club, PetSmart, Ashley Furniture
15.7	15.9	12-Mar-20	100.0%	1	ShopRite
26.0	29.3	12-Mar-20	100.0%	5	Stop & Shop
12.6	13.4	12-Mar-20	98.1%	5	Dick's Sporting Goods
33.9	32.4[4]	12-Mar-20	100.0%	5	Home Depot, PetSmart
86.5	76.1	12-Mar-20	97.1%	44	Publix, LA Fitness, Burlington, HomeGoods
9.5	9.2	12-Mar-20	93.5%	19	Winn-Dixie, Beall's Outlet Store
44.2	45.3	12-Mar-20	100.0%	15	Lowe's, Giant Food
30.3	25.2[5]	12-Mar-20	100.0%	24	ShopRite, Home Depot, Big Lots
33.4	33.6	12-Mar-20	100.0%	1	BJ's Wholesale Club
18.9	18.5	12-Mar-20	100.0%	6	Stop & Shop
27.1	24.9	12-Mar-20	99.0%	19	Best Buy, Ross, Ulta, Marshalls, Michaels
25.1	26.3	12-Nov-21	97.6%	18	Publix, Locke Supply Co., Wells Fargo, Dollar General
53.9	52.0	24-Nov-21	94.9%	29	ShopRite, dd's Discount, Dollar Tree, Citi Trends
86.0	85.7	28-Jul-22	100.0%	36	Giant Food, Burlington Coat Factory, Ross Dress for Less, TJ Maxx, and LA Fitness
23.8	17.3	12-Mar-20	92.4%	N.M.	-
30.1	22.2	12-Mar-20	93.6%	N.M.	-

4 The purchase consideration of Lawnside Commons excluded the related adjustment attributable to minority interest of 1.0%, or US$0.3 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$32.7 million.

5 The purchase consideration of Parkway Crossing excluded the related adjustment attributable to minority interests of 10.0%, or US$1.4 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$26.6 million.

6 Upland Square was acquired on 28 July 2022.

PROPERTY SUMMARY

GARDEN CITY SQUARE – BJ'S WHOLESALE CLUB

Garden City Square – BJ's Wholesale Club is a single-storey wholesale club and part of Garden City Square, a retail/medical office condominium complex located in the Town of Hempstead, Nassau County, New York. The neighbourhood contains a mix of office buildings, retail stores, light industrial uses, recreational uses and the Nassau Community College campus. Garden City Square – BJ's Wholesale Club is situated just south of the Roosevelt Field Mall and has easy access to Ring Road, a public/private roadway running around the perimeter of the mall's property, thus benefiting from access to the mall. Both bus and rail services are available around Garden City Square – BJ's Wholesale Club, while major roadways are accessible via the Meadowbrook Parkway and Northern Parkway.

Location	**711 Stewart Avenue, Garden City, Nassau County, New York 11530**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**121,000**
Property Value (US$ Million)	**49.0**
WALE by GRI[1] (years)	**9.9**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

GARDEN CITY SQUARE – LA FITNESS

Garden City Square – LA Fitness is a two-storey health fitness facility which is part of Garden City Square, a retail/medical office condominium complex located in the Town of Hempstead, Nassau County, New York. The neighbourhood contains a mix of office buildings, retail stores, light industrial uses, recreational uses and the Nassau Community College campus. Garden City Square – LA Fitness is situated just south of the Roosevelt Field Mall and has easy access to Ring Road, a public/private roadway running around the perimeter of the mall's property, thus benefiting from access to the mall. Both bus and rail services are available around Garden City Square, while major roadways are accessible via the Meadowbrook Parkway and Northern Parkway.

Location	**711 Stewart Avenue, Garden City, Nassau County, New York 11530**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**55,000**
Property Value (US$ Million)	**22.3**
WALE by GRI[1] (years)	**7.5**
Number of Tenants	**1**
Sole Tenant	**LA Fitness**
Property Manager	**The Hampshire Companies, LLC**

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

ALBANY SHOPRITE – SUPERMARKET

Albany ShopRite – Supermarket is a single-storey free-standing Grocery & Necessity property situated along a main commercial corridor in the City of Albany, Albany County, New York. It is located on Central Avenue and Wakefern Food Corp. (ShopRite) is the sole tenant. The property is 0.4 miles from Interstate 90, a regional thoroughfare. Within the neighbourhood, there are several retail tenants as well as single and multi-family residential, industrial and office properties.

Location	**709 Central Avenue, Albany, Albany County, New York 12206**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**65,000**
Property Value (US$ Million)	**23.7**
WALE by GRI[1] (years)	**9.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

ALBANY SHOPRITE – GAS STATION

Albany ShopRite – Gas Station is a single-storey gas station with eight double sided gas pumps and a convenience store. Wakefern Food Corp. (ShopRite) is the sole tenant and the property was renovated in 2012. Albany ShopRite – Gas Station is located along a main commercial corridor of the neighbourhood in the City of Albany, Albany County, New York. The property is 0.4 miles from Interstate 90, a regional thoroughfare. Within the neighbourhood, there are several retail tenants as well as single and multi-family residential, industrial and office properties.

Location	**651 Central Avenue, Albany, Albany County, New York 12206**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**915**
Property Value (US$ Million)	**4.4**
WALE by GRI[1] (years)	**9.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

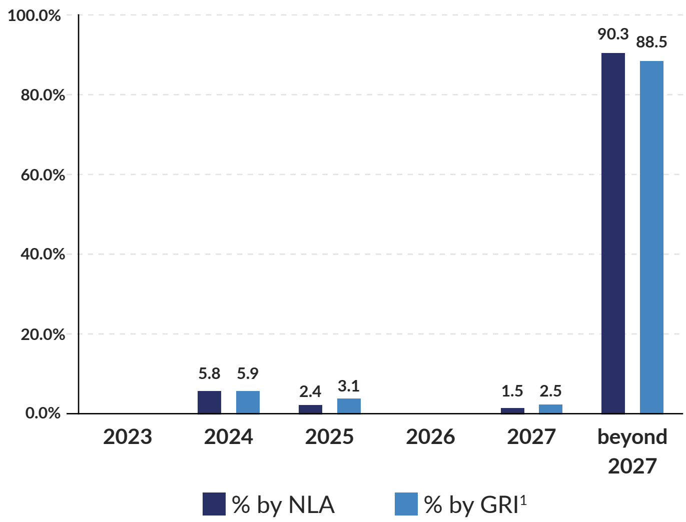
PRICE CHOPPER PLAZA

Price Chopper Plaza is a Grocery & Necessity property situated on State Route 94 in the Town of Warwick, Orange County, New York. The property is anchored by Price Chopper Supermarkets and contains five single-storey buildings. The area surrounding Price Chopper Plaza is considered rural in character. State Route 94 (17A) is the primary thoroughfare and is supplemented by several secondary roadways.

Location	**142 – 146 State Route 94, Warwick, New York 10990**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,295**
Property Value (US$ Million)	**21.1**
WALE by GRI[1] (years)	**10.2**
Number of Tenants	**8**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

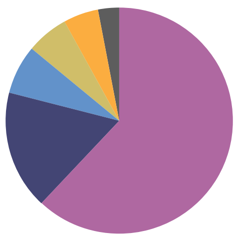
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	62.5%
Auto Supply Store	16.8%
Financial Services	6.9%
Fitness	5.9%
Consumer Services	5.4%
Food & Beverage	2.5%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

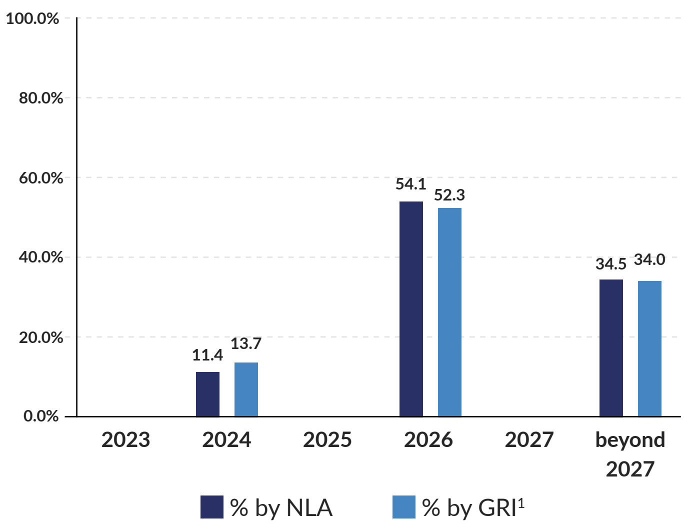
WALLKILL PRICE CHOPPER

Wallkill Price Chopper is a single-storey Grocery & Necessity property located in the Town of Wallkill, Orange County, New York. Price Chopper Supermarkets anchors the property which is surrounded by other retail uses including Dunning Farms Shopping Center and Orange Plaza. Wallkill Price Chopper is situated near the intersection of State Route 17 and Interstate 84, both of which are major highways providing local access. Regional access is also provided by Interstate 87, which offers direct access to New York City, Albany and nearby major parkways serving New York and New Jersey.

Location	**505-511 Schutt Road, Middletown, Orange County, New York 10940**
Land Tenure	**Freehold**
Occupancy	**95.8%**
NLA (sq ft)	**137,795**
Property Value (US$ Million)	**12.6**
WALE by GRI[1] (years)	**4.9**
Number of Tenants	**7**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

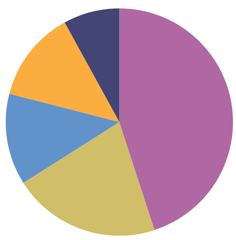
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	44.7%
Consumer Services	20.7%
Consumer Goods	13.7%
Fitness	13.0%
Food & Beverage	7.9%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

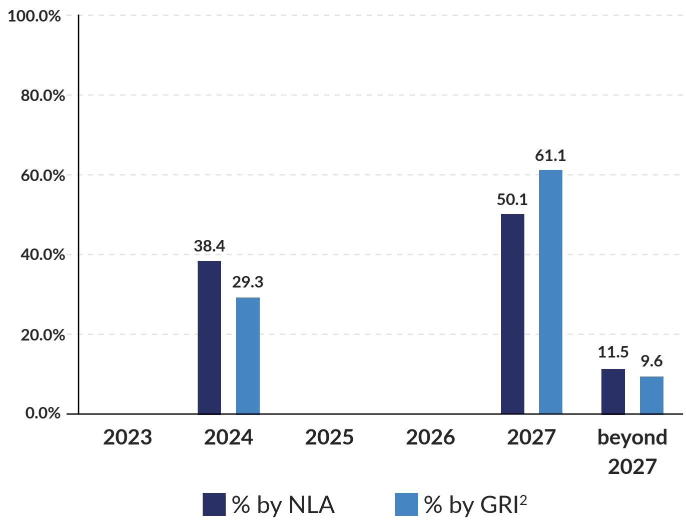
HUDSON VALLEY PLAZA

Hudson Valley Plaza is a regional center which was developed between 1996 and 1998. It is the largest property by NLA in the portfolio. The property is located in the Town of Ulster, Ulster County, New York and comprises five buildings. Walmart, Lowe's Home Center, Sam's Club and PetSmart are the anchor tenants of the property. Hudson Valley Plaza is surrounded by retail and residential uses and is located less than two miles from I-87, I-587, Route 32 and Route 9W.

Location	**401 Frank Stottile Boulevard, Kingston, Ulster County, New York 12401**
Land Tenure	**Freehold**
Occupancy	**88.3%[1]**
NLA (sq ft)	**673,370**
Property Value (US$ Million)	**48.6**
WALE by GRI[2] (years)	**4.4**
Number of Tenants	**9**
Key Tenants	**Walmart, Lowe's, Sam's Club, PetSmart, Ashley Furniture**
Property Manager	**The Hampshire Companies, LLC**

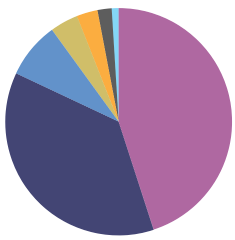
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	45.4%
Home Improvement	37.4%
Consumer Goods	8.2%
Discounter/Outlet	4.0%
Consumer Services	2.8%
Others	1.7%
Food & Beverage	0.5%

1 The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,379 sf minus the non-functional static space of 67,616 sq ft.
2 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

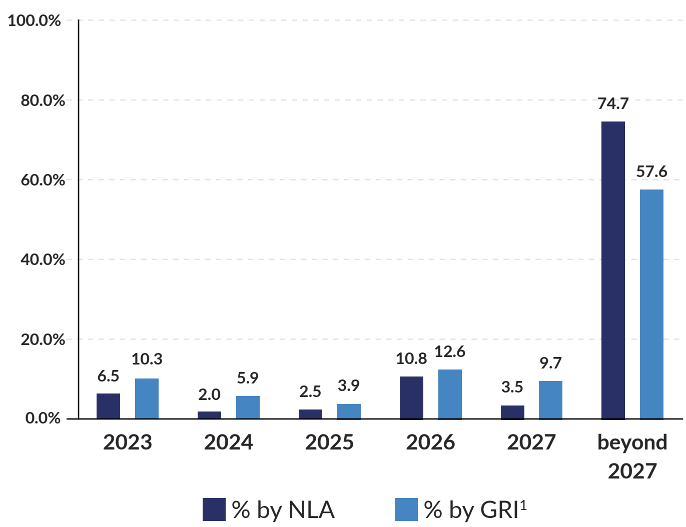
PARKWAY CROSSING

Parkway Crossing is a Grocery & Necessity property located in Parkville, Baltimore County, Maryland. It is anchored by Home Depot, ShopRite and Big Lots. Parkway Crossing is surrounded by a mix of residential uses. It is located near Morgan State University and Towson, and is also approximately five miles north of Baltimore's Central Business District. Access throughout the local area is provided by primary and secondary thoroughfares and Maryland Transit Administration buses. The closest light rail station, Riderwood Station, is located about four miles northwest of Parkway Crossing. Regional access is provided by major roadways, including Interstates 83, 95 and 695.

Location	**2331-2535 Cleanleigh Drive, Parkville, Baltimore County, Maryland 21234**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**260,241**
Property Value (US$ Million)	**30.3**
WALE by GRI[1] (years)	**6.1**
Number of Tenants	**24**
Key Tenants	**ShopRite, Home Depot, Big Lots**
Property Manager	**MCB Property Management, LLC**

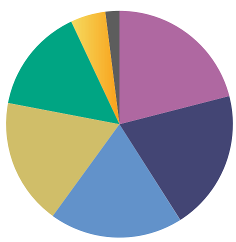
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Consumer Services	21.3%
Grocery & Wholesale	20.2%
Consumer Goods	19.5%
Discounter/Outlet	17.9%
Food & Beverage	14.0%
Home Improvement	5.2%
Financial Services	1.9%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

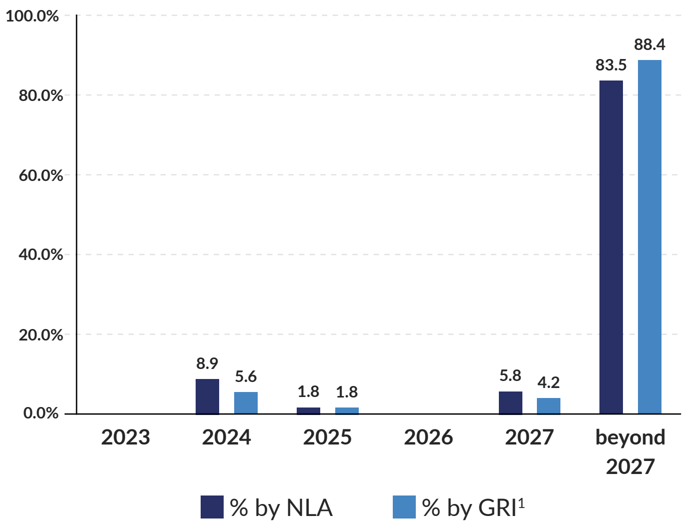
STOP & SHOP PLAZA

Stop & Shop Plaza is a Grocery & Necessity property located in Piscataway Township, Middlesex County, New Jersey. Anchored by Stop & Shop Supermarket, the property comprises three single-storey buildings.The surrounding area contains residential, industrial, retail and office uses. The neighbourhood is accessible via Interstate 287, which is south of Stop & Shop Plaza.

Location	**581 Stelton Road, Piscataway, Middlesex County, New Jersey 08854**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,167**
Property Value (US$ Million)	**26.0**
WALE by GRI[1] (years)	**9.8**
Number of Tenants	**5**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

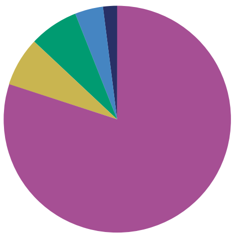
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	81.5%
Financial Services	6.9%
Auto Supply Store	5.6%
Consumer Services	4.2%
Food & Beverage	1.8%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

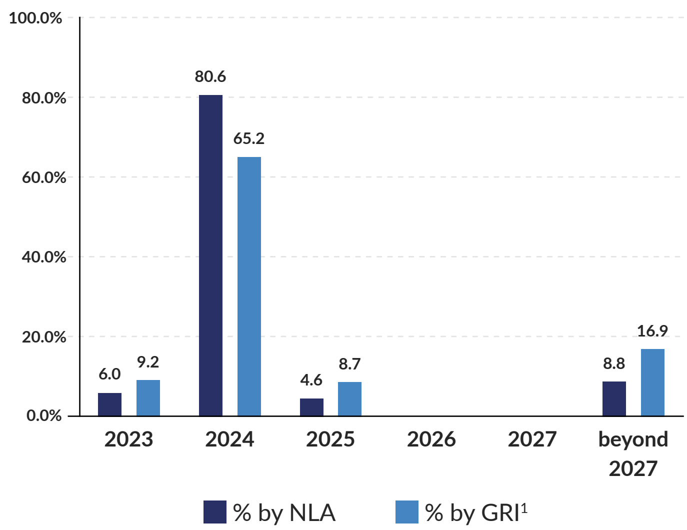
TOWNE CROSSING

Towne Crossing is a Grocery & Necessity Property that is part of a larger shopping center made up of five single-storey buildings located in Burlington Township, Burlington County, New Jersey. The Property is anchored by Dick's Sporting Goods and is shadow anchored by Home Depot, Target and Kohls. Towne Crossing is situated in close proximity to Route 130, Interstate 295 and the New Jersey Turnpike, a system of controlled-access highways in New Jersey. The area immediately surrounding the property comprises retail and residential uses.

Location	**2703 Burlington-Mount Holly Road, Burlington, Burlington County, New Jersey 08016**
Land Tenure	**Freehold**
Occupancy	**98.1%**
NLA (sq ft)	**92,117**
Property Value (US$ Million)	**12.6**
WALE by GRI[1] (years)	**2.6**
Number of Tenants	**5**
Key Tenant	**Dick's Sporting Goods**
Property Manager	**The Hampshire Companies, LLC**

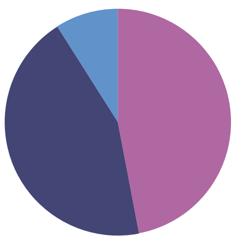
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Consumer Goods	46.8%
Food & Beverage	44.5%
Consumer Services	8.7%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

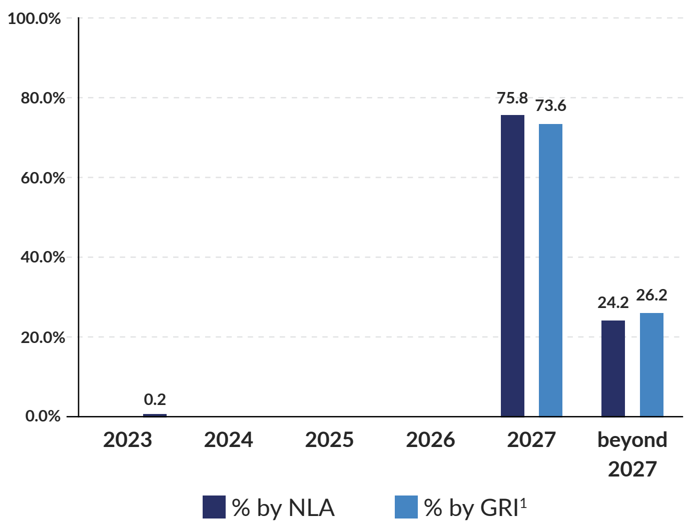
LAWNSIDE COMMONS

Lawnside Commons is a one-storey Grocery & Necessity property located along White House Pike in Lawnside, Camden County, New Jersey. The property is anchored by Home Depot which occupies 111,300 sq ft. The property contains four other tenants including PetSmart, Inc, Wendy's International, LLC, Sleepy's Mattress Firm and T-Mobile. United Hampshire US REIT holds a 99.0% equity interest in Lawnside Commons with the remaining interest held by an unrelated third party.

Location	**310 North White Horse Pike, Lawnside, Camden County, New Jersey 08045**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**151,076**
Property Value (US$ Million)	**33.9**
WALE by GRI[1] (years)	**5.7**
Number of Tenants	**5**
Key Tenants	**Home Depot, PetSmart**
Property Manager	**MCB Property Management, LLC**

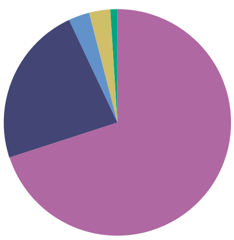
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Home Improvement	70.2%
Consumer Goods	23.6%
Food & Beverage	3.4%
Consumer Services	2.6%
Discounter/Outlet	0.2%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

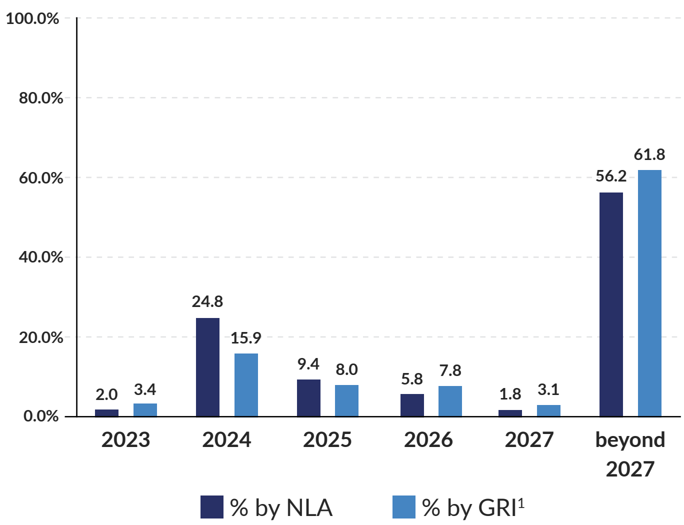
ST. LUCIE WEST

St. Lucie West is a Grocery & Necessity property located in the City of Port St. Lucie, St. Lucie County, Florida. St. Lucie West currently consists of six single-storey buildings, and is anchored by Publix, Burlington Coat Factory, LA Fitness and HomeGoods. Development of a new 63,224 sq ft building on excess land at the property for a new tenant, Academy Sports + Outdoors ("Academy Sports"), is underway and estimated to complete in Q1 2025. St. Lucie West is primarily surrounded by single-family residential uses and is near the master-planned community of Tradition, which consists of charter schools, shops, offices, a 300-bed hospital and approximately 3,000 residences. Regional access is provided by Interstate 95, U.S. Highway 1 and the Florida Turnpike.

Location	**1315-1497 St. Lucie West Blvd, Port St. Lucie, St. Lucie County, Florida 34986**
Land Tenure	**Freehold**
Occupancy	**97.1%**
NLA (sq ft)	**318,323**
Property Value (US$ Million)	**86.5**
WALE by GRI[1] (years)	**7.3**
Number of Tenants	**44**
Key Tenants	**Publix, LA Fitness, Burlington, HomeGoods**
Property Manager	**The Hampshire Companies, LLC**

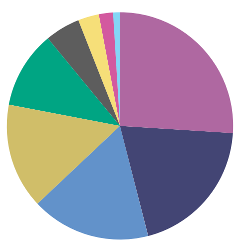
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Food & Beverage	26.4%
Discounter/Outlet	20.9%
Grocery & Wholesale	17.6%
Consumer Services	14.9%
Fitness	11.0%
Dental services	4.9%
Consumer Goods	2.2%
Financial Services	1.4%
Others	0.7%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

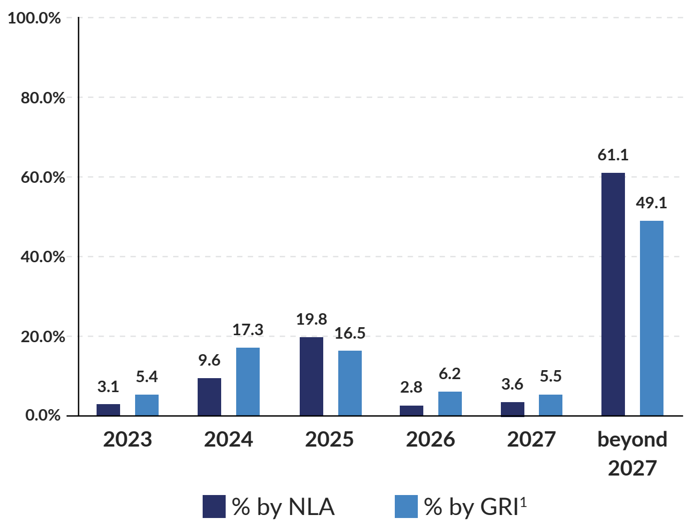
BIG PINE CENTER

Big Pine Center is a Grocery & Necessity property in Monroe County, Florida that was renovated in 2018. The property comprises three single-storey buildings and is anchored by Winn Dixie and Beall's Outlet Stores. Big Pine Center is surrounded by residential uses with commercial and retail uses along the Overseas Highway (US Route 1), a major highway in the Florida Keys. While local area accessibility is provided by Big Pine Center's frontage along County Road, the only artery for regional access is Overseas Highway.

Location	**251 Key Deer Boulevard, Big Pine Key, Monroe County, Florida 33043**
Land Tenure	**Freehold**
Occupancy	**93.5%**
NLA (sq ft)	**93,150**
Property Value (US$ Million)	**9.5**
WALE by GRI[1] (years)	**4.2**
Number of Tenants	**19**
Key Tenants	**Winn-Dixie, Beall's Outlet Store**
Property Manager	**The Hampshire Companies, LLC**

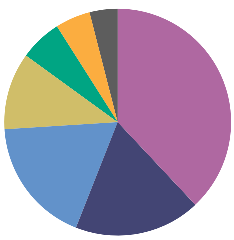
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	38.6%
Consumer Services	18.5%
Food & Beverage	17.7%
Discounter/Outlet	10.8%
Consumer Goods	5.7%
Others	5.1%
Fitness	3.6%

1 Based on base rental income for the month of December 2022.

ARUNDEL PLAZA

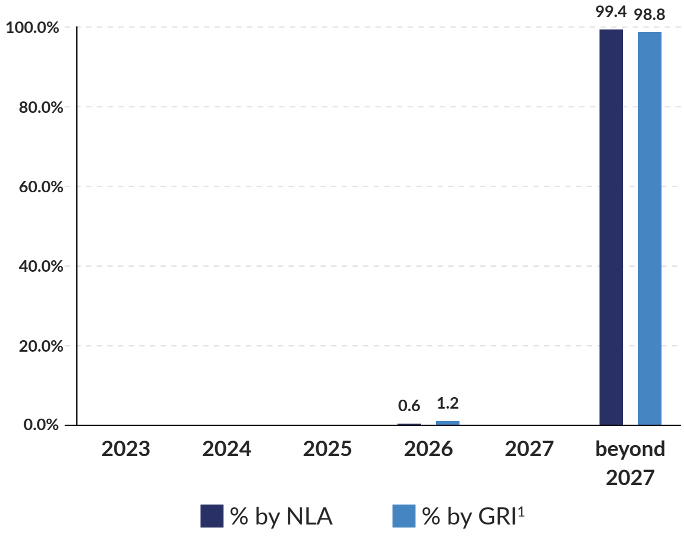
Arundel Plaza is a Grocery & Necessity property which was built in 1966 and renovated in 2018. It is located within a well-established suburban community with a stable population and household base of above average household income. Arundel Plaza is anchored by a freestanding Lowe's Home Improvement store on a ground lease since 1998 and a Giant Food store on a lease since 1966. The Giant store was redeveloped and reopened in 2018, with adjacent inline retail space leased by six tenants. There are also four outparcel buildings fronting Richie Highway leased by seven tenants. Arundel Plaza is easily accessed from surrounding communities and employment centers, with Governor Ritchie Highway, Maryland Route 10 and Crain Highway being the local arteries nearby. Public bus service is provided within the local area, and the closest Maryland Area Regional Commuter rail station (BWI Airport) is located about two miles southwest of Arundel Plaza, and the closest light rail stop (Linthicum station) is located about two miles west of Arundel Plaza.

Location	**6604-6654 Ritchie Highway, Glen Burnie, Anne Arundel County, Maryland 21061**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**282,039**
Property Value (US$ Million)	**44.2**
WALE by GRI[1] (years)	**8.8**
Number of Tenants	**15**
Key Tenants	**Lowe's, Giant Food**
Property Manager	**MCB Property Management, LLC**

1 Based on base rental income for the month of December 2022.

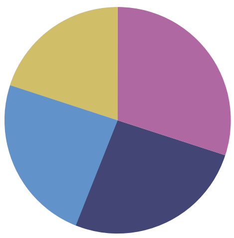
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	30.0%
Home Improvement	27.1%
Food & Beverage	25.2%
Consumer Services	17.7%

PROPERTY SUMMARY

WALLINGTON SHOPRITE

Wallington ShopRite is a single-storey Grocery & Necessity property in the Borough of Wallington, Bergen County, New Jersey. The property is surrounded by residential and retail uses and is accessible from State Routes 3, 17 and 46. There is also an accessible public transport network of buses and trains provided by New Jersey Transit. The entire property is leased by ShopRite who has subleased the spaces not occupied by the grocery store to other retail tenants.

Location	**375 Paterson Avenue, Wallington, Bergen County, New Jersey 07057**
Land Tenure	**Leasehold (expiring in 2040 with two consecutive 10-year extensions after 2040)**
Occupancy	**100.0%**
NLA (sq ft)	**94,027**
Property Value (US$ Million)	**15.7**
WALE by GRI[1] (years)	**17.5**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

BJ'S QUINCY

BJ's Quincy is a single-storey free-standing wholesale club located in Quincy, Norfolk County, Massachusetts and is immediately surrounded by office buildings and apartments. The property was built in 2009 and has been leased to BJ's Wholesale Club since 2010 on a lease with a 20-year term. It is located in close proximity to multiple highways and public transportation including the Massachusetts Bay Transportation Authority Quincy Adams Station.

Location	**200 Crown Colony Drive, Quincy, Norfolk County,Massachusetts 02169**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,360**
Property Value (US$ Million)	**33.4**
WALE by GRI[1] (years)	**7.3**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

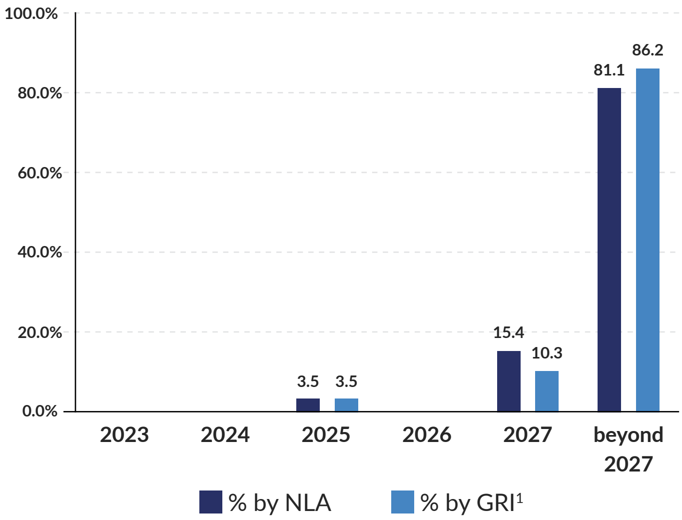
FAIRHAVEN PLAZA

Fairhaven Plaza is a one-storey Grocery & Necessity property located along Huttleston Avenue in Fairhaven, Bristol County, Massachusetts. The property is anchored by Stop & Shop and other tenants include a hardware store and pizza restaurant. Fairhaven Plaza is immediately surrounded by retail uses which include Fairhaven Commons and Ocean State Job Lot Plaza. The neighbourhood is accessible via Interstate 195, providing access to Routes 6 and 240.

Location	**221 Huttleston Avenue, Fairhaven, Bristol County, Massachusetts 02719**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**81,085**
Property Value (US$ Million)	**18.9**
WALE by GRI[1] (years)	**6.7**
Number of Tenants	**6**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

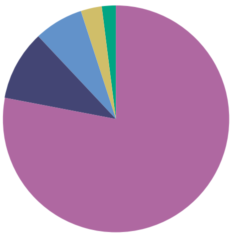
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Grocery & Wholesale	78.0%
Home Improvement	10.3%
Food & Beverage	7.0%
Consumer Services	3.3%
Others	1.4%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

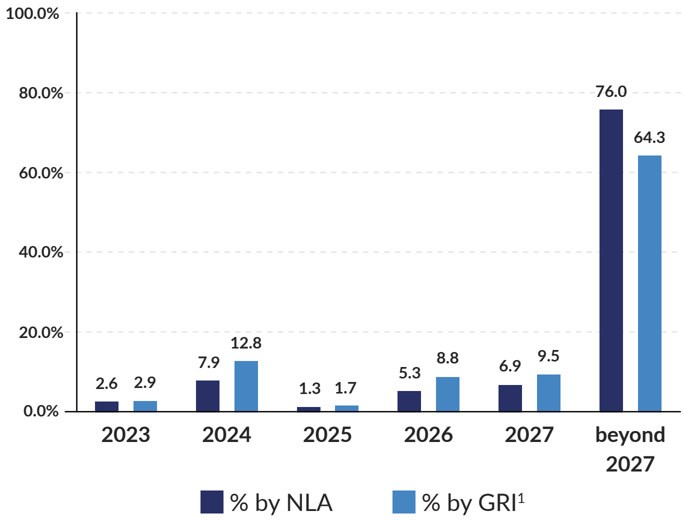
LYNNCROFT CENTER

Lynncroft Center is a Grocery & Necessity property located along Evans Street in Greenville, Pitt County, North Carolina. It consists of six single-storey buildings and is anchored by Marshalls, Michaels, Best Buy and Ross. Lynncroft Center is surrounded by shopping centers, single-family residences and office buildings. Greenvile is a regional marketing hub for Eastern North Carolina. U.S. Highway 264 By-Pass provides regional access to the town of Wilson, the City of Raleigh and Interstate 95. While bus service is available from the Greenville Bus System and has various routes around Lynncroft Center, transportation around is primarily by way of private automobiles.

Location	**3120-3160 Evans Street, Greenville, Pitt County, North Carolina 27834**
Land Tenure	**Freehold**
Occupancy	**99.0%**
NLA (sq ft)	**182,925**
Property Value (US$ Million)	**27.1**
WALE by GRI[1] (years)	**4.9**
Number of Tenants	**19**
Key Tenants	**Best Buy, Ross, Ulta, Marshalls, Michaels**
Property Manager	**MCB Property Management, LLC**

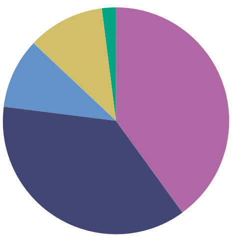
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Discounter/Outlet	40.4%
Consumer Goods	36.8%
Food & Beverage	11.1%
Consumer Services	9.9%
Financial Services	1.8%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

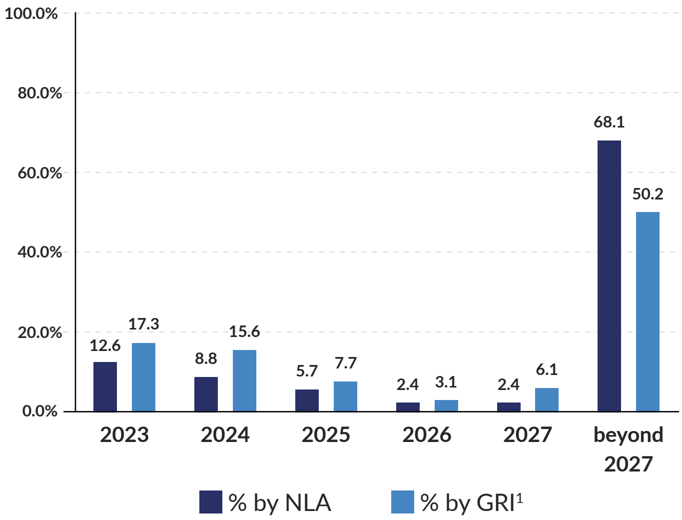
COLONIAL SQUARE

Colonial Square is a dominant grocery-anchored shopping center located in the centre of Colonial Heights, which is approximately 20-minute drive to Downtown Richmond, Virginia. It is strategically located at the intersection of Boulevard and East Ellerslie Avenue, offering superior access from surrounding neighbourhoods and main commuting corridors such as Boulevard, I-85 and I-95. Colonial Square is anchored by Publix and Locke Supply Co. There are relatively few grocery stores in the vicinity, and they do not have the reputational strength and superior inventory offerings as Publix.

Location	**3107 Boulevard, Colonial Heights, Virginia 23834**
Land Tenure	**Freehold**
Occupancy	**97.6%**
NLA (sq ft)	**168,326**
Property Value (US$ Million)	**25.1**
WALE by GRI[1] (years)	**5.4**
Number of Tenants	**18**
Key Tenants	**Publix, Locke Supply Co., Wells Fargo, Dollar General**
Property Manager	**MCB Property Management, LLC**

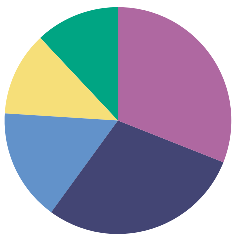
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Consumer Goods	31.0%
Grocery & Wholesale	28.7%
Consumer Services	15.6%
Financial Services	12.4%
Food & Beverage	12.3%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

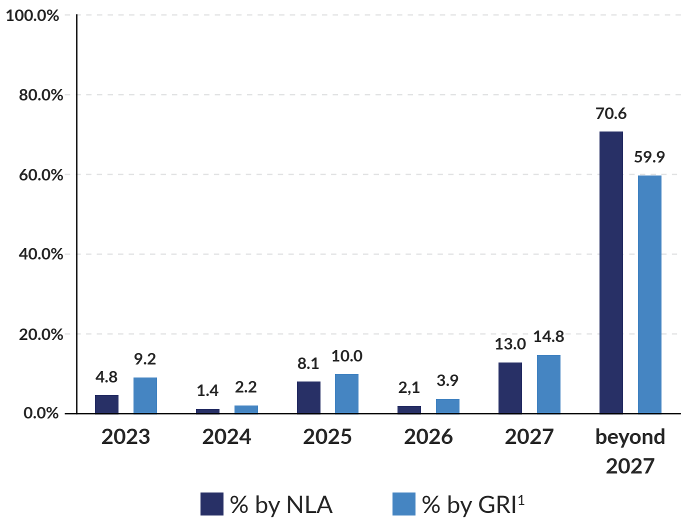
PENROSE PLAZA

Penrose Plaza is a grocery-anchored community shopping center, positioned as the dominant retail destination serving the Eastwick section of Southwest Philadelphia, Pennsylvania. It is anchored by ShopRite, dd's Discounts and other national retailers. Penrose Plaza is strategically located at the intersection of Island Avenue and Lindbergh Boulevard and is minutes from the Philadelphia International Airport and major highway arteries, including I-76, I-95 and I-476. The neighbourhood is densely populated with limited retail options, and many consumers are within walking distance of Penrose Plaza.

Location	**2900 - 3000 Island Ave, Philadelphia, Pennsylvania 19153**
Land Tenure	**Freehold**
Occupancy	**94.9%**
NLA (sq ft)	**258,494**
Property Value (US$ Million)	**53.9**
WALE by GRI[1] (years)	**7.3**
Number of Tenants	**29**
Key Tenants	**ShopRite, dd's Discount, Dollar Tree, Citi Trends**
Property Manager	**MCB Property Management, LLC**

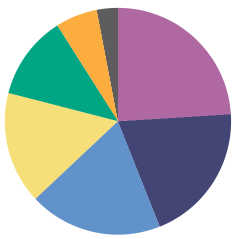
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Consumer Services	23.6%
Consumer Goods	20.1%
Grocery & Wholesale	19.6%
Food & Beverage	15.8%
Financial Services	11.6%
Fitness	6.5%
Dental services	2.8%

1 Based on base rental income for the month of December 2022.

PROPERTY SUMMARY

UPLAND SQUARE

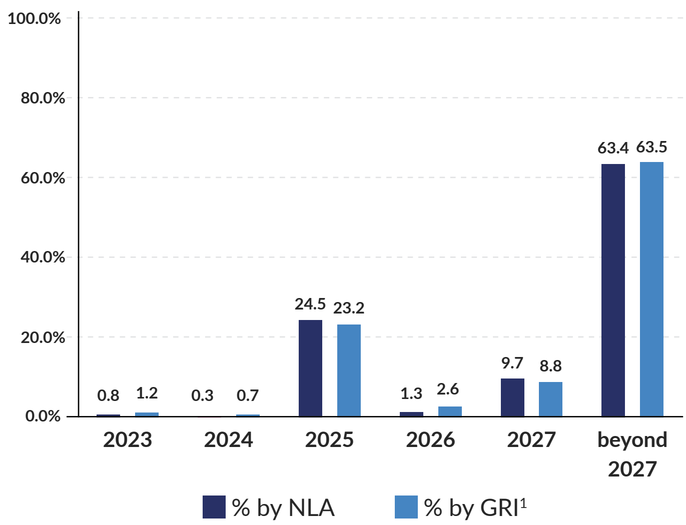
Upland Square is a Grocery & Necessity property located in Pottstown, Montgomery County, Pennsylvania, along Route 100 (Pottstown Highway) which is less than 2 miles from Route 422 interchange. The property is strategically positioned within the Philadelphia Core Based Statistical Area and benefits from strong regional and local accessibility as well as the proliferation of peripheral draws. It is anchored by Giant Foods and shadow anchored by a Target discount department store, which provides additional foot traffic to the property. The diverse line up of complementary retailers provide the necessary combination of products and services to attract a strong customer base to the property.

Location	**180 Upland Square Drive, Pottstown, Montgomery County, Pennsylvania 19464**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**400,674**
Property Value (US$ Million)	**86.0**
WALE by GRI[1] (years)	**5.4**
Number of Tenants	**36**
Key Tenants	**Giant Foods, Burlington Coat Factory, TJ Maxx, Ross Dress for Less and LA Fitness**
Property Manager	**MCB Property Management, LLC**

1 Based on base rental income for the month of December 2022.

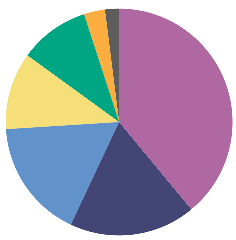
LEASE EXPIRY PROFILE

(As at 31 December 2022)



TRADE SECTOR BREAKDOWN

(By GRI[1])



Consumer Goods	39.6%
Consumer Services	18.4%
Grocery & Wholesale	17.4%
Discounter/Outlet	11.1%
Fitness	9.4%
Food & Beverage	2.6%
Financial Services	1.5%

PROPERTY SUMMARY

CARTERET SELF-STORAGE

Carteret Self-Storage is a self-storage facility developed in 2017 and managed by Extra Space Storage. It consists of one four-storey building and three smaller corrugated steel single-storey buildings. The facility's amenities include surveillance cameras, individual unit locks, climate control units, keypad entry, on-site management and an office with a small retail area. Carteret Self-Storage is located in Carteret, New Jersey with the Arthur Kill waterway to the east, Linden to the north, Avenel to the west and Port Reading to the south. The area is accessible from U.S.-1 and 9 and Roosevelt Avenue, and primarily via Exit 12 of the New Jersey Turnpike, a system of controlled-access highways in New Jersey. Carteret Self-Storage is also approximately 15 minutes away from Newark Liberty International Airport, and is located near Newark and Manhattan's Central business districts.

Location	**6640 Industrial Highway, Carteret, Middlesex County, New Jersey 07008**
Land Tenure	**Freehold**
Occupancy	**92.4%**
NLA (sq ft)	**74,150**
Property Value (US$ Million)	**23.8**
Property Manager	**Extra Space Storage Inc.**

MILLBURN SELF-STORAGE

Millburn Self-Storage is a three-storey self-storage facility constructed in 2018 and managed by Extra Space Storage. It is located along the south side of Bleeker Street in Millburn, New Jersey and is immediately surrounded by a mix of light industrial facilities and office buildings. There is an accessible public transportation network near Millburn Self-Storage, providing both local and regional accessibility. The facility is highly visible from Route 78, a highway connecting to the New Jersey Turnpike, which is a system of controlled-access highways providing direct access to New York City and Philadelphia. Within the property, there is adequate surface parking, including reserved handicap spaces. The security system consists of a secured and covered loading area, electronic access control, security cameras and monitoring, motionsensor lighting and a comprehensive sprinkler system.

Location	**30 Bleeker Street, Millburn, Essex County, New Jersey 07041**
Land Tenure	**Freehold**
Occupancy	**93.6%**
NLA (sq ft)	**80,793**
Property Value (US$ Million)	**30.1**
Property Manager	**Extra Space Storage Inc.**

INDEPENDENT MARKET RESEARCH

By Cushman & Wakefield
March 2023

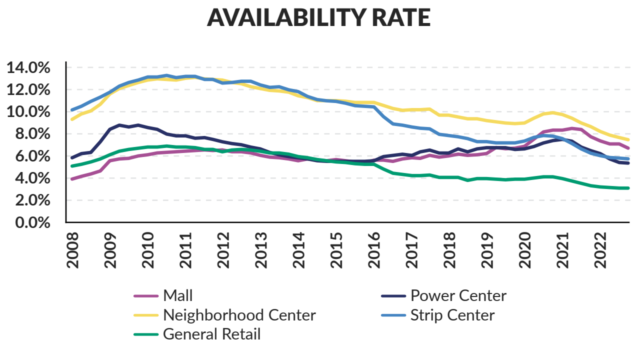
EXECUTIVE SUMMARY

Key Findings & General Conclusions

Resilience of Grocery-Anchored and Necessity Retail

- **Necessity Spending Persists as Recession Approaches** – Market experts are calling for a mild recession in 2023, and the resiliency of grocery-anchored retail that benefits from persistent non-discretionary spending on essential goods remains. As of November 2022, grocery-anchored vacancies were a full 50 basis points lower than their pre-pandemic vacancy levels[1]. Open-air retail centers as a whole have the lowest vacancy since Q4 2007[2]. These shopping center formats, especially those with tenant rosters dominated by necessity retail, are better positioned to weather the expected pullback in discretionary spending.

Figure 1[3]



Source: CoStar

- **Grocery Will Withstand Fatigued Consumer Spending Pullback** – As inflation persists and rising interest rates push the U.S. into a possible recession, grocery- and necessity-anchored retail will maintain its title as the most resilient retail category. While other retail categories are expected to struggle mightily with a decrease in discretionary spending, grocery- and necessity-anchored retail is expected to remain a beacon of stability in the retail world.

- **Back to Basics: Post-Pandemic "Revenge Spending" Replaced by Necessity Spending** – Consumer spending in 2021 was driven by a surge of pent-up consumer demand that had nowhere to go in 2020. Comparing 2022's performance to the conditions of 2021 should be evaluated in this context. Year-over-year explosive growth was unlikely to repeat, as that would have required unsustainable levels of consumer spending.

- **Necessity-Based Retail Remains Top Choice for Consumers and Investors** – The retail sector has a low overall risk of major disruption over the next few years, even with a recession on the horizon. Necessity-based retail and grocery-anchored centers are expected to remain the investment of choice. Deal activity will remain relatively muted as rising rates have clouded price discovery and stifled deal volume, but essential retail provides investors with more certainty about a center's viability during economic expansions and contractions alike. Neighborhood and community centers, often anchored by grocery and necessity retailers, showed the lowest cap rates as of Q4 2022 based on internal data from C&W's Retail Valuation Group. Class A neighborhood/community center rates ranged from 5.00% to 7.00%[4].

Figure 2[5]

CAPITALIZATION RATES BY PROPERTY TYPE AND CLASS AS OF Q4 2022		
Property Type	**Asset Class**	**Cap Rate Range**
Neighbourhood/ Community Center*	A	5.00% - 7.00%
Neighbourhood/ Community Center*	B	6.50% - 9.50%
Power Center*	A	6.50% - 8.00%
Power Center*	B	8.00% - 10.50%

Source: Cushman & Wakefield Retail Valuation Group, Q4 2022.
*Open air center

1 "Grocery-Anchored Shopping Centers May Offer Investors Shelter in an Economic Storm." CoStar, 4 Nov. 2022.
2 "Trends in Retail." Webinar Presentation by CoStar, 25 Jan. 2023.
3 Availability rate is inclusive of both grocery and non-grocery anchored centers.
4 Cushman & Wakefield National Retail Analysis, Valuation & Advisory Research (January 2023). These figures include non-REIT assets and therefore vary from Green Street's reported cap rates. UHREIT shopping center assets are classified as Neighborhood/Community Centers; most are Class A.
5 Inclusive of both grocery and non-grocery anchored centers.

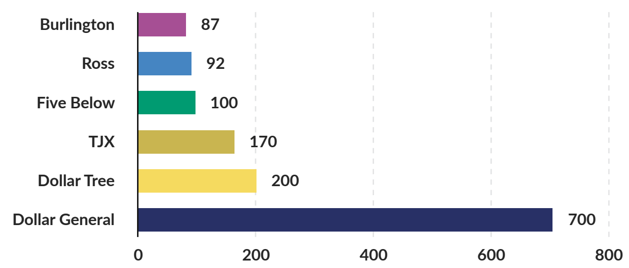
INDEPENDENT MARKET RESEARCH

CUSHMAN & WAKEFIELD

- **Discount Retailers A Crucial Part of Necessity Retail's Supporting Cast** – As consumer savings and real income decline or stagnate, many consumers will trade down to discount retailers, which are expected to continue gaining market share in a recessionary environment. In January 2023, Five Below announced plans to open more than 200 locations in FY 2023, the most in its history. Amid somewhat tepid holiday sales, Five Below's holiday sales rose 11.2% to $1.B in 2022, up from $902.3M in 2021[6].

Figure 3

DISCOUNT RETAILER STORE OPENINGS IN 2022



Source: Creditntell

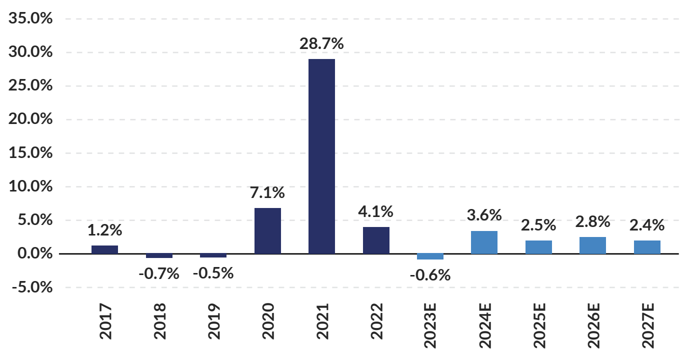
- **Omnichannel Improves and Reinforces the Dominance of Bricks-and-Mortar Retail** – The growing demand for convenience and time-savings has fundamentally changed the way that retailers use their stores, having been forced to adapt and reimagine their operations from every angle. Omnichannel strategies are continuously being refined, and the physical store remains critical to retailers' short- and long-term strategies.

Steady Trends of Self-Storage Sector

- **Drivers of Self-Storage Demand are Stable** – Self-storage has benefited from incremental COVID-related demand over the past three years. Work-from-home flexibility sparked a one-time but long-term shift in the demand curve, a positive for near- and long-term fundamentals in the sector. REIT pricing power is softening, but elevated occupancy levels compared to historic norms and high rent growth throughout 2022 position the sector to have a healthy first half of 2023. Occupancies and rental growth rates are expected to moderate and normalize after several years of major growth.

Figure 4

U.S. SELF-STORAGE M-RevPAF GROWTH - TOP 50 MARKETS



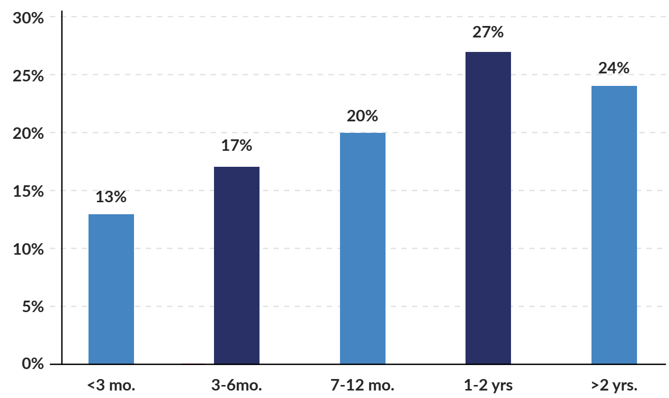
Source: Green Street Self-Strorage Outlook 2023

- **Work-From-Home Demand Peaks but Move-In Trendline Remains Positive** – Self-storage demand is also tied to housing market activity, and interest rate hikes have softened the home-buying activity that drove high self-storage demand in the past two years. Although these macro level trends are reducing consumer demand for self-storage space, they are also suppressing new construction that would depress NOI and asking rent growth.

- **Decreased Homeownership Rates Lower Demand, But Customers are Stickier** – In-place customer duration remains 10% higher than pre-pandemic levels, suggesting that customers are more subject to existing customer rate increases which remain elevated[7].

Figure 5[8]

IN-PLACE CUSTOMER RENTAL DURATION



Source: Green Street Self-Strorage Outlook 2023

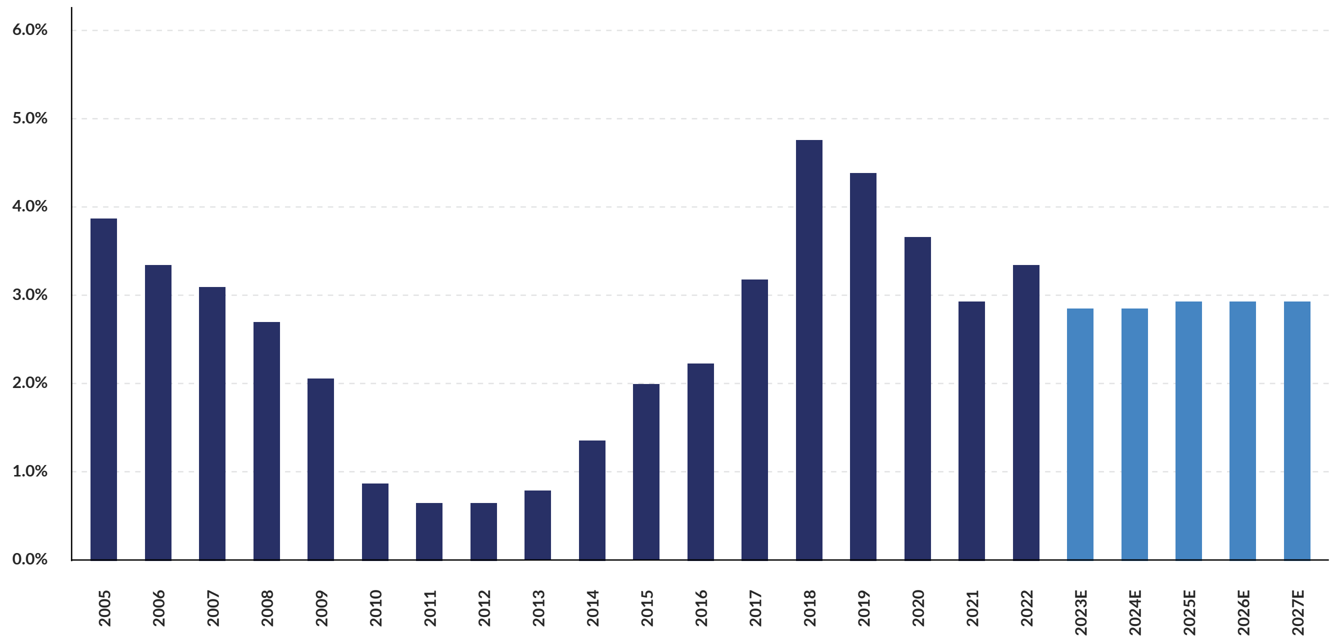
6 PNC Retailer Update (January 2023).
7 Green Street University - Self-Storage Breakout Session (January 2023).
8 Data effective Q3 2022

INDEPENDENT MARKET RESEARCH

- **Legacy Gateway Markets at Lowest Risk of Drop in Demand** – The biggest variable going forward for this sector is a sharp decrease in demand in markets that saw the highest move-in rate growth during the pandemic. Storage fundamentals in high in-migration markets decelerated in 2022 after two-and-a-half years of meteoric growth; move-in rate growth turned negative, occupancy decreased, and existing customer rate increases normalized.
- **Self-Storage Inventory to Remain Stable** – New self-storage deliveries are expected to be muted in the near term. Higher capital costs, construction delays, materials and labor shortages, backlogs in permitting have constricted supply and will hinder near-term development of new inventory. Green Street forecasts that supply growth will not exceed 3.0% through 2026[9].

Figure 6

TOP 50 MARKETS SUPPLY GROWTH - SELF-STORAGE



Source: Green Street (as of 3/1/2023)

9 Green Street University - Self-Storage Sector Update (Nov. 30, 2022).

INDEPENDENT MARKET RESEARCH

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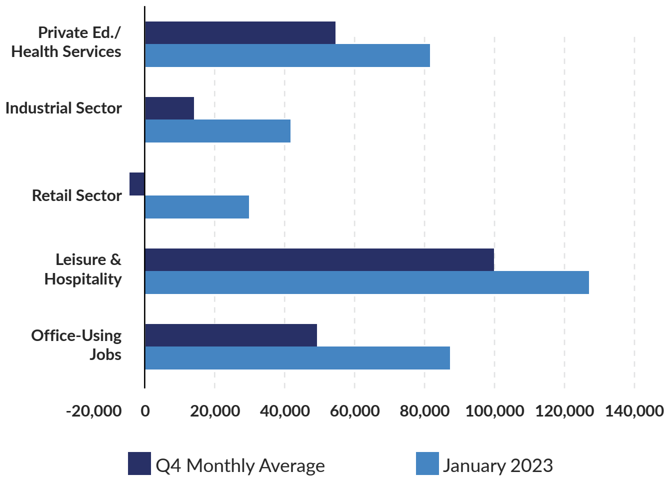
Overview of U.S. Economy – as of March 2, 2023

- **Unemployment Reaches Historic Low** – Unemployment dropped to a 54-year historic low of 3.4% in January 2023, adding 517,000 jobs and outperforming consensus projections by nearly 180%[10]. Notable gains were made in leisure and hospitality, health care, and construction. Employment in leisure and hospitality, one of the sectors hit hardest by the pandemic, was only 5.5% below its February 2020 level as of January 2023.

- **Inflation Decelerates, Consumers Still Feeling an Impact** – Inflation has peaked but has not yet dipped below the Fed's 2.0% objective. Consumer balance sheets are relatively healthy thanks to savings accumulated in the earlier stages of the pandemic, but inflation has eaten into those savings. Consumer have largely responded by narrowing their spending to non-discretionary essential goods and services as well as trading down to discount retailers for household goods and apparel once the impact of inflation hit consumers' wallets in the spring.

Figure 7

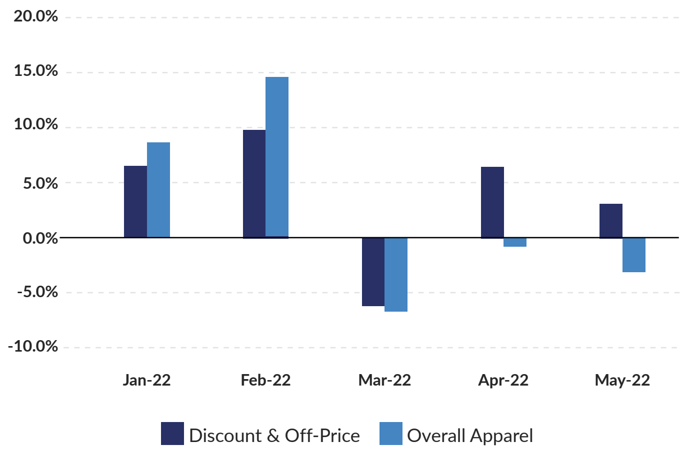
JOB GAINS BY INDUSTRY - JANUARY 2023 VS. Q4 MONTHLY AVERAGE



Source: US Bureau of Labour Statistics

Figure 8

DISCOUNT AND OFF-PRICE VS. OVERALL APPAREL, YEAR-OVER-YEAR FOOT TRAFFIC



Source: Placer.AI

- **GDP Outperforms Expectations, Expected to Slow** – Real GDP increased 2.7%[11] at an annual rate in Q4, above the consensus expectation for this quarter of 2.6%[12] growth. Real GDP is above pre-pandemic levels thanks to massive stimulus aid to both households and businesses, as well as aggressive cuts to short-term and long-term interest rates. Forecasts for 2023 reflect a 1% decrease in real GDP that should reverse as rate cuts happen in response to decreased inflation into 2024's anticipated economic recovery[13], although further rate hikes of 50 bps are expected[14].

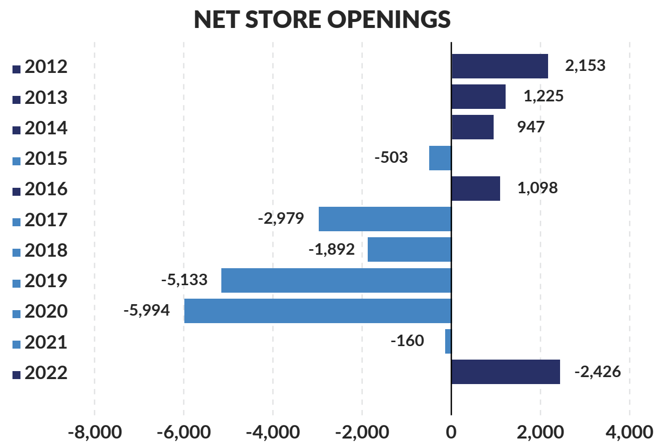
- **Recession on Horizon but Expected to be Mild** – The anticipated pullback in consumer spending and the impending recession are expected to be mild and nowhere near the severity of the Global Financial Crisis or the early and uncertain days of the pandemic. Labor market tightness should make businesses reluctant to lay off workers, limiting job losses. PNC forecasts unemployment to increase over the next two years, but at rates that are at or near what has historically been considered full employment. Additionally, there is no oversupply of housing, which will limit the possibility of a housing downturn[19].

10 PNC Financial Services, Global Economic Highlights (February 2023).
11 Bureau of Economic Analysis; revised Feb. 23, 2023
12 PNC Financial Services, Market Expectations Survey (January 2023)
13 PNC Financial Services, National Economic Outlook (January 2023)
14 Cheung, Brian. "Jerome Powell says Fed is likely to speed up interest rate hikes if the economy keeps roaring." NBC News, 7 Mar. 2023.

INDEPENDENT MARKET RESEARCH

- **Real Estate Fundamentals Are Solid** – Retail Revival Continues – Real estate fundamentals for retail on a national basis remained strong through Q4 2022, even as lending activity slowed in the second half of the year amid interest rate hikes. Distressed asset sales remained a minimal portion of the investment market in 2022, representing only 1% of all deal activity[15]. Store openings in 2022 outpaced closures by nearly 2,500, the largest net expansion in a decade[16]. In addition to resilience in core retail, consumer services such as medical and dining are bolstering retail real estate demand more than they have in past economic cycles.

Figure 9



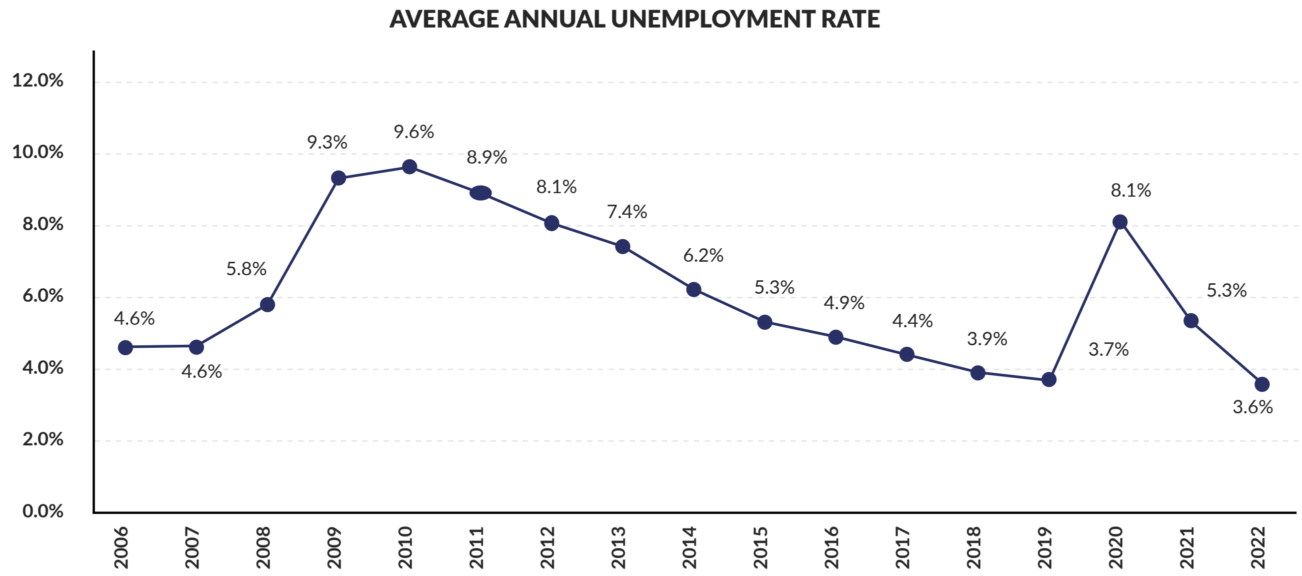
Source: Coresight Research

STATE OF THE U.S. ECONOMY & CONSUMER

Employment/Unemployment Trends

a) The U.S. labor market remains remarkably strong at the start of 2023. The number of people unemployed for 27 weeks or longer declined year-over-year by 45% to 1.1 million in December, down from 2 million in December 2021[20]. Job growth slowed over the course of 2022 but remained well above 2019 monthly average gains[12]. Unemployment reached 3.4% in January 2023, its lowest level since May 1969 with the addition of 517,000 jobs, well above consensus projections of 187,000[10].

Figure 10



Source: US Bureau of Labour Statistics

15 MSCI Capital Trends, "US Big Picture Report, Full Year 2022", 18 January 2023.

16 Cushman & Wakefield U.S. National Shopping Center MarketBeat, Q4 2022

b) The Fed deployed interest rate hikes throughout the year to cool both inflation and a hot labor market, but employment levels remain persistently high. In a typical pre-recessionary period, current and projected layoffs would be much higher, but the upcoming recession is expected to be both brief and mild. Given the tight post-pandemic labor market and the difficulty that businesses have had in hiring over the past several years, job losses are expected to be minimal[12]. Employers will be reluctant to lay off workers only to need them back six months later[19], which should limit the severity of the overall downturn.

c) Tech industry layoffs have dominated headlines, but tech employment comprises only 2.31%[17] of U.S. jobs. Additionally, these highly skilled workers are generally re-employed within about 8 weeks of being laid off. ZipRecruiter's chief economist reported that 79% of tech workers laid off find a new job within three months, and 40% found jobs less than a month after they began searching[18], reinforcing the strength of the employment market.

d) Average weekly hours worked in the retail trade sector have remained stable over the past year amid a healthy hiring environment with employees in the sector working an average of 30.3 hours per week[20]. Necessity retail sector hiring was robust. Year-over-year, the grocery retail sector gained 74,000 jobs, a 2.3% increase[20]. Warehouse clubs, supercenters and general merchandise retailers are rebounding, adding 11,100 jobs in January 2023 after two consecutive months of net losses in the sector[20].

e) Gains within some retail subsectors (department stores, warehouse clubs/supercenters/general merchandise retailers) reflect net losses year-over-year, but month-over-month improvement was an unexpected improvement. These gains are occurring within a historically tight labor market that has limited room for growth. In total, retail sector employment increased 0.6% year-over-year in January.

Consumer Savings & Spending Trends

a) Real consumer spending rose 1.4% on an annualized basis in Q4[11]. The majority of this growth came from spending on services, leading to accelerated inflation on services cost and a decrease in goods prices in Q4. Averaged across all four quarters of 2022, real GDP was up 2.1% from 2021[11].

b) Consumers began tapping into excess savings to cope with rising prices; personal savings as a percentage of disposable income was 3.9% in Q4[19] after dipping to an 18-year low in Q3 at 2.7%. The lowest rate prior to this was 2.4% in Q3 2005[16].

c) Declining real income, dwindling savings, higher credit card usage and higher interest rates will likely continue impacting the ability of households to spend throughout 2023. Consumer confidence dropped a second consecutive month in February and the Expectations Index (based on consumers' short-term outlook for income, business, and labor market conditions) fell to 69.7 in February[20]. Index scores below 80 typically signal a recession within the next year. In anticipation of this, some consumers have traded down to discount retailers, which are expected to continue gaining market share in a recessionary environment.

d) Shoppers are still making purchases, and consumers have been increasingly reliant on "buy now, pay later" (BNPL) platforms like Afterpay and Klarna to pay for both discretionary and non-discretionary goods and services. BNPL offers flexible payment options on nearly any purchase, even medical expenses, and it has helped households spread the cost of necessities like groceries over a reasonable period with simple interest, rather than the compound interest of conventional credit cards.

17 Moody's Analytics data as of Q4 2022; Employment categories included: computer systems design and related services; data processing, hosting and related services; and software publishers

18 Pollak, Julie. Interview. By Kristina Partsinevelos. Tech Check, CNBC. February 10, 2023.

19 Bureau of Economic Analysis

20 The Conference Board, Consumer Confidence Survey. Press Release, 28 Feb. 2023; data as of 22 Feb. 2023.

INDEPENDENT MARKET RESEARCH

e) The ability of consumers to manage higher debt levels will be key in 2023. Bankcard originations recorded their highest total on record in Q3[21] and credit card debt rose to a record high at $986 billion in Q4, representing 15.2% growth year-over-year[22]. Despite these increases in consumer debt and bankcard originations, bankcard delinquencies have only just reached the level they were at prior to the pandemic, while private label card delinquencies remain 17% lower than their pre-pandemic levels[18].

Consumer Household Income Trends

a) The lower 70% of consumer households based on household income are starting to burn off their savings to keep up, and the upper 30% of consumer households are plugging their disposable income into investments, not consumption[2].

b) Higher-income households that are more optimistic plan on increasing discretionary spending at a rate nearly three times higher than households with pessimistic outlooks (20% compared to 7%, respectively), and nearly five times higher on retirement savings/investment (24% compared to 5%)[18].

c) Household debt including credit card debt as a percentage of disposable income has been trending higher, rising to 9.8% in 2022[17]. but is essentially the same as pre-pandemic levels. Stimulus aid enabled millions of households to pay down existing consumer and other types of debt, especially during periods of supply chain disruption and lockdowns that limited overall spending.

Inflation Trends

a) Inflation accelerated rapidly in the first half of 2022 to the fastest pace in 40 years, and commodities prices surged in tandem. Inflationary pressures on consumer spending became more pronounced in 2022, exacerbated by the Russian invasion of Ukraine and its impact on energy costs worldwide[23].

b) Wages have been trending higher since the onset of the pandemic, but inflation has wiped out those gains. Inflation outpaced wage growth throughout 2021 and 2022 for the first time in nearly a decade[24]. But average hourly pay growth has slowed, which should further cool inflation, ultimately allowing wage growth to outpace inflation once again.

c) Toward the end of 2022, inflation remained high but began to decelerate, a welcome sign to corporate balance sheets and consumer wallets. Inflation declined to 6.5% in December 2022 and over the course of Q4, core inflation slowed to an annual rate of just 3.1%. Grocery prices rose only 0.2% from November to December, the smallest increase in nearly two years[20] but rose 0.8% between December 2022 and January 2023[25].

d) Inflation remains a concern for shoppers and retailers alike, though the rate of price increases has moderated in recent months. Retailers appear confident that inflation and a recession in 2023 will not be too disruptive to business. Most economists predict that inflation will continue easing, driven down by cheaper gasoline and factory goods, while some economists believe that if inflation continues decelerating and further aggressive hikes become unnecessary, the U.S. may skirt a recession altogether[26].

Geopolitical and Macroeconomic Trends

a) 2022 saw a rapid recovery from COVID era challenges. Job growth remains strong, and the post-pandemic labor market is structurally tighter than its pre-pandemic one. Inflation has peaked but remains above the Fed's 2% objective. The combination of historically low unemployment and the highest inflation in 40 years led the Federal Reserve to implement a series of rate hikes to cool inflation.

b) If a recession occurs in 2023, consensus is that it will be mild and brief. Real GDP is expected to fall about 1% peak-to-trough before recovering in 2024 as the Federal Reserve begins lowering interest rates. Present conditions

21 TransUnion Q4 2022 Quarterly Credit Industry Insights Report
22 Federal Reserve Bank of New York Center for Microeconomic Data, Quarterly Report on Household Debt and Credit, 2022: Q4 (Released February 2023)
23 PNC Financial Services, National Economic Outlook (December 2022)
24 Bureau of Labor Statistics
25 U.S. Department of Agriculture (USDA), Economic Research Service (ERS); data released on February 23, 2023
26 Rugaber, Christopher. "US inflation eases grip on economy, falling for a 6th month." Associated Press, 12 Jan. 2023.

are materially different from the period preceding the 2008 recession; the U.S. housing market is not overbuilt, consumer and business balance sheets are in overall good shape, and the banking system is well-capitalized and better regulated.

c) Unemployment during the anticipated recession is expected to peak at only 5.5% in early 2024[19], and by that time inflation should return to a more manageable 2% rate. Compared to conditions of the GFC when unemployment peaked at 10.0% in October 2009, a projected 5.5% peak unemployment rate would still be remarkably close to full employment and support consumer spending that typically decreases in a recession.

d) Macro trends' adverse impact on retail spending has been primarily felt in discretionary goods categories whose performance is tied to housing market activity. Higher costs on non-discretionary items like food and housing caused retail sales in other sectors to buckle throughout the year. Necessity retail segments like grocery stores, warehouse clubs and discount retailers were resilient in the face of record high inflation.

Overall Consumer Outlook

a) As the upcoming recession is expected to be mild, the pullback in consumer spending is also expected to be mild. Inflation is decelerating and providing much-needed relief to households.

b) Despite the anticipated pullback in consumer spending, the pressure on households has peaked and consumer optimism is improving. More than half of Americans expressed confidence about their financial health in 2023, with about two-thirds[18] of Gen Z and Millennial consumers feeling positive about their financial future. 55% of households with a reported income of at least $100,000[18] said they were optimistic, the highest of any income band. The average household income within the trade areas of UHREIT shopping centers is $87,835[27].

c) Savings accounts are being challenged by inflation and higher costs of non-discretionary items. However, consumers continue spending on necessity goods, trading down to discount retailers, and turning to warehouse club memberships to offset the cost burden of both discretionary and non-discretionary goods. Warehouse club retailers are responding by aggressively expanding their footprints and renovating existing stores to accommodate consumer demand for omnichannel service.

d) As consumer spending, confidence and foot traffic rebounded, investors returned to retail even as interest rates increased in the second half of the year. Shifting consumer shopping patterns and outdated financial models are two of the most significant challenges for the retail industry and both are challenges that tend to have minimal impact on grocery and necessity-related retail tenants. Medical, entertainment and dining concepts are also seeing a resurgence as consumers express their demand for service-oriented consumption with the pandemic in the rear-view.

Retail Sales Trends

a) Even though retail sales increased at a rate less than half of the previous year's abnormally sharp YOY increase, 2022 retail sales still reflected a 30.6% increase over retail sales in 2019 and a 21.9% increase over 2020[28]. Total retail sales in November and December 2022 showed month-over-month declines of -0.1% and -0.2%, respectively[16], which are relatively modest decreases considering the anticipated pullback of consumer spending as inflation strained household and individual budgets.

b) Although massive stimulus aid supported a spending comeback in 2021 and 2022, consumers' wallets began showing signs of strain at the end of 2022. Higher costs on non-discretionary items like food and housing have caused retail sales in non-grocery-and-necessity sectors to experience slower growth. Most spending categories saw inflation on a year-over-year basis that exceeded their year-over-year growth rates[2].

27 Placer.AI Demographics
28 U.S. Census Bureau

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c) "Revenge spending" on durable goods driven by a strong housing market cooled in 2022, and each of the three worst-performing store-based segments in 2022 had a housing-demand driver. These declines were driven largely by the slowdown in the U.S. housing market: electronics and appliances (-5.6%), furniture and home furnishing stores (+0.3%), and home improvement (+2.3%).

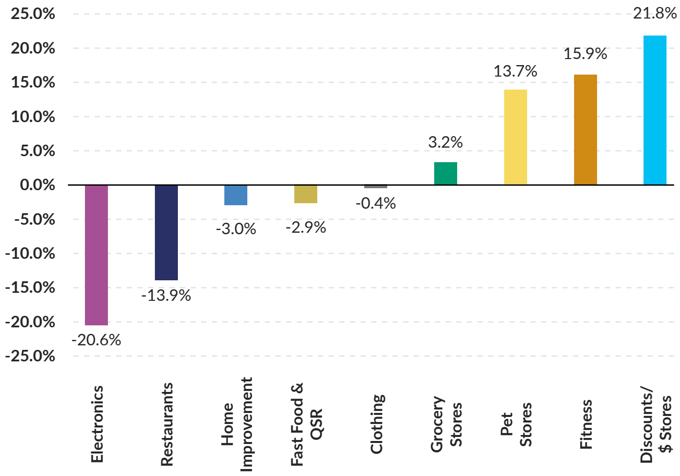
d) Non-discretionary spending categories, however, outperformed in 2022: food service and drinking places were up 12.1% and grocery stores were up 7.3%[29]. At a time of economic contraction, good news looks like resilience and sustainability, of which grocery- and necessity-anchored retail has plenty.

e) Bricks-and-mortar retail sales growth decelerated in 2022 and were roughly in line with ecommerce sales growth, the latter ending below 10% for the first time in history. The ecommerce penetration rate on all retail sales peaked in mid-2020 and ultimately finished 2022 just below 15% — a level virtually unchanged since 2020 and a boon for strip center landlords[30].

f) Comparing foot traffic against 2019 levels, grocers continue to lead foot traffic growth among retail categories that are tracked by the U.S. Census (+3%) as demand from hybrid work arrangements has made household errands like grocery shopping easier and more convenient[25]. Placer.AI data, which tracks foot traffic in retail categories that the U.S. Census does not designate as individual retail categories, shows that several retail categories have recovered from or outperformed their pandemic lows. Fitness, pet care, quick-service restaurants and discount/dollar stores are all seeing healthy traffic.

Figure 11

CHANGE IN U.S. FOOT TRAFFIC BY RETAIL CATEGORY 2019-2022

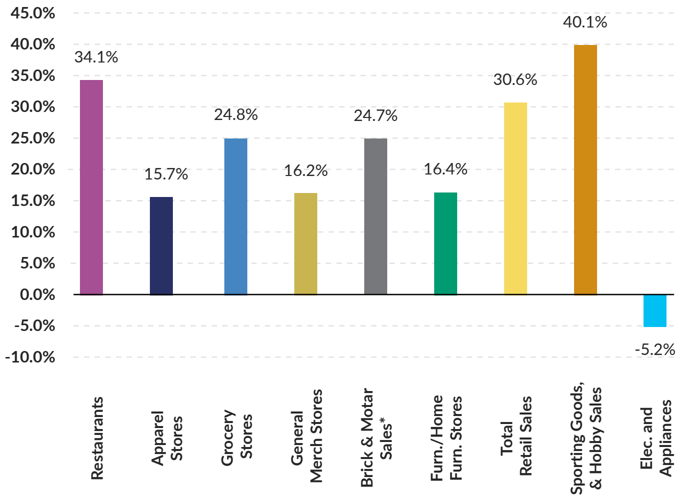


Source: Placer.AI

g) U.S retail sales in 2022 vs. same quarter in 2019 for various retail categories are summarized as follows:

Figure 12

U.S. RETAIL SALES IN 2022 VS. SAME QUARTER IN 2019



*Excludes food service, motor vehicles and parts, gas, and nonstore retailers

Source: U.S. Census Bureau

29 "Fatigued Consumers Threaten To Derail Retail Resurgence." CoStar, 20 Jan. 2023.

30 Green Street US Strip Center Sector Outlook (January 2023)

POST-COVID OUTLOOK & IMPACT

Bricks-and-Mortar Evolves and Endures

Consumer behavior, shopping patterns, and lifestyles changed drastically to adapt to pandemic conditions. Many behaviors became permanent fixtures of retailers' strategies and consumer preference, such as curbside pickup and BOPIS. In 2022, 100% of food/beverage retailers[31] in the Top 500 retailers (based on sales revenue) offered BOPIS and 85.7% offered curbside pickup[32]. E-commerce became a necessary part of retail's long-term strategy to meet as many customers in as many ways as possible, but neither e-commerce nor COVID was powerful enough to dethrone bricks-and-mortar. Stores remain an important part of retailers' operations, functioning as both store and fulfillment center, as well as a venue for retailers to establish and deepen connections with shoppers and communities[27].

Within the UHREIT shopping center portfolio, foot traffic for grocery, mass merchandise, and discount store tenants is within 1% of pre-COVID levels. Furniture, fitness, pet care and beauty supplies all show substantial increases ranging from 19.0% to 34.1%. Apparel and home improvement, two of the more challenged sectors in retail in 2022, showed a 2.9% increase and 4.5% decline, respectively. Sporting goods and electronics/appliances retailers experienced the strongest headwinds, but this aligns with the performance of these retail categories nationwide.

Walmart stores have become hybrid, both store and fulfillment center. In FY 2022, the number of online orders fulfilled in stores grew 170% year-over-year on top of a more than 500% gain from the year before[26]. Order and pickup delivery capacity increased by nearly 20% during this year and the retailer plans to increase that capacity by another 35% in FY 2023[26]. Between 70% and 80% of Petco's e-commerce orders are fulfilled at stores[33]. Petco is even expanding into rural areas to meet new customers where they are. The verdict is in: the true competitive advantage lies in having inventory close to customers, enabling retailers to deliver goods to consumers in hours instead of days.

E-Commerce Peaks as Consumers Crave Variety and Quality, Not Just Convenience

After skyrocketing to meet consumer demand that could not be fulfilled in person, e-commerce has peaked as both the economy and the physical store reopened to the public. Amazon has even scaled back the expansion of its vast warehouse and fulfillment center network as consumers reduced online spending[34]. The e-commerce giant has shifted billions out of logistics infrastructure and into its cloud computing segment, laying off many of the employees hired to contend with a surge in online spending and home deliveries during the pandemic[28].

As consumers become more price-conscious and discerning with their time, the stability and reliability of in-person shopping outcomes over increasingly erratic e-commerce outcomes keeps bringing consumers back to the store. Inflationary pressures have weighed on consumers somewhat, and a new type of fatigue that is good news for bricks-and-mortar retailers has emerged: e-commerce fatigue. The proliferation of third-party sellers and drop-shipping on sites like Amazon has cluttered the experience of shopping. It has also eroded some of the trust of shoppers who end up with low-quality products whose vendors, sometimes even Amazon's own private label brands, had nothing to lose by a product flopping in the market.

At a physical store that does not operate as a third-party seller, customers can see exactly what is on the shelf. Bricks-and-mortar retailers overwhelmingly offer user-friendly ways to compare items, view inventory, and check customer reviews without subjecting consumers to pages and pages of ads and knock-off products from brands they do not know or trust. What shopping in-store at mass merchant retailers like Costco, Target and Walmart offers consumers is an opportunity to physically handle and inspect items before purchase or during curbside pickup/BOPIS.

GROCERY & NECESSITY RETAIL

Grocery-Anchored and Necessity Retail Trends

a) In the post-pandemic real estate investment landscape, grocery- and necessity-anchored properties remained the investment of choice and are expected to maintain this title in 2023. Essential retailers like grocers, warehouse clubs and sellers of discount goods outperformed non-essential sectors such as furniture and apparel.

b) Even the weakest performing retail segments experienced major rebounds in foot traffic at UHREIT assets. Compared to 2019, apparel retailers at UHREIT shopping centers experienced a 2.9% increase in foot traffic in 2022, and furniture tenants saw a 24.5% increase. The nationwide surge in pet ownership led to a 34.1% increase in foot traffic at pet care retailers.

31 According to Digital Commerce 360, there are 7 food/beverage retailers in the Top 500. Other retailer categories included in the Top 500 are apparel, electronics, health/beauty, home improvement, housewares/home furnishings, jewelry, mass merchants, office supplies, specialty, sporting goods.

32 Digital Commerce 360; *Omnichannel Report*; April 2022

33 "These CEOs Stuck To Stores in Digital Era. They Say the Strategy Pays Unexpected Dividends." CoStar, 17 Jan. 2023.

34 "Amazon Increases Layoffs to Global Workforce." CoStar, 5 Jan. 2023.

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c) Retail property leasing fundamentals remaining strong in 2022 and closed out Q4 2022 in a favorable position, despite myriad challenges facing the economy and overall real estate industry. Store openings in 2022 outpaced closures by nearly 2,500, the largest net expansion in a decade[14]. C&W Research tracked 10.9 msf of positive absorption for non-enclosed-mall shopping centers (power/regional, community/neighborhood, and strip centers) in Q4, up from a mid-year lull. Year-over-year, absorption increased 10.3% and totaled 40.9 msf. Some degree of the softening in leasing activity is more attributable to lack of available space than to reduced tenant demand. There is a limited availability of high-quality retail space in an already tight market.

d) New construction of retail property is muted and more than 130 msf[54] of retail space has been demolished for redevelopment. Most of this space has been vacant department store and mall space[54], which has driven big box retailers into open-air shopping centers and kept rent growth healthy.

Figure 13

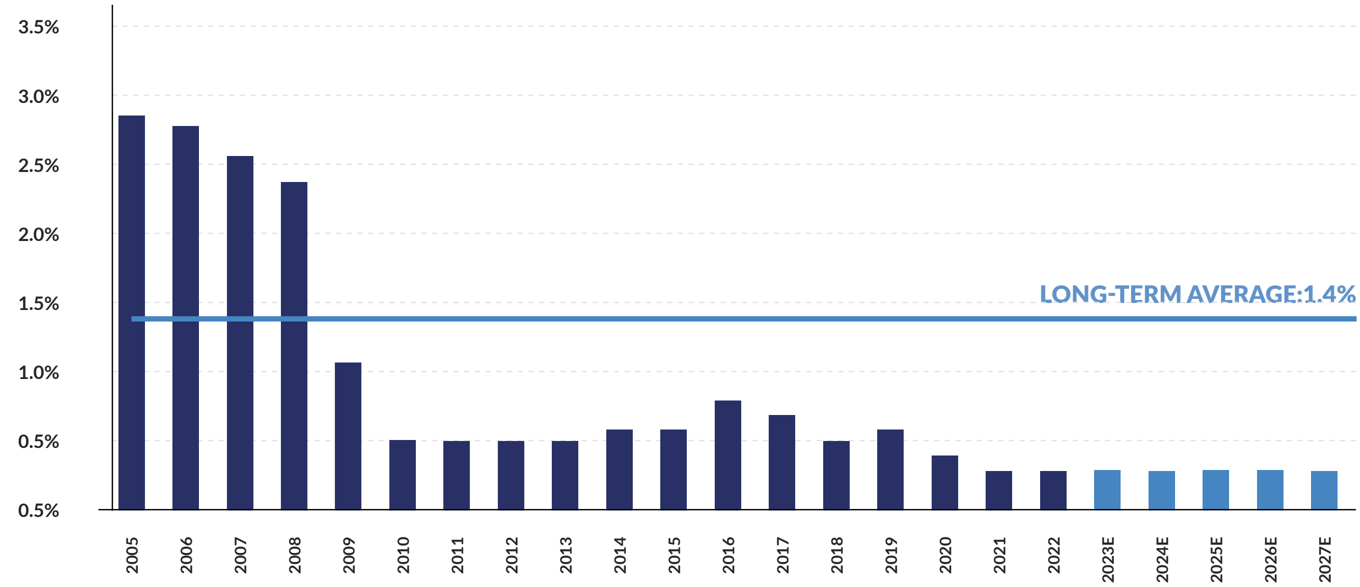
UHREIT PORTFOLIO FOOT TRAFFIC GROWTH BY RETAIL CATEGORY
2022 VS. 2019

Retailer Category	Foot Traffic Change (UHREIT)	Retail Sales Change (U.S.)
Grocery	-0.5%	22.0%
Mass Merchandisers	0.8%	15.7%
Discount Retailers	0.7%	-
Home Improvement	-4.5%	36.6%
Furniture	24.5%	16.4%
Fitness	23.2%	-
Pet Care	34.1%	-
Sporting Goods	-16.6%	37.9%
Home Goods	-9.4%	-
Electronic/Appliances	-13.9%	-5.2%
Apparel	2.9%	15.8%
Beauty Supplies	19.0%	16.1%

Source: Placer.AI, compiled by Cushman & Wakefield; U.S. Census. Certain retailer categories (discount, fitness, pet care, sporting goods, and home goods) are not tracked separately by the U.S. Census. The closest corresponding spending categories for other retailer categories are: "Building Mat. and Garden Equip. and Supplies Dealer" for Home Improvement; "Health and Personal Care" for Beauty Supplies; "General Merchandise Stores" for Mass Merchandisers; "Sporting Goods, Hobby, Musical Instrument, and Book Stores" for Sporting Goods.

Figure 14

STRIP CENTER SUPPLY GROWTH
(AS % OF EXISTING STOCK)



Source: Green Street Strip Center Outlook 2023

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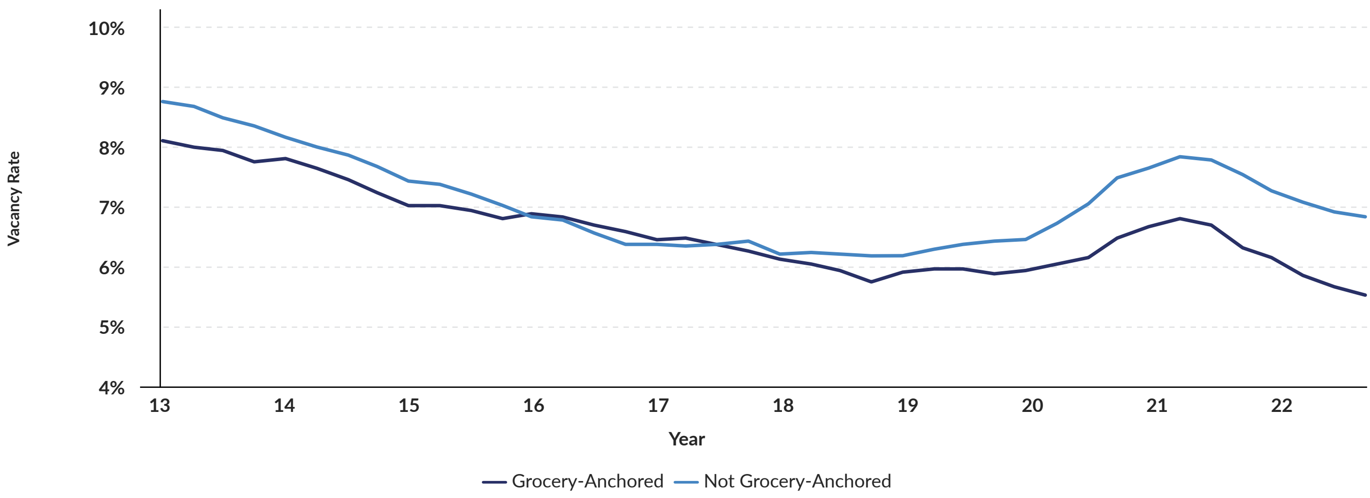
e) Strong demand, coupled with limited supply growth, has led to tighter vacancies and higher rents in grocery-anchored centers. Grocery-anchored vacancies sat at 5.4% as of the third quarter, 50 basis points below their pre-pandemic vacancy of 5.9%. This is compared to non-grocery-anchored centers, which have an average vacancy of 6.7%, still above its pre-pandemic level of 6.6%. This has led to a vacancy spread of 1.4% as of the fourth quarter, the highest spread seen since before the Great Recession[1].

f) The Kroger-Albertson's merger, if successful, would have a 15% market share in the grocery space, which could better compete with rivals like Walmart and Amazon. The Federal Trade Commission is still reviewing the proposed merger based on competition-related matters and could potentially order both companies to divest some stores as a condition for approval. Albertsons still faces an uphill battle in convincing regulars, legislators, and unions of the proposed merger's merits. A decision is expected by late 2023 or early 2024, but the outcome will not adversely affect any UHREIT assets.

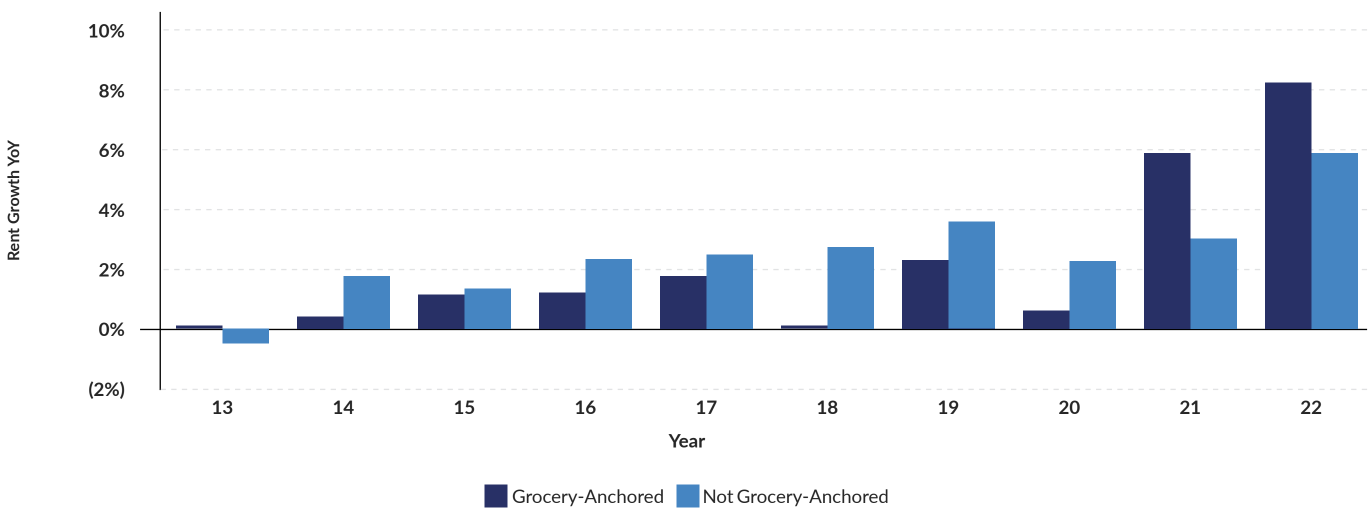
Figure 15

GROCERY-ANCHORED CENTERS MORE ATTRACTIVE TO TENANTS



Source: CoStar Advisory Services, through Q4 2022

AVERAGE ANNUAL RENT GROWTH AT GROCERY VS. NON-GROCERY ANCHORED CENTERS



Source: CoStar Advisory Services, through Q4 2022

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Physical Store Remains Anchor of Consumer's Shopping Experience

a) Renewed enthusiasm for in-person shopping has ignited a flurry of retailers to expand their footprints, as well as inciting digitally native retailers to embrace bricks-and-mortar as essential to their business models. Digitally native brands need bricks-and-mortar to grow. Growing online is expensive; the costs of customer acquisition, advertising, seller's fees for third-party sales, and shipping are high and getting higher. Having a physical store enables brands a broader opportunity to grow faster and establish credibility with consumers.

b) Only 36.0% of customers who have been using an online retailer for more than five years are very or extremely trusting of these retailers – and that figure drops to 15.7% for customers who have been using an online retailer for less than a year. Additionally, 47% of consumers report that fears regarding theft of personal data due to fraud could erode their trust in digital merchants. 38% of consumers say a product delivery that takes too long could damage their perception of that merchant, and 33% say receiving a product that does not match the merchant's description would do so[35].

c) Having inventory close to customers is a massive competitive advantage and enables retailers to deliver goods to consumers in hours instead of days. Walmart CEO Doug McMillion affirmed the commitment to omnichannel in early 2022: "Our stores have become hybrid. They're both stores and fulfillment centers." Walmart increased their order pickup and delivery capacity by nearly 20% in FY 2022 and expects to increase that capacity by another 35% in FY 2023[26].

d) Within the UHREIT shopping center portfolio, foot traffic at grocers and mass merchandisers who sell grocers (Walmart, Sam's Club, BJ's) in 2022 was 0.8% above 2019 levels. Even with options like curbside pickup and BOPIS available to them, shoppers are back inside their neighborhood stores.

Figure 16

UHREIT PORTFOLIO RETAILER VISITS PER SF, LAST 12 MONTHS*		
Store Type / Retailer	**Visits per SF**	**Chain Avg. Visits per SF**
Grocery / Wholesale Club		
BJ's Wholesale - Garden City, NY	17.5	7.8
BJ's Wholesale - Quincy, MA	13.1	7.8
Giant - Glen Burnie, MD	16.2	13.0
Publix - Colonial Heights, VA	16.2	15.2
Publix - Port St. Lucie, FL	17.2	15.2
Stop & Shop - Fairhaven, MA	12.2	12.5
Walmart - Kingston, NY	13.4	10.6
Winn-Dixie - Big Pine Key, FL	12.5	8.4
Home Improvement		
Home Depot - Lawnside, NJ	5.9	6.0
Lowe's - Glen Burnie, MD	4.0	4.2
Lowe's - Kingston, NY	4.3	4.2
Discount Stores		
Burlington - Port St. Lucie, FL	6.3	6.2
Marshalls - Greenville, NC	17.5	13.7
Pet Care		
Petco - Pottstown, PA	10.0	8.4

Source: Placer.AI; *February 1, 2022 - January 31, 2023

35 PYMNTS Ecommerce Satisfaction Report, May 2022.

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CUSHMAN & WAKEFIELD

Ecommerce Peaks and Omnichannel Evolves

a) Ecommerce sales growth in 2022 ended below 10% for the first time in history[25]. Ecommerce penetration rate on all retail sales peaked in mid-2020 and ultimately finished 2022 just below 15%[25] — a level virtually unchanged since 2020 and a positive sign for the open-air shopping center sector. Ecommerce sales going forward are projected to be modest relative to bricks-and-mortar, which held steady pre-COVID and is projected to remain steady going forward[25].

b) Ecommerce fulfillment now relies more on the physical store, not just large warehouse space, making ecommerce much less of a threat to bricks-and-mortar retail. The pandemic was a catalyst for many of the largest strip center tenants to expand their digital capabilities and boost online sales, and the results demonstrate meaningful increases in the proportion of total sales made online.

c) The growth and importance of omnichannel has pushed many retailers out of enclosed malls and into smaller neighborhood strip centers where they can deliver to consumers more conveniently for curbside and BOPIS. Retailers have been keen on leveraging their stores to support online ordering. Strip center tenants, particularly those with 10,000 SF or more, are playing a key role in the last-mile distribution of goods and facilitating same-day pick-up orders for customers within driving distance of their stores[25].

In-Store Shopping

a) In-store shopping has returned to pre-pandemic levels and remains the anchor of consumers' shopping experience. U.S. retail sales excluding auto, gasoline and non-store retailers – a measure that best encapsulates bricks-and-mortar retail sales – pushed to a new monthly record of $388 billion in October[23].

b) Five Below reported an 11.2% increase in holiday sales, exceeding their own expectations. Citing momentum, the discount retailer announced plans to open more than 200 locations in FY2023, its highest store opening rate ever. They also plan to convert more than 400 existing stores to their new "Five Beyond" format, which contains an in-store shop featuring higher-priced items. The concept is in place at approx. 250 locations and evolved from their "Ten Below" pilot program which featured a section of the store with merch priced above their signature $5 price threshold.

c) Consumers are increasingly budget-conscious, value-focused, and bargain-seeking via discounting and promotional activities by retailers looking to clear excess inventory. Discount retailers are expected to capture larger shares of consumer spending as shoppers become more price conscious and trade down from department stores whose inventory has higher mark-ups and fewer opportunities to bargain hunt.

Curbside Pick-up and BOPIS (Buy Online, Pick-up In Store)

a) The U.S. is home to the largest pickup economy of global consumers, proportionate to its population – and it's still growing. Nearly one-third of U.S. consumers, or 16 million individuals, who made their most recent purchase online, picked it up in-store or curbside — a 37% year-over-year increase (31.5% in 2022 compared to 23.0% in 2021)[36].

b) BOPIS remains as an essential part of retailers' real estate and sales strategies in the post-pandemic world. Shoppers who use BOPIS have a higher rate of customer satisfaction at 85.6% compared to shoppers who did not use the service at 62.4%[30]. Accordingly, more retailers offered BOPIS in 2022 in response to increased consumer demand for the service. BOPIS demand and popularity nearly doubled on Black Friday in 2022 compared to 2021. 25% of Black Friday orders made online were picked up in-store the same day[37].

c) Specialty retailers, grocers, and mass merchandisers alike have embraced and continuously refined BOPIS implementation. Nearly 40% of consumers order groceries online for BOPIS or curbside pickup each month[38]. Omnichannel has allowed stores like Ulta and Walmart to fortify customer loyalty and streamline fulfillment and more accurately manage inventory. Walmart improved their customer experience by launching its "Text to Shop" BOPIS feature, allowing customers to checkout via text

36 PYMNTS Global Shopping Index 2023 Report.

37 PYMNTS.com. "Study Finds More Consumers Now Prefer Pickup to Delivery When Ordering Online." 30 Jan. 2023.

38 PYMNTS.com. "Retailers' Success Could Come Down to the ABCs This Year." 26 Nov. 2022.

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or via the Walmart app[31]. Ulta's BOPIS sales rose 32% in Q2 and comprised 25% of their ecommerce sales[39], and Q3 saw a record-breaking number of loyalty members at 39 million, a 9% increase year-over-year[40]. These loyalty members shop more frequently and spend more money.

Delivery & Third-Party Shopping Services

a) Delivery and third-party shopping services have lost steam relative to BOPIS, curbside pick-up and in-store shopping. Consumers are trading delivery fees for delivery immediacy, avoiding delivery and shipping fees and increased minimum purchase amounts to qualify for free shipping. Fewer merchants offered free shipping in 2022 compared to 2021[30].

b) As consumer budgets tighten, the cost of shipping and delivery fees as well as upcharges per item for delivery service become less bearable. Amazon Fresh orders will soon charge delivery fees for all orders under $150 beginning on February 28, previously offering free delivery on all orders above $35.

GROCERY/NECESSITY-ANCHORED RETAIL REMAINS RESILIENT

Innovation and Reinvention in the Retail Sector

a) Shopping center design is becoming more hybrid to accommodate sticky demand for curbside pick-up and BOPIS fulfillment options. Sam's Club is embarking on its most aggressive expansion in more than a decade, with plans to open 30 new stores in the U.S. along with five fulfillment and distribution centers – and their membership is at an all-time high[6]. New stores will have dedicated space for curbside pickup, delivery-to-home and ship-from-club orders[41].

b) The physical store is now a last-mile distribution center for retailers across all categories. Retailers are experimenting and succeeding with new store formats that enable retailers to reduce friction between consumers and their delivery expectations without straining daily operations. New Sam's Club locations will average 160,000 square feet[6], larger than current stores, to accommodate new services departments and fulfillment areas.

c) In early 2022, ShopRite experimented with a new omnichannel model[26]: curbside self-checkout for orders placed online. The grocer unveiled a contactless retrieval "pod" shoppers can use to pick up online orders next to its store. The pods can hold shelf-stable, refrigerated and frozen foods, making customers' entire grocery orders available at once. When orders are ready, customers receive a text message with a unique QR code to scan at the console screen. Robotics inside the pod bring the order to the pickup portal, allowing customers to access their pre-ordered groceries.

d) The renewed focus on automation is creating opportunities for retailers beyond logistics support in successful omnichannel operations. Advances in robotics are creating opportunities for retailers to manage its workforce more effectively and have a much stronger grasp on inventory in real time rather than relying on store employees to continually audit shelves. When employees are freed from tedious work, they are in a better position to provide face-to-face customer care with their full attention, enhance customer experience, strengthen brand reputation, and have more meaningful, positive workplace experiences – a component of ESG that is getting more attention as a function of employee wellbeing.

e) Throughout existing Sam's Club locations, nearly 600 robots developed by Brain Corp clean store floors and scan shelves to check inventory levels and prices[42]. After completing its drone delivery expansion plans in 2022, Walmart now has 36 drone delivery hubs in seven states (AZ, AR, FL, NC, TX, UT, VA) that have completed more than 6,000 drone deliveries, roughly 500 per month, in as little as 30 minutes[43]. Walmart has the largest drone delivery footprint of any U.S. retailer and plans to expand further in 2023. Drone technology has yet to gain widespread adoption and remains somewhat challenged by weight limits for deliveries; the top five items delivered via drone by Walmart in 2022 were, in order: 16 oz. Great Value Brand ice cream, 2-pound bags of lemons, rotisserie chickens, Red Bull, and single rolls of paper towels[37].

39 Zacks Equity Research. "Ulta Beauty (ULTA) Gains From Omnichannel & Skincare Strength." Yahoo.com, 14 Oct. 2022.
40 Kohan, Shelley E. "Ulta Beauty Delivers Another Stellar Performance With Profits Up 28%." Forbes, 2 Dec. 2022.
41 "In Expansion Push, Sam's Club Plans Over 30 New Stores, Five New Distribution Centers." CoStar, 26 Jan. 2023.
42 Davey, James. "Why are more retailers using robots?" World Economic Forum, 7 Dec. 2022.
43 Creditntell Retail News and Views, 10 Jan. 2023.

f) As customer budgets tighten and inflation reached record highs for groceries, food retailers and grocers responded by expanding their private label offerings. In 2022, ShopRite's private label brands and product offerings grew by 14.5%, adding 1,285 new products to shelves[44]. By offering customers value-friendly alternatives to name brand goods, grocers help consumers adapt to inflationary pressures. Private label brand expansion also reduces grocery retailers' vulnerability to supply chain woes as they produce these items themselves rather than depend on external vendors for inventory.

g) As part of Sam's Club's expansion plans, the retailer aims to create well-rounded healthcare spaces in new stores. These spaces will include a patient waiting area, health services suites, private consultation rooms and dedicated hearing and optical centers[35]. Retailers are even looking beyond human health; services and product offerings are expanding for pets as well as humans, capitalizing on demand from increased pet ownership throughout the country. Petco plans to make their stores a health-and-wellness center for pets and a one-stop-shop for owners by integrating veterinary and grooming services in addition to pet food and toys[27].

h) Retailers continue to add electric vehicle charging stations at their locations to increase curb appeal and draw more high-income shoppers. Charging network EVgo found that 80% of users of its charging stations shop at local retailers while they vehicles charge, and 80% indicated that the availability of these stations drove their decision to shop at a particular location[45]. These customers' average spend-per-shopping session equaled more than $1 per minute spent charging[39]. According to ChargeFinder, two UHREIT retail properties offer EV charging stations. Of the properties that do not offer them, only the BJ's Wholesale Club stores have nearby grocery and mass merchandiser competitors that offer them.

Sustainability and ESG Initiatives in Retail

a) The global green, social, sustainability and sustainability-linked bond market in 2022 did not reach the highs set in 2021[46], as rising interest rates and the risk of recession in many parts of the world sidelined debt issuers. Sustainability initiatives may be tested by recessionary times, inflation, and economic uncertainty. This puts grocery and necessity-anchored retail, a resilient sector that is expected to continue performing well during recession, in a prime position to outperform other sectors in ESG.

b) Food retailers are among the highest energy users of all commercial building types, and the case for energy reduction is strong within this sector. As tenants, grocers are resilient because they sell non-discretionary goods, but they have narrow profit margins. Every dollar of energy costs reduced is equivalent to $18 in revenue[47]. Small changes can yield major changes and exponentially strengthen bottom lines of grocers. With an energy use intensity 3.7 times higher than wholesale clubs and supercenters, supermarkets and grocery stores have much to gain from reducing their energy demands[48].

c) Open-air shopping centers are cheaper to heat and air-condition compared to indoor, enclosed malls. Enclosed shopping centers and malls require not only indoor climate control but also indoor lighting and janitorial upkeep throughout common areas and corridors. Individual retailers of all sizes benefit the cumulative ESG profiles of the shopping centers where they do business, as their day-to-day operations are shaped by priorities such as food waste reduction, consumer and employee health, energy savings and supply chain resilience.

d) Retailers with footprints in the UHREIT portfolio are doing their part. In 2022, Target (a UHREIT Shadow Anchor) achieved a 32% absolute reduction in operational emissions and introduced Target Zero, empowering guests to shop more easily for green products[49]. Walmart is targeting zero emissions by 2040 and aims to protect, manage, or restore at least 50 million acres of land and one million square miles of ocean by 2030. Publix, which ranks highly among food retailers for materials management, recycling and food waste reduction, food safety governance, community engagement practices and supply chain sustainability[50],

44 ShopRite Holdings Sustainability Report 2022

45 PYMNTS.com. "Retailers Turn to EV Charging Stations for Added Curb Appeal." 21 Apr. 2022.

46 Ly, Lai and Lindsay Hall. "Key sustainability trends that will drive decision-making in 2023." S & P Global, 16 Jan. 2023.

47 Supermarket News Staff. "IGA lends hand to independent grocers on sustainability." Supermarket News, 22 Jul. 2022.

48 EnergyStar.gov

49 Target 2022 ESG Report

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has free electrical vehicle charging for customers at 33 stores with plans to expand at more locations.

e) The environmental aspects of ESG are the most readily quantifiable, but this has not stopped major retailers from meaningfully pursuing social and governance strategies that invest in their workforces and communities at large. Publix invests in the professional and academic development of employees by reimbursing tuition for accounting, cybersecurity, computer engineering and programming, engineering, and pre-pharmacy degree programs, strengthening the local and regional economies of the communities they serve.

f) Some grocers have deployed strategies that benefit the environment and support the financial wellbeing of their customer base. After a successful launch at four stores in Washington, Stop & Shop expanded their partnership with Flashfoods at locations in Rhode Island and New York City, preventing more than 140,000 pounds of food from these stores from ending up in landfills since 2021[51]. Shoppers save up to 50% off items nearing their best-by date, such as meats, dairy, seafood, fresh fruits and vegetables, snacks, and more. Purchases are made directly through the app and customers can simply pick up their order from the Flashfood Zone located inside participating stores.

g) Investors continue demanding that their assets and occupiers integrate ESG considerations into every facet of their operations, and food retailers continue delivering. Historically, investors have relied on insurance rather than capital improvement reserves to protect investments, but this calculus could change if insurance costs rise enough to reflect the full risks of climate change in proportion to specific property risks. Once insurance costs and mortgage risks reflect the reality of increases in extreme weather events and a hotter planet, investor sentiment is expected to become more proactive about mitigating the effects by making sensible physical improvements.

h) Assets that meet or exceed evolving ESG requirements and standards will command premiums in the market while assets that do not will create regulatory and financial headaches for owners, especially when it comes time to sell. If retail properties are not sustainable, REITs and other major players will not consider adding them to their portfolios.

DEMAND DRIVERS AND OUTLOOK

Suburban Migration Trends

a) Housing affordability has fallen to its lowest level in over 30 years, with home prices and rents soaring relative to incomes[54]. While Sun Belt markets are more affordable compared to gateway markets, the surge in demand for housing in these markets has caused prices and rents to skyrocket, making their housing less attainable. Additionally, the lower tax rates and lower regulatory burdens of Sun Belt states with high-growth markets may be attractive for business, but these characteristics are expected to limit their capacity to accommodate the massive influx of population and its demand on infrastructure and public services.

b) Remote and hybrid work arrangements persisted throughout 2022 and are expected to continue. Despite return-to-office mandates, office utilization rates remain low, and a tight labor market keeps leverage on the side of workers. The impact of these trends on suburban migration has become muted, however, as rising interest rates led to declining home sales, slowing migration even into comparatively affordable markets.

c) During the first half of 2022, a large share of migration was intra-market migration with the suburbs of coastal metros benefiting from out-migration from the urban cores[52]. Southeast and southwest markets, especially those experiencing major corporate relocations and expansions that bring high-paying jobs, are expected to continue capturing migration from coastal markets, albeit at a more moderate pace[46].

50 Ratio Institute, "2022 ESG State of the Industry Report: ESG Reporting in North American Food Retail."

51 Kelly, Marika. "Flashfood Program Expands to More Stop & Shop Stores in New York City to Help Save More Shoppers Money on Groceries While Reducing Waste." PR Newswire, 5 Dec. 2022.

52 Green Street Residential Insights. "Gentrification Snowball." September 2022.

Consumer Dining Trends

a) Shoppers want grocery stores to function as not just a store and a fulfillment center, but also as restaurants and kitchens. Eating at home became the norm during lockdowns, with 31% of families eating dinner at home every day since COVID compared to 18% pre-COVID[53]. An overwhelming 92% of families plan to continue eating together at home at least as often as they currently do[47]. Half of shoppers want the option to order fresh, healthy prepared foods from supermarkets[47] via curbside pick-up or BOPIS.

b) Grocers are in a uniquely good position to compete with conventional restaurants whose menus are generally fixed and slow to change, whereas grocery markets have the bandwidth to experiment and adapt to changing customer preferences much more quickly.

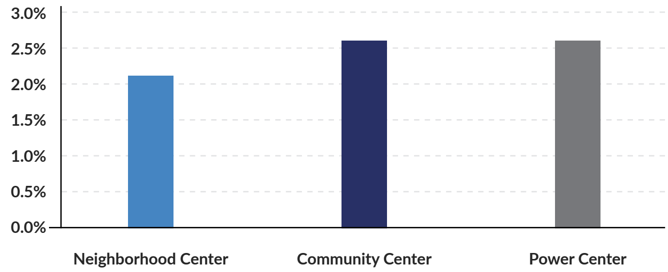
Occupancy and Rental Growth Trends/Opportunities

a) Demand for retail space reached an all-time high in 2022, driving shopping center vacancy rates to their lowest level in nearly 15 years in Q4 – lower than even pre-pandemic levels. The high cost to build out new space or relocate existing stores in a leasing environment that has limited supply has driven rent rates up and fueled renewals. On average nationally in Q4, shopping center asking rents 4.7% higher than a year earlier and 10.9% higher than in 2019[16].

b) Fierce competition for limited available space has given landlords leverage to increase asking rents. On average nationally in Q4, asking rents were 4.7% higher YOY and 10.9% higher than in 2019[14]. NOI growth in REIT strip center portfolios was over 4% in 2022, its second-best in history[14]. Same-property NOI over the next five years is projected to grow slightly slower for neighborhood centers (2.1% CAGR), which are typically anchored by grocery stores, than community (2.6%) and power centers (2.6%), which is largely due neighborhood centers' less severe decline in NOI during the pandemic[25].

Figure 17[54]

SAME-PROPERTY NOI GROWTH BY SUB-PROPERTY TYPE ('23E-'27E CAGR)



Source: Green Street Strip Center Outlook 2023

c) An estimated 20%[55] of new retail leases involve medical outlets like walk-in care, a major necessity-based growth sector that will see growth even as consumers pull back on spending. Medically oriented necessity inline tenants boost foot traffic and sales of neighboring retailers, and even non-necessity retailers benefit from this proximity.

d) A notable trend boosting retail rents is digitally native brands seeking bricks-and-mortar space. Heightened online competition, rising customer acquisition costs, and digital market saturation have helped accelerate this trend. Clicks-to-bricks is happening, and not just in the high street retail and trophy mall locations. Brands may begin online, but their formula will eventually require them to have a physical presence.

Retail Valuation Trends

a) The retail property sector was the sector to post growth in deal volume in 2022[56].Overall deal volume for retail assets increased 4% to $85.7B, compared to a 25% decline in office volume and a 15% decline in industrial volume over the same period[4]. Retail activity in 2022 was somewhat frontloaded, with 57.8% recorded in the first half of the year and 43.2% in the second half of the year[4].

b) Given the rising interest rate environment, sellers and buyers have yet to agree on pricing levels. Lower deal volume is largely a result of current owners' reluctance to move on pricing expectations and buyers' unwillingness to pay prices that have become less tenable with the increased cost and difficulty of financing.

53 Winsight Grocery Business Staff. "How Grocers Can Compete with Restaurant Delivery and Win." 11 Nov. 2022.
54 Inclusive of grocery and non-grocery anchored centers.
55 Rogers, Jack. "Digital Brands Crave Bricks-and-Mortar Retail." Globe St, 8 Dec. 2022.
56 MSCI Capital Trends, "Capital Trends - U.S. Retail 2022", January 2023.

INDEPENDENT MARKET RESEARCH

c) Investor appetite for grocery-anchored properties has amplified even more with an expected pullback in consumer spending. Consumers will continue to make necessity purchases, especially food, and grocery-anchored assets are largely considered safe havens. Their strong performance throughout the pandemic pushed cap rates to record lows in early 2022, but the financing environment has become less friendly in the past several quarters.

d) All strip center types saw cap rate increases, but grocery-anchored centers of all types maintained lower cap rates than their non-grocery-anchored counterparts[25]. Based on the GSA Strip Index, cap rates for grocery-anchored neighborhood centers are 100 to 150 bps lower than non-grocery anchored neighborhood centers. For grocery-anchored community centers, cap rates are 140 to 240 bps lower, and for grocery-anchored power centers, cap rates are 120 to 220 bps lower. Grocers have played and will continue to play a key role as anchor tenants; their focus on daily, non-discretionary needs provides stable foot traffic that benefits fellow tenants. Grocery-anchored retail remains the investment of choice for buyers, as well as the center type of choice for tenants who benefit from its foot traffic by proxy.

Figure 18

WEIGHTED AVERAGE CAP RATE*

Property Type	Grocery-Anchored	% of GLA	Market Category: Gateway	Primary	Secondary	Tertiary
Neighborhood Center	Yes	31%	5.4%	5.6%	5.8%	6.3%
(35% of Strip Center GLA)	No	4%	6.6%	6.6%	7.0%	7.8%
Community Center	Yes	24%	5.7%	5.9%	6.3%	7.2%
(29% of Strip Center GLA)	No	5%	7.3%	7.4%	7.7%	9.6%
Power Center	Yes	13%	6.8%	7.1%	8.0%	8.9%
(16% of Strip Center GLA)	No	2%	9.0%	8.7%	9.2%	10.9%

*Cap rates are indicative of "B /B+" quality assets.
Gateway Markets = Boston, D.C. Metro, Los Angeles, New York, San Francisco, Seattle
Primary Markets = Austin, Chicago, Dallas, Denver, Hawaii, Houston, Long Island, Northern NJ, Oakland, Orange County, Portland, San Diego, San Jose, South Florida
Secondary Markets = The remaining markets within Green Street's top 50 U.S. markets
Tertiary Markets = Assets not located within Green Street's top 50 U.S. markets, or an hour or more drive outside of a CBD
Source: Green Street US Strip Center Outlook Report - January 27, 2023

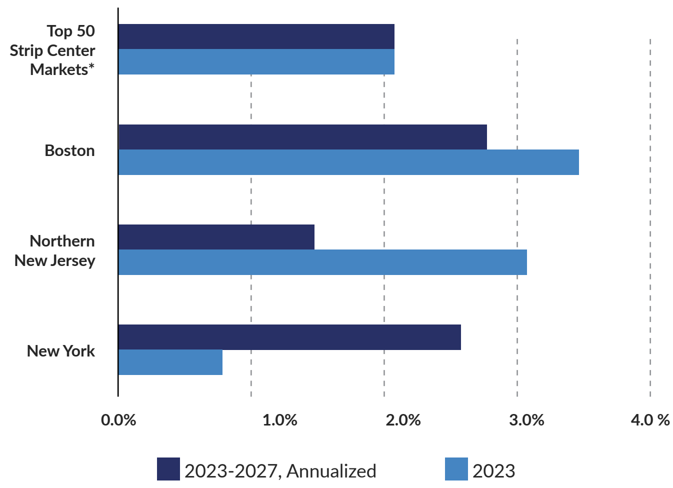
Trade Areas / Regions Where Assets are Located – Data and Key Highlights

a) Stabilized grocery-anchored centers in the trade areas/regions where these open-air retail assets are located serve affluent communities and boast high, stable occupancy rates. As of January 2023, grocery-anchored retail centers in the New York metro, Northern New Jersey and Central New Jersey averaged occupancy rates of 94%[57]. This is unchanged from our survey of these shopping centers one year ago, demonstrating their resilience.

b) Strip center M-RevPAF[58] growth in 2022 was expected to continue the previous year's post-pandemic recovery, and it delivered. Tenant demand fueled high leasing velocity, resulting in record occupancy increases and record low vacancy. Decelerating consumer spending, however, is expected to level out M-RevPAF growth in 2023 at approximately 2% overall. Of the top 50 strip center markets tracked by Green Street, projected 2023 M-RevPAF growth for New York is 0.8% and 3.1% for Northern New Jersey. For the period 2023-2027, New York's M-RevPAF growth is ranked 20th and Northern New Jersey is ranked 34th. Annualized growth projections for 2023-2027 for these markets are 2.6% and 1.5%, respectively[25].

Figure 19[59]

PROJECTED STRIP CENTER M-RevPAF GROWTH RATE



Source: Green Street Strip Center Outlook 2023
*Average of Annualized Rates for Top 50 Markets

SELF-STORAGE

Self-Storage Overview

The Five D's of Self-Storage Demand

The primary drivers of residential self-storage demand are often referred to as the Five D's and encompass some of life's biggest changes on micro and macro levels. These Five D's include Death, Divorce, Downsizing, Dislocation and Decluttering. One-quarter[60] of self-storage users cite moving as their primary reason for needing the service. 39%[53] of users report that they have no room in their current residence and another 13%[53] need self-storage due to family circumstances such as inheritance of possessions or supporting a family member who is downsizing from their primary residence to a unit within a senior living facility.

Self-storage demand tends to follow population growth patterns, and it also follows overall changes in population. Gateway markets by nature tend to have lower growth rates due to their large sizes and built-out landscapes limiting new housing, but new residents create new demand even when net migration is low.

Elevated costs of living, particularly housing costs, continue prompting household relocations that support short- and long-term self-storage demand. The short-term demand arises from households that need a place to store their possessions briefly in between moves, while long-term demand arises from household consolidation resulting from individuals taking on roommates to ease housing cost burdens[54]. The pace of household formations is expected to decelerate, and while fewer new households will lead to fewer new self-storage renters, this consolidation process can create new storage needs that offset the slowdown in household formation[61]. Although 70%[53] of self-storage users live in a single-family residence (and 60% of these users have free space available in their home), household consolidation among renters may provide a major boon for self-storage operating fundamentals.

Self-storage may not be fully recession proof, but it is recession resistant. During challenging economic conditions, consumers who need to downsize may be unwilling to part with possessions, especially expensive durable goods purchased over the past several years. Small businesses comprise 14%[53] of users and benefit mightily from self-storage to manage inventory disequilibrium, providing them a safe, inexpensive, and flexible way to store excess inventory or stockpile goods for future upticks in consumer spending. Much of the workforce will remain hybrid, and the need for home offices should benefit continued demand for self-storage. The upcoming recession is expected to be mild and brief with minimal impact on employment, supporting continued self-storage demand spurred by the need for home offices.

57 Green Street data as of February 2023; survey of 69 grocery-anchored shopping centers
58 M-RevPAF: Market Revenue per Available Foot
59 Inclusive of grocery and non-grocery anchored centers.
60 Green Street U.S. Self-Storage Outlook (January 2023).
61 "Emerging Trends in Real Estate 2023," Urban Land Institute.

INDEPENDENT MARKET RESEARCH

Self-Storage Sector Characteristics, Occupancy and Rent Growth Trends

Supply Trends

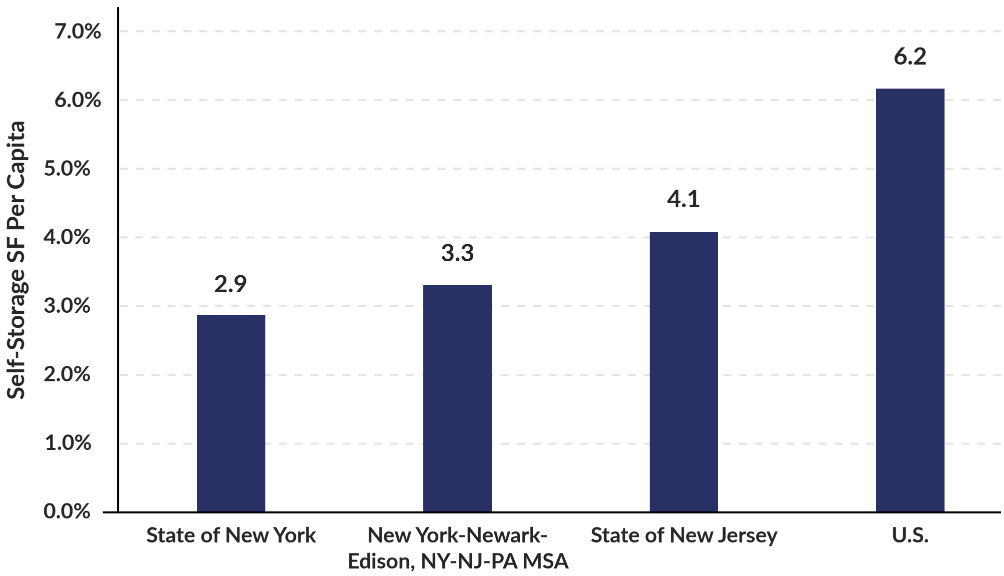
Self-storage demand is strongly tied to housing market activity, and interest rate hikes have softened the home-buying activity that drove high self-storage demand in the past two years. Although these macro level trends are reducing consumer demand for self-storage space, they are also suppressing new construction that would typically depress NOI and asking rent growth. Supply growth has historically been the sector's biggest headwind and new supply in the top 50 markets is not expected to exceed 3.0% through 2027[9]. The overall trendline for move-in rate growth remains positive based on current supply forecasts.

According to Cushman & Wakefield's Self-Storage Data Services, as of Q4 2022 the New York-Newark-Edison, NY-NJ-PA metro area has 3.3 rentable SF per person compared to 6.2 nationally, making it an undersupplied region. This is based on a sample size of approximately 57% of facilities in the metro. Green Street predicts that although supply in New York and Northern New Jersey will both increase by 4.3%[53] (2023-2027 CAGR), while Central New Jersey self-storage supply is expected to increase by 5.9%[53].

From 2023 to 2027, Green Street projects that storage square footage per capita on a nationwide basis will steadily increase. Of the self-storage development currently under construction nationwide, only 15% is attributable to the conversion of retail space[53], the same percentage as 2021. Construction delays pushed incoming supply out by one to two years, and growth is expected to accelerate in 2025 or 2026. New York and Northern New Jersey, both of which are undersupplied markets, are expected to have some of the highest supply growth over the five-year period to 2027, but New York NOI growth ranks 5th of the top 50 markets despite the projected supply increase. This creates opportunities for assets in neighboring Northern and Central New Jersey markets to capture demand from customers who cannot afford New York City prices and are willing to drive further to save money.

Figure 20

SELF-STORAGE SUPPLY SQUARE FEET PER CAPITA



Sources: Metro and National, Cushman & Wakefield Self-Storage Data Services as of Q4 2022; State Level, Self Storage Almanac (2021 Edition)

INDEPENDENT MARKET RESEARCH

Occupancy & Rent Growth Trends

High occupancy levels and heavy demand provided unprecedented pricing power to landlords, driving revenue growth nationwide. However, the return of seasonal patterns, reduced mobility due to a decelerating housing market, and growing operating expenses (especially property taxes) have resulted in softening fundamentals. M-RevPAF growth is expected to be negative in 2023 but NOI should remain positive, driven in part by existing customer rate increases[53].

According to Cushman & Wakefield's Self-Storage Data Services, self-storage asking rental rates as of Q4 2022 for the New York-Newark-Edison, NY-NJ-PA were up 2.0% from Q3 2022, and up 5.0% from Q4 2021. Physical occupancy decreased from Q3 but was up 3.0% compared to a year earlier. The percentage of properties offering concessions increased from 81.7% in Q4 2021 to 93.2% in Q4 2022, reflecting a 14.1% increase year-over-year.

Figure 21

SELF-STORAGE PERFORMANCE INDEX (SSPI)®

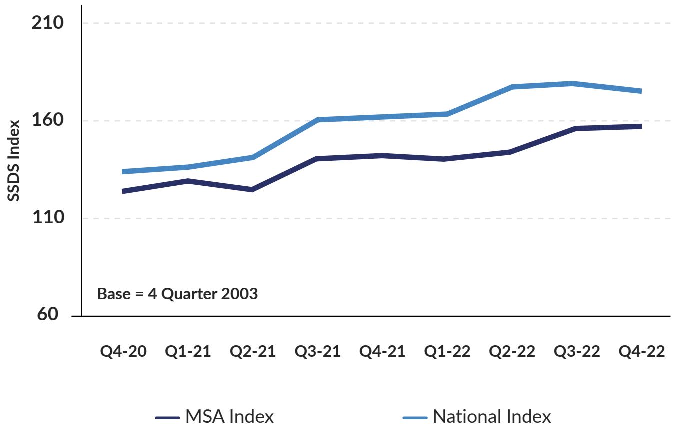


Figure 22

RENT PER AVAILABLE SQUARE FOOT (BASED ON 100 SQUARE FOOT UNITS)

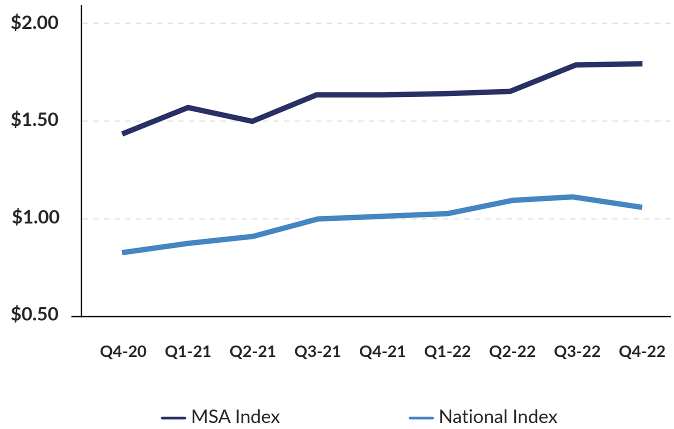
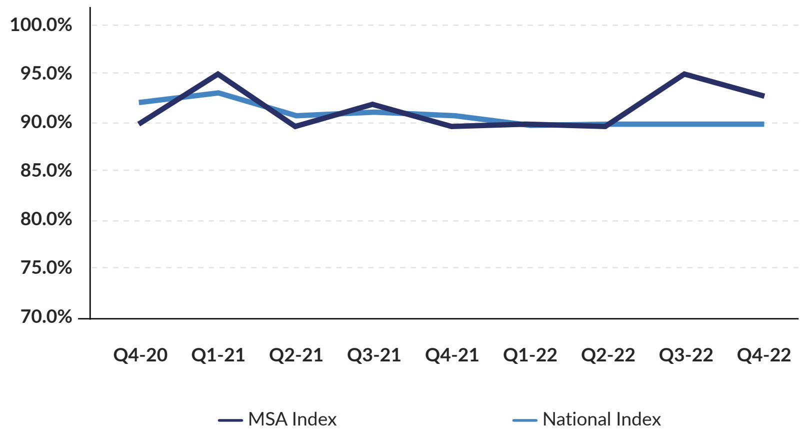


Figure 23

PHYSICAL OCCUPANCY



Source: Cushman & Wakefield Self-Storage Data Services

INDEPENDENT MARKET RESEARCH

Self-Storage Valuation and Capital Market Trends

Regionally, nominal cap rates for self-storage are lowest in coastal gateway markets. New York is tied with several other markets including San Diego, Los Angeles for the lowest average nominal cap rate at 4.5%, an 80 bps increase year-over-year (Q4 2021 to Q4 2022)[56]. Northern New Jersey's average nominal cap rate as of Q4 2022 was 5.3%, reflecting a 100 bps increase year-over-year, and Central New Jersey posted a 90 bps increase year-over-year as of Q4 2022. Nominal cap rates in all three of these regional markets increased throughout 2022 as interest rate hikes dampened market activity. However, in all three regions, nominal cap rates remain near or well below their pre-pandemic lows.

Investor appetite for self-storage remains healthy but was muted in 2022 compared to 2021, when most recent deal activity in the sector occurred. The NYC metro experienced the highest volume of self-storage asset sales in 2022, with $964M in sales compared to $4.1B in 2021 and $941M in 2020[62]. Relative to pre-pandemic transaction activity, 2022 sale volume in the NYC metro was 70.6% higher than 2019 levels[55]. The large year-over-year change in 2022 was primarily driven by a $3.2B portfolio transaction in December 2021 involving 2.8M msf across 17 properties in Manhattan[55].

Self-storage undoubtedly benefited from incremental demand spurred by the pandemic, and tenants are staying longer. Compared to pre-pandemic years, tenants are staying 10%[53] longer. prices peaked in Q1 2022 and have declined since, but Q4 levels remain well above pre-pandemic price levels. Between Q4 2019 and Q1 2022, the self-storage commercial property price index (CPPI) for the top 50 markets increased by 69.7%. The New York City market's self-storage CPPI increased by 66.0%, Northern New Jersey by 57.8%, and Central New Jersey by 63.9% over this same period. These reflect sharper increases than any other real estate sector tracked by Green Street for these markets[63].

Trade Areas / Regions Where Assets are Located – Data and Key Highlights (Northern New Jersey Supply & Demand Trends)

The two self-storage assets in the UHREIT portfolio are located within Essex and Middlesex Counties in Northern and Central New Jersey, respectively. The region is aptly named the "gateway region" for its proximity to Manhattan with access via several transportation portals including a bridge, two auto tunnels, two rail systems and several ferry operations. Newark, considered a cultural, financial and transportation hub, is the largest city in the State of New Jersey and the closest large city to UHREIT's self-storage assets. The metro Newark economy has steadily improved with consistent job gains in the second half of 2022, propelling the region closer toward its pre-pandemic levels. Logistics has driven growth as supply-chain bottlenecks and strong consumer spending led to above-average hiring trends.

Figure 24

MARKET SNAPSHOT					
	Year Thru Q4 '22	YOY Change	Q4 '22	YOY Change	Q1 '23 to Date & Pending
Volume ($m)					
Individual Property Volume	**$8.326.6**	-1.2%	**$1,738.6**	-47.8%	**$474.1**
Portfolio Volume	**$4,905.3**	-67.4%	**$885.3**	-91.0%	**$55.6**
Total Volume	**$13,231.8**	-43.6%	**$2,623.9**	-80.0%	**$529.6**
# Props	**1,297**	-26.9%	**272**	-64.2%	**60**
Square Feet	**79,526,838**	-39.0%	**17,266,928**	-72.1%	**3,698,895**
Pricing					
Avg Price Per sf	**$176**	22.3%	**$159**	5.3%	**$164**
Avg Cap Rate	**5.0%**	-191 bps	**4.9%**	-42 bps	

Source: Real Capital Analytics

62 Real Capital Analytics, data as of March 3, 2023
63 Green Street
64 Federal Reserve Bank of St. Louis

The Port of Newark and the region's logistics industry have kept busy, but as consumer spending and ecommerce shipping began waning, business inventories climbed, driving the need for self-storage until inflation abates further.

Economic conditions in the Northern New Jersey market were not as negatively impacted as they were across the Hudson, but recovery is expected to lag other top markets and its population is expected to remain stable. High mortgage-to-rent ratios and median home prices make purchasing larger residences unaffordable, driving the need for self-storage in a high number of households. Consumers in New York may also look for lower rates available in the Northern New Jersey market. The Northern New Jersey region should continue to benefit from its relative affordability compared to New York City, its highly educated labor force, and its large concentration of high-paying, white-collar jobs, who have sought higher wages to combat elevated inflation.

Central New Jersey has emerged from the pandemic in a better position than many of its northeast region peers, with employment at 2.7% as of January 2023, 0.6 percentage points higher than its pre-COVID level of 3.3%. The region has a high home ownership rate, one of the primary drivers for self-storage needs. Additionally, the median home size in Middlesex County, where the Carteret asset is located, is relatively small and has been trending downward for the past several years; as of January 2023, the median home size was 1,596 square feet[64]. The region has above-average occupancy levels and new guidelines for industrial development may limit self-storage supply growth, but supply growth is expected to rise at the highest rate in the nation among top 50 markets. The region overall has high spending power and dense population that supports intermediate-term shopping center rent growth, and it remains a more affordable alternative to New York City. Additionally, given the region's convenient access to shipping and trade infrastructure, transportation and warehouse-using industries will drive much of the region's economy through the near term, and construction will rise with long-term infrastructure and development projects.

OUTLOOK FOR HAMPSHIRE UHREIT PORTFOLIO

Retail is constantly evolving. New concepts, technologies, and distribution strategies are radically changing the way Americans consume and will continue to do so. The best and most agile brands will embrace these changes and adapt with new omnichannel strategies. Grocery and necessity-based retail are expected to remain the investment of choice. Investors look for credit and term and are very attracted to retailers deemed essential because of their resilience during challenging and recessionary periods. COVID did not annihilate retail: it refined, transformed and enhanced every aspect of it. What was once considered to be the death knell for shopping centers has turned out to be its greatest opportunity, forging a path for long-term success and continued resilience. Retail survived and came back stronger, emerging from the pandemic as a success story for creative destruction and rebirth in the built environment.

The UHREIT portfolio's strategic acquisition of grocery and necessity-based retail centers bolsters its ability to thrive during periods of expansion and remain resilient during periods of contraction. Even retailers within categories that typically experience lower sales during recession tend to outperform when located in centers anchored by grocery and necessity tenants, a trend that will benefit furniture, home improvement and apparel-based retailers within the UHREIT portfolio.

The outlook for the self-storage assets within this portfolio is positive as well. Proximity to New York City has the advantage of self-storage demand generated by population churn. Overall household and population growth rates may be low compared to booming Sun Belt markets, but new residents are entering and exiting the market all the time and generating demand in a chronically undersupplied market whose housing units are much smaller than the national average. Both self-storage assets in the UHREIT portfolio are located within this metro, conveniently located near peripheral draws including retail centers. According to YardiMatrix, the New York metro has the lowest inventory per capita of the top 10 metropolitan areas by existing inventory. Dallas and Houston which rank first and second, respectively, have more than three times the amount of square footage per capita, well above the national average.

SUSTAINABILITY AND TCFD REPORT

BOARD STATEMENT

We are delighted to present United Hampshire US REIT's ("UHREIT") Sustainability Report for Financial Year 2022 ("FY2022"). We aim to conduct our business in service to all of our stakeholders, including our Unitholders, employees, tenants, and vendors. Our success is intrinsically linked to the people we work with, and the markets in which we operate. By valuing our employees and the communities they are linked to, we strive to achieve sustainable growth, which will deliver superior returns for our Unitholders.

The United States ("U.S.") economy experienced rapidly changing economic conditions in 2022. Due to a combination of factors including pent up consumer demand from COVID lockdowns, supply chain disruptions and large government stimulus provided during the pandemic, inflation accelerated at the start of 2022, peaking at 9.1% in June and ending the year at 6.5% in December. The high inflation rate forced the Federal Reserve to increase interest rates to curb inflation. Despite the macroeconomic challenges faced in 2022, UHREIT's portfolio remained resilient and delivered a solid FY2022 financial performance.

Notwithstanding the challenging macroeconomic environment, UHREIT sees the opportunity to contribute, in a sustainable manner, to an economy that is growing robustly. Our Environmental, Social and Governance ("ESG") vision is to be a champion for sustainable growth that benefits our Unitholders, employees, tenants, and vendors through valuing our employees and their communities, aligning with sustainability-driven initiatives, and delivering greater and greener returns for our Unitholders. As a testament to this, we have engaged with our major tenants to embark on initiatives that aims to reduce greenhouse gas ("GHG") emission and promote sustainable living. Our aim is to design and implement a decarbonization strategy that is in tandem with our tenants' ESG goals and help our tenants achieve their sustainability goals.

To this end, we introduced our inaugural ESG targets and initiatives for FY2022 and are closely monitoring our progress in achieving these targets. Our key targets include (a) installation of Electric Vehicle ("EV") charging stations, for which we set a target of 10% of our properties to have EV charging stations, and achieved 13%; (b) installation of LED lighting at the common areas, for which we set a target of 15% of our properties to have LED lighting at the common areas, and achieved 39%, and (c) installation of solar panel systems in 25% of our Self-Storage properties. With the divestment of Elizabeth and Perth Amboy Self-Storage in June 2022, we achieved 100% following the installation of solar panel systems at both of our remaining Self-Storage properties, Carteret and Millburn Self-Storage.

It is clear that climate change poses significant risks but also creates opportunities for businesses. Against this background, we have committed ourselves to enhance our adaptability in the transition to a lower carbon future. In this regard, we are pleased to share that we have adopted the recommendations listed under the Task Force on Climate-Related Financial Disclosures ("TCFD"). In our inaugural FY2022 TCFD Report, we highlighted how we are overseeing and managing climate-related matters including key risks and opportunities, metrics, and targets.

For FY2022, we have prioritised eight ESG matters, namely Economic Performance, GHG Emissions and Energy Consumption, Training and Development, Diversity and Employment, Community Engagement, Business Ethics, Cybersecurity and Data Privacy, and Safety and Wellbeing as material to our business for reporting. The Board will continue to maintain oversight of the integration of appropriate ESG practices and monitor our non-financial performance across our business operations.

With an overriding objective to create sustainable value in the long-term for our stakeholders, this report summarizes UHREIT's sustainability commitments, approach for managing material ESG matters and performance for the year.

REPORT SCOPE

About United Hampshire US Real Estate Investment Trust

UHREIT has a portfolio comprising 21 predominantly freehold Grocery & Necessity properties and two Self-Storage properties, primarily concentrated in the East Coast of the U.S., with an aggregate net lettable area ("NLA") of approximately 3.8 million sq ft. UHREIT tenants are e-commerce resistant, with majority of the anchor tenants of the Grocery & Necessity properties utilizing their physical stores to implement omnichannel strategies.

The majority of UHREIT's leases are triple net, with tenants responsible for their pro-rata share of real estate taxes, building insurance, property expenses and common area operating expenses. Additionally, tenants are responsible for keeping the property in good order and conducting repairs to ensure the properties are well maintained.

UHREIT's operational responsibilities at the Grocery & Necessity properties primarily relate to the parking lots and common areas. These areas generally have very minimal usage of energy and water. Furthermore, energy usage in the common areas is generally reimbursable by the tenants under the triple net lease arrangement.

About the Report

Reporting Scope

This report is UHREIT's second annual Sustainability Report ("The Report") and covers our performance in relation to the identified ESG topics which we have assessed to be material to our business and industry. It covers the period from 1 January 2022 to 31 December 2022 ("FY2022").

Unless otherwise stated, The Report covers UHREIT and the Manager, and UHREIT's business operations for 21 Grocery & Necessity[1] and four Self-Storage[2] properties, of which two of the Self-Storage properties (Elizabeth and Perth Amboy Self-Storage) were divested on 22 June 2022. These properties are located within densely populated and affluent East Coast markets of the U.S. A full list of the properties covered in this Report is available on page 36 and 37. Employees here refer to employees of the Manager including employees at the U.S. Asset Manager who are dedicated full-time to UHREIT, unless otherwise stated. The number of employees covered within this Report's scope is 12.

The Report complies with the mainboard listing rules 711A and 711B and draws on the guidance set out by the SGX-ST Practice Note 7.6 Sustainability Reporting Guide. The Report has not been externally assured. External assurance by independent professional bodies will be considered as our reporting matures over time.

Reporting Standards

We have prepared The Report with reference to the Global Reporting Initiative ("GRI") reporting framework and the accompanying reporting principles due to its universal application and usability.

The GRI Standards were updated in 2021 to reflect the demand in the use of the GRI Standards as a sustainability reporting framework. Companies may now choose to either report with reference to or in accordance with the GRI Standards. For FY2022, UHREIT will be reporting with reference to the GRI Standards as we continue to improve the quality and depth of our sustainability reporting including meeting the requirements of reporting in accordance with the GRI Standards. Notwithstanding this, we will continue to communicate to our stakeholders in a meaningful manner and provide an overview of our most significant impacts on the economy, environment, and people.

We are also pleased to present our inaugural climate-related disclosures based on the recommendations from the TCFD where applicable and with the view of improving the alignment to TCFD in future reporting years. The GRI Content Index and TCFD Content Index are contained on pages 103 to 105, indicating the location of the applicable disclosures within The Report.

1 Acquisition of Upland Square was completed on 28 July 2022.

2 Completion of divestment of two Self-Storage properties (Elizabeth and Perth Amboy Self-Storage) on 22 June 2022. As of 31 December 2022, UHREIT has two remaining Self-Storage properties, Carteret and Millburn Self-Storage.

SUSTAINABILITY AND TCFD REPORT

Feedback
The Manager welcomes all feedback from all stakeholders on The Report as part of our commitment to improve the depth and quality of disclosure. Any questions and comments can be directed to IR@uhreit.com.

UHREIT's Sponsors and Manager
The Sponsors of UHREIT are UOB Global Capital LLC ("UOB Sponsor") and The Hampshire Companies, LLC ("Hampshire Sponsor"), while the Manager of UHREIT is United Hampshire US REIT Management Pte. Ltd.

The administration and implementation of UHREIT's investment and portfolio management strategies are largely within the Manager's authority.

Investment management, property management, capital management, internal audit, compliance, accounting, investor relations, sustainability management and reporting are among the services provided by the Manager. The requirements for location, sector type and other aspects of the portfolio of UHREIT are established by the Manager. To carry out UHREIT's property management plan, the Manager collaborates closely with the Property Managers. The Manager is jointly owned by UOB Sponsor and Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of the Hampshire Sponsor.

The Manager has also appointed the Hampshire Sponsor as its U.S. Asset Manager to provide certain property management functions in the U.S., including those relating to property management, leasing oversight, investments, audit and accounting.

UHREIT's Property Managers
The property managers for the Grocery & Necessity properties are Hampshire Sponsor and MCB Property Management, LLC ("MCB"), while Extra Space Storage Inc. manages the Self-Storage properties (collectively, "The Property Managers"). MCB-THC Property Manager, a joint venture entity formed by Hampshire Sponsor and MCB, is an integrated property management and leasing services platform and has been engaged by Hampshire Sponsor and MCB as sub-manager to assist Hampshire Sponsor and MCB in their provision of property management services.

The daily administration, operation, maintenance, and service of the properties are among the duties of the property managers, along with preserving long term relationships with tenants. The property managers also assist in making sure that properties acquire the required permits and adhere to all relevant laws and regulations.

Key Highlights

Environmental	• Embarked on TCFD reporting, with plans to strengthen the adoption in subsequent reports • Met target of reducing common area electricity usage portfolio wide[3] • Installed EV charging stations at 13% of our properties • Installed LED lighting at common areas at 39% of our properties • Installed solar panel systems at 100% of our Self-Storage properties
Social	• Maintained a strong track record for safety with zero fatalities and reported incidents by the Manager • Achieved total learning hours of 348 training hours, with an average of 29 training hours per employee of the Manager • Zero cases of known incidents of employee discrimination by the Manager • Achieved 100% participation rate in the annual employee survey for the Manager • Achieved 135 volunteer hours for FY2022
Governance	• Achieved zero confirmed cases of non-compliance with relevant laws and regulations by the Manager • Achieved zero substantiated complaints or substantiated cases concerning breaches of privacy and losses of data by the Manager • All Directors and employees of the Manager have completed relevant anti-corruption trainings • Ranked 29 in Singapore Governance and Transparency Index 2022's REITs and Business Trusts Category • Ranked 12 in Governance Index for trust ("GIFT") 2022 • Included in the SGX Fast Track for good compliance track record

3 Excluding properties with partial year data.

OUR APPROACH AND STRATEGY

Governance Structure

The overarching management and strategic planning of UHREIT is the responsibility of the Board of Directors[4] of the Manager. The Board meets quarterly or on an as needed basis to review the financial and non-financial performance of UHREIT. All members of the Board are active in issues relating to economic, environmental (including climate), social, and governance risks and opportunities.

The Chief Executive Officer ("CEO") of the Manager works with the Board of Directors to set the tone and drive future strategic initiatives and sustainability within UHREIT.

The Sustainability Steering Committee ("SSC"), comprising a cross-functional team of senior personnel led by the CEO of the Manager, drives the overall sustainability strategy and direction. The SSC meets regularly and tracks the development and performance across all properties and sustainability initiatives. To ensure that UHREIT functions in line with the Manager's stated investment and sustainability strategy, the CEO also collaborates with the Chief Financial Officer ("CFO"), Head of Investor Relations and Sustainability, the U.S. Asset Manager, and Property Managers.

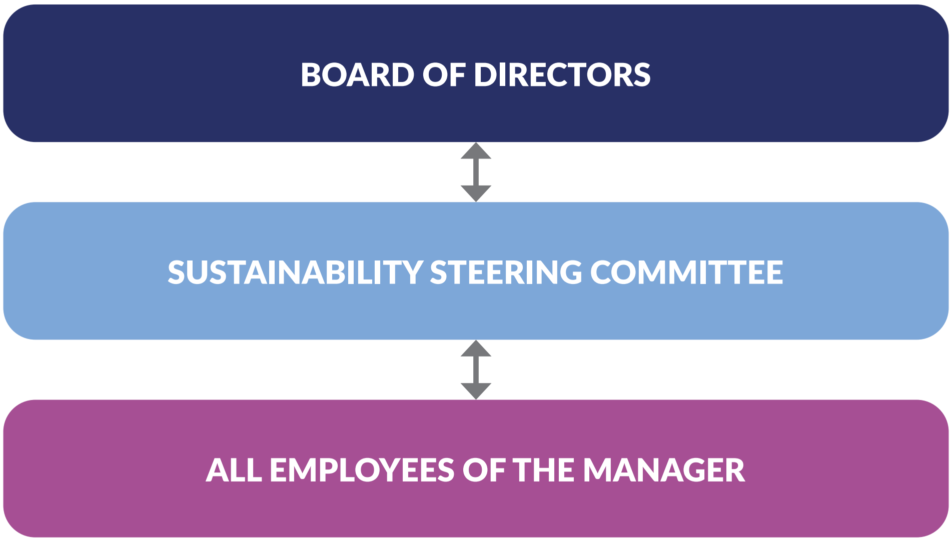


Figure 1: UHREIT's Sustainability Governance Structure

Our Sustainability Approach

The sustainability strategies of UHREIT and the Sponsors are in alignment to ensure compatibility. Hampshire Sponsor is a signatory to both the Letter to the Governments of G7/G20 countries on the Support for the Paris Agreement and the United Nations Principles for Responsible Investing ("PRI"). Although UHREIT is not directly covered by the aforementioned agreements, the same philosophies and principles are pervasive in the culture of UHREIT and drives us to make concerted sustainability efforts in our business operations and the management of the assets that are within our control.

4 The Board of Directors attended relevant trainings on sustainability in FY2022 and clocked a total of 23.5 training hours. They have attended trainings organized by the Singapore Institute of Directors and REIT Association of Singapore.

SUSTAINABILITY AND TCFD REPORT

UHREIT's sustainability vision is to deliver a sustainable future for all our stakeholders and in the markets which we operate. We pursue sustainable growth by striving towards economic, social, and environmental progress and deliver superior returns for our Unitholders. We are pleased to communicate the progress of our sustainability efforts in Table 2 and an outline of our sustainability roadmap is shown in Table 3.

Management Oversight

Establish sound governance, diversity, compliance, and managerial practices creates greater transparency and insight for our stakeholders with the assurance of the integrity of our business transactions, and ensures that all parties are working towards the same objectives, with a common purpose.

Environmental Stewardship

Understanding and implementing green building and environmentally friendly practices not only delivers cost savings and improved operating income, but also mitigates risks, enhances asset value, and creates a more compelling and competitive product in line with community desires.

Community Engagement

Serving the needs of our stakeholders, communities and employees is a critical part of our success. Through our "in service" mindset, UHREIT passionately and relentlessly strives to create industry goodwill. Our internal culture and emphasis on employee growth recognizes that our success is critically linked to the people we work with and the markets in which we operate.

Figure 2: UHREIT's Sustainability Approach

Materiality Assessment

In FY2022, the Manager conducted a workshop to ensure that UHREIT's ESG strategy continues to address evolving stakeholder expectations and ESG developments. With the help of an external consultant, KPMG Services Pte. Ltd. ("KPMG"), the Manager conducted the materiality assessment based on a four-step approach (Figure 3), considering guidelines by the GRI Standards in relation to the Materiality principle.

1. Awareness Building

Discussion sessions with the Manager were held to raise awareness of sustainability within UHREIT and determine the materiality process to be undertaken.

2. Identify

Relevant material ESG topics were identified by considering their significance and relevance to UHREIT's business and stakeholders, including their impacts.

3. Prioritize

Material ESG topics were subsequently ranked based on the level of their impact and their level of influence on stakeholder assessments and decisions.

4. Validate

The selected ESG topics and results were then endorsed by Management and the Board of the Manager.

Figure 3: UHREIT's Approach to Materiality Assessment

The Manager has identified eight material topics: Economic Performance, GHG Emissions and Energy Consumption, Training and Development, Diversity and Employment, Community Engagement, Business Ethics, Cybersecurity and Data Privacy, and Safety and Wellbeing. Compared with the previous year, two new topics (Cybersecurity and Data Privacy, Safety and Wellbeing) were added. Table 1 contains information about UHREIT's assessment of the material topics and their mapping to FY2021 disclosures, including any changes.

Table 1: UHREIT's Reported Topics for FY2022 and FY2021

Topics Reported for FY2022	Mapped to Material Topics Reported for FY2021	Relevance to UHREIT
Economic Performance	Economic Performance	UHREIT is committed to achieving sustainable economic growth and delivering long-term value for UHREIT's stakeholders.
GHG Emissions and Energy Consumption	Energy Efficient Operations and Greenhouse Gas Emissions	The increasing urgency of climate action is clear. The Manager recognizes the need to engage our tenants to decarbonize, which we believe, is imperative to generating value for our stakeholders and creating sustainable growth in the long-term.
Training and Development	Employee Engagement	UHREIT will be well positioned to deliver sustainable economic growth and long-term value for it's stakeholders through training and development of the Manager's employees.
Diversity and Employment	Employee Engagement	UHREIT's Manager operates on the belief that the success of UHREIT is dependent on the passion and dedication of our employees, the most valuable resource within the organization. Being key drivers to the success and long-term growth of the organization, it is therefore vital for us to foster a working environment that empowers employees and celebrates equality, inclusivity, professional and personal growth, and collaboration.
Community Engagement	Employee Engagement	As a corporate citizen, UHREIT believes in giving back and uplifting the communities where we operate in.
Business Ethics	Anti-Corruption	Strong corporate governance is critical to every business and one of the key pillars to a successful organization. It provides accountability and transparency to all stakeholders and enhances investor confidence.
Cybersecurity and Data Privacy	N/A; New Material Topic Identified in FY2022	The Manager is committed to robust management of cybersecurity and data privacy in order to reduce the exposure to cyberthreats and promote digital trust.
Safety and Wellbeing	N/A; New Material Topic Identified in FY2022	The employees of the Manager and building safety of our properties continue to be a priority to UHREIT. Any disregard for safety poses a significant risk for UHREIT.

SUSTAINABILITY AND TCFD REPORT

Sustainability Progress and Targets

Table 2: UHREIT's Sustainability Progress and Targets

Material Topic for FY2022	GRI Topic Standards	FY2022 Performance
Business Ethics	GRI 205: Anti-corruption	• Achieved zero confirmed cases of non-compliance with relevant laws and regulations for the Manager • 100% of governance body members have been communicated to and received training on anti-corruption
Economic Performance	GRI 201: Economic Performance	• Please refer to financial statements for more details on UHREIT's FY2022 financial results
Cybersecurity and Data Privacy	GRI 418: Customer Privacy	• Zero breaches of cybersecurity internally • Zero reported instances of non-compliance with data privacy laws
GHG Emissions and Energy Consumption	GRI 302: Energy GRI 305: Emissions	• Met target of reducing common area electricity usage[3] • Installed EV charging stations at 13% of our properties • Installed LED lighting at common areas at 39% of our properties • Installed solar panel systems at 100% of our Self-Storage properties
Safety and Wellbeing	GRI 403: Occupational Health and Safety	• Zero work-related injuries and fatalities for employees of the Manager
Training and Development	GRI 404: Training and Education	• Average of 29 hours of training per employee of the Manager
Diversity and Employment	GRI 401: Employment	• Zero reported incidents of employee discrimination • 100% participation rate in annual employee survey • Performance evaluation of 100% of employees • Provide voluntary health promotion services and programs • Review of employment benefit
Community Engagement	Non-GRI Topic	• UHREIT's Singapore and U.S. teams participated and volunteered in multiple community engagement activities, achieving a total of 135 volunteer hours in FY2022.

Progress	FY2022 Commitments and Targets
Met	• Maintain a high standard of corporate governance and transparency • To maintain zero confirmed cases of non-compliance with relevant laws and regulations for the Manager • Closely monitor changes in legislations and regulations, as well as significant developments in the operating environment
Met	• Achieving sustainable economic growth and delivering long-term value for UHREIT's stakeholders
Met	• Zero breach of cybersecurity internally • Zero reported instances of non-compliance with data privacy laws
Met	• Install EV charging stations at properties (10% by FY2022) • Install LED lighting at the common areas of our properties (15% by FY2022) • Reduce common area electricity usage portfolio wide (1.5% by FY2022) • Install solar panel systems at our Self-Storage properties (25% by FY2022)
Met	• Zero cases of fatalities and reported incidents for employees of the Manager
Met	• Maintain an average of 20 hours of training per employee of the Manager
Met	• Maintain zero incidents of employee discrimination and ensure fair hiring process for the Manager • Achieve 100% participation rate in the annual employee survey for the Manager
Met	• Achieve 100 hours of volunteering across UHREIT

SUSTAINABILITY AND TCFD REPORT

Table 3: UHREIT's Sustainability Roadmap

ENVIRONMENTAL TARGETS

FY2023

- Install EV charging stations at properties (25% by FY2023)
- Install LED lighting at common areas of our properties (50% by FY2023)
- Reduce common area electricity usage portfolio wide (1.5% by FY2023)

FY2024

- Install EV charging stations at properties (35% by FY2024)
- Install LED lighting at common areas of our properties (65% by FY2024)
- Engage top 10 tenants in discussions to explore possibility of collaborating on installation of new solar systems on the roofs over tenant spaces

FY2025

- Monitor and review progress against quantitative targets set for electricity consumption and GHG emissions
- Set new targets based on progress and decarbonization plan

SOCIAL TARGETS FOR FY2023 TO FY2025

20

Maintain an average of 20 hours of training per employee of the Manager

Maintain zero incidents of employee discrimination and ensure fair hiring process for the Manager

Zero cases of fatalities and reported incidents for employees of the Manager

Achieve 100 hours of volunteering across UHREIT

Achieve 100% participation rate in the annual employee survey for the Manager

GOVERNANCE TARGETS FOR FY2023 TO FY2025

100% of governance body members have been communicated to and received training on anti-corruption

Zero reported instances of non-compliance with data privacy laws

Zero cases of corruption or bribery

Zero breach of cybersecurity internally

Developing and putting in place an environmental risk management (EnRM) framework by FY2023

Review and update Group's Anti-Corruption clause in Code of Conduct policy by FY2025

Stakeholder Engagement

UHREIT's Manager is dedicated to fostering sustainable growth and long-term value creation for stakeholders. The Manager interacts with stakeholders regularly and values their input. The engagement strategy for each stakeholder group is described in Table 4, along with the manner of interaction and action plans for relevant areas of interest. For FY2022, no critical concerns were communicated.

Table 4: UHREIT's Stakeholder Engagement

<table>
<tr><th>Stakeholder Group</th><th>Engagement Methods</th><th>Key Issues Raised</th></tr>
<tr><td rowspan="2">Tenants</td><td>Meetings with tenants
Physical inspection of buildings at least once every quarter</td><td>Competitive rental rates
Maintenance of building quality
Health and safety</td></tr>
<tr><td colspan="2">Our Response:
UHREIT conducts physical building inspections to ensure that the quality of the properties is kept at a high standard, to ensure the quality-of-life as well as the health and safety of our tenants and their employees. We also maintain close communication with our tenants to stay abreast of any financial concerns that they might have and address those concerns swiftly and come to an arrangement amenable to both parties. UHREIT also requires tenants to comply with sustainability provisions stipulated in the lease agreements.</td></tr>
<tr><td rowspan="2">Unitholders / Investment Community</td><td>Announcements
Annual reports
Publications
Meetings, webinars, seminars, and conferences
Annual General Meeting</td><td>Stable and sustainable distributions and returns
Long-term strategy and outlook
Regular, timely and transparent reporting
Good corporate governance</td></tr>
<tr><td colspan="2">Our Response:
UHREIT is committed to delivering returns in a sustainable way because we recognize our obligation to our Unitholders. We release timely information through SGX announcements and UHREIT's website. We also hold meetings regularly and participate in various webinars and conferences to provide insights on UHREIT's business environment and market outlook, as well as to gather feedback from our Unitholders. The Manager takes a proactive approach in managing UHREIT's properties so that it is well-equipped to handle any unforeseen economic circumstances. In addition, the Manager is constantly evaluating accretive acquisition prospects, with a rigorous approach and a strong framework for risk management. Our performance for FY2022, which is detailed in our Annual Report, shows the results of our strategy in action.</td></tr>
<tr><td rowspan="2">Employees</td><td>Meetings across Singapore and U.S. teams
Performance reviews
Annual town hall
Annual employee survey</td><td>Compensation and benefits
Career progression
Learning and development
Work-life balance
Fair and competitive employment practices
Effective communication engagement between global teams</td></tr>
<tr><td colspan="2">Our Response:
We engage our employees regularly to build a healthy and positive work environment and aim to be the employer of choice. The Manager organizes frequent team-building activities for the Singapore and U.S. offices and keeps our staff informed of all recent developments impacting UHREIT and our performance. Employees can provide input or raise issues to management at one-on-one review sessions.</td></tr>
<tr><td rowspan="2">Business Partners (e.g., Property Managers, Third-Party Service Providers)</td><td>Meetings, briefings, and consultations</td><td>Fair and reasonable business practices
Market compensation for services rendered
Safe working environment</td></tr>
<tr><td colspan="2">Our Response:
Regular face-to-face meetings, conference calls, emails and feedback sessions are conducted with the property managers and third-party service providers.</td></tr>
</table>

SUSTAINABILITY AND TCFD REPORT

Stakeholder Group	Engagement Methods	Key Issues Raised
Regulators And Industry Associations	• SGX announcements • Annual reports • Surveys, ongoing dialogues, feedback, and networking events • Circulars and electronic communication	• Compliance with rules and regulations • Strong corporate governance
	Our Response: To ensure UHREIT abides by all relevant laws and regulations and that our business operations are honest and ethical, we work with government organizations and regulators. UHREIT participates actively in SGX, REIT Association of Singapore ("REITAS"), and Securities Investors Association (Singapore) ("SIAS") events and is a member of industry organizations including REITAS and the Singapore Business Federation ("SBF"). We also communicate with regulators on a regular basis, including the SGX and the Monetary Authority of Singapore ("MAS").	
Local Community	• Corporate Social Responsibility ("CSR") programs	• Positive impact to the community and environment
	Our Response: The Manager is dedicated to giving back to the local areas where it works by supporting and taking part in local community initiatives that have a beneficial socioeconomic impact. The Community Engagement section contains further information on the CSR activities that our Singapore and U.S. staff participated in.	
Board Of Directors	• Meetings • Email communication • One-on-one calls	• Proper governance • Regulatory matters • Strategic oversight
	Our Response: The management engages the Board of Directors regularly to keep them updated on UHREIT's performance. Detailed presentations of financial reports are conducted at Board Meetings to keep the Board of Directors apprised of UHREIT's latest developments to enable transparent and good governance on their part. The Board has oversight of major new policies, and the management also engages with Directors directly where necessary to discuss important matters or address any potential issues.	

Tenant Engagement

In FY2022, UHREIT has engaged with our tenants to embark on the following initiatives:

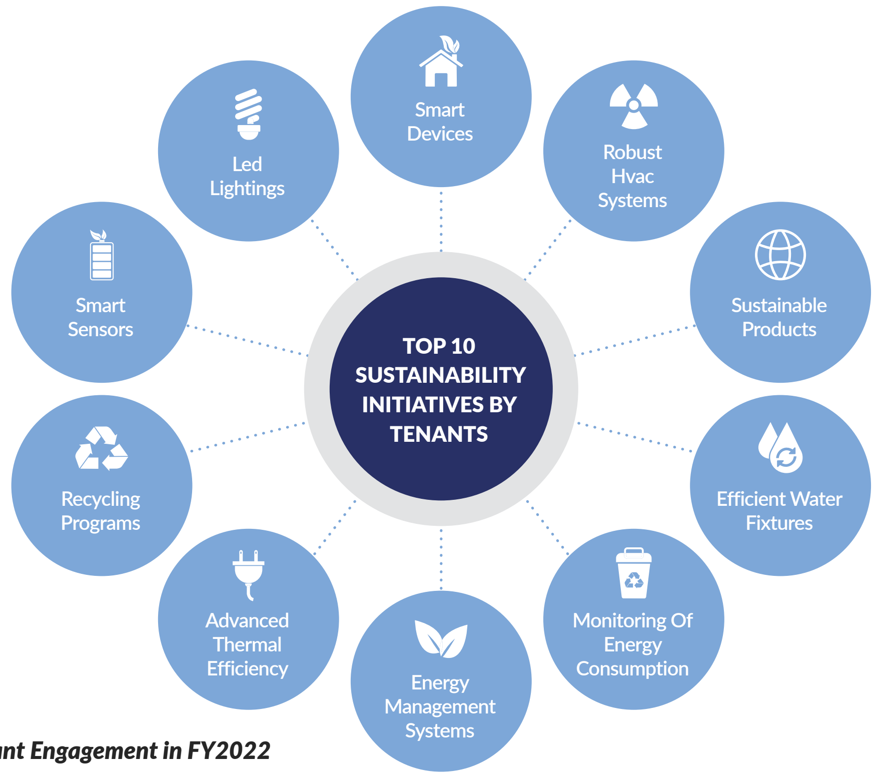


Figure 4: UHREIT's Tenant Engagement in FY2022

ENVIRONMENTAL

The real estate sector has an important role to play in global decarbonization efforts and UHREIT recognizes that we and our tenants have much to contribute to this global agenda. We strive to reduce our environmental impact and engage our tenants to build operational resilience to address impacts from climate change.

UHREIT has an Environmental Policy in place and is working towards developing a decarbonization plan that details our approach to managing key climate risks and opportunities. The Environmental Policy requires all business entities to adhere to all applicable environmental legislations and regulations mandated, and we have measures in place to stay abreast of any regulatory changes. We also aim to diligently uphold high standards of environmental compliance across our business operations, through incorporating sustainability within our investment philosophy, asset management and any new investments considered.

In terms of our GHG emission reduction plans, we are adopting a two-pronged approach. This approach involves (i) focusing on reducing our operational GHG emissions from landlord-controlled common areas; and (ii) engaging our tenants to adopt more energy efficient initiatives. Our progress is found on pages 95 and 96. While UHREIT continues to measure our Scope 2 inventory[5] in FY2022, we are simultaneously developing a strategy to address our Scope 3 indirect GHG emissions both upstream and downstream. This provides a useful overview of our baseline emissions and helps us set realistic and credible GHG reduction targets to decarbonize.

Businesses may also suffer financial impacts from climate change. Therefore, it is important that we understand and effectively manage key climate risks and opportunities. A first step in doing this is the disclosure of climate-related financial disclosures. In UHREIT's first TCFD Report, we focus on identifying key climate-related risks (physical and transition) and opportunities relevant to UHREIT and importantly, how we will be addressing them. In the subsequent reports, UHREIT endeavours to deepen and improve the quality of the TCFD Report.

Our Response to TCFD

UHREIT's portfolio of properties consists of 21 Grocery & Necessity and two[2] Self-Storage properties located across eight states, focusing on the populous and affluent East Coast markets of the U.S. As a responsible property owner, UHREIT carefully considers the long-term impact of climate-related risks, both physical and transitional, as well as potential opportunities. Table 5 provides a summary of identified climate-related risks and opportunities which are relevant to UHREIT.

5 Scope 2 inventory refers to emissions arising from energy consumption from landlord-controlled common areas from UHREIT's portfolio of Grocery & Necessity and Self-Storage properties. The tenant-controlled areas in the properties are excluded as they are not under our direct control but fall under Scope 3 which will be reported in the future.

SUSTAINABILITY AND TCFD REPORT

Table 5: UHREIT's Identified Climate-Related Risks and Opportunities

Risk Type[6]	Risk	Impacts
Physical (Chronic)	Higher Temperatures	Increases in temperature could lead to reduced water supply available, and result in higher utility usage, supply interruptions and impairment of UHREIT's reputation in communities where properties are located. This could eventually lead to higher design, construction, and operational costs to meet compliance obligations.
	Rising Sea Levels	Rising sea levels could lead to storm surge and other potential impacts on our low-lying coastal properties. This could cause damage, loss of property value, and interruptions to the operations of the shopping centers especially for those properties located in the southeast coast of the U.S. Furthermore, it may result in higher insurance costs especially for those properties in coastal areas that may require standalone policies.
Physical (Acute)	Increase in Storms and Extreme Weather Events	Increased frequency and intensity of windstorms, such as hurricanes, could lead to property damage, loss of property value and disruption of operation of shopping centers and storage facilities. This could result in higher capital investment to make repairs to assets that are impaired, and investment in new technologies to mitigate climate change.
	Flooding	Changes in rainfall conditions could lead to increased frequency and severity of flooding, and result in property damage, loss of property value and closure of properties especially those located in floodplain regions in the Southeast and Northeast coast of the U.S. Furthermore, higher labor costs may be incurred by tenants due to shrinking labor force and lower retail tenant sales volumes as a result of shrinking population base in extreme weather locations.
Transition	Regulatory	Regulations at the federal, state, and local levels could impose additional operating and capital costs associated with utilities, energy efficiency, building materials and compliance with permit compliance for both design and operation.
	Market	Increasing interest among retail tenants in building efficiency, sustainable design criteria and sustainable building design could result in antiquated building design and a reduction in tenant demand.
	Reputational	Lack of response to stakeholder preferences and failure to comply with ESG-related regulations could pose a reputational risk and create a competitive disadvantage which restricts ability to attract investors.
	Technology	Cost and resources required to transition to lower emission building and operational technologies (i.e., LED lighting).
Opportunities		
Adoption of low-carbon technologies		Shift to lower emission technologies such as solar panel systems on the flat roofs and parking lots of shopping centers, and light sensors in the Self-Storage properties could reduce our carbon footprint and operational cost of properties.
Participation in Renewable Energy Programs		Participation in government-funded renewable energy programs[7] could result in reduced operating costs.
Green Financing		Explore green financing options (e.g., Green Loans or Sustainability-Linked Loans) to finance sustainability initiatives and meet sustainability targets, while potentially reducing cost of borrowing.

6 Physical Risks refer to acute or chronic risks related to the physical impacts of climate change. Transition Risks refer to risks related to the transition to a lower-carbon economy.

7 In the implementation of many of its property level sustainability initiatives, UHREIT has benefitted from participation in several local and state governmental renewable energy incentive programs. For example, for the installation of LED lighting at the common area of Penrose Plaza in Philadelphia, UHREIT received a subsidy from the regional utility provider for 15% of the cost of the installation.

For FY2022, KPMG has been engaged to support the Board of Directors and management team on TCFD-related matters. Through workshops conducted during the year, the Board of Directors and management team gained a deeper understanding of the recommendations of TCFD, including the potential financial impact to our properties.

As this is the first year UHREIT is aligning our business to the TCFD recommendations, we understand that there is room to further refine and improve our disclosures. Therefore, to address climate change and build business resilience, the Manager has developed the following roadmap, to integrate climate-related risks and opportunities into our business strategy, in order to meet the ever-changing landscape.

Governance:
UHREIT established oversight and accountability for our climate risk strategy at the Board and Management levels in FY2022. The Board shall review the targets set and the progress made against those targets on a yearly basis.

Going forward, we aim to review and update our TCFD Framework in FY2023 and set climate KPIs linked to ESG-related remuneration for our employees in FY2024.

Strategy:
UHREIT has taken steps to understand our tenants' decarbonization strategy, and kick-started conversations for tenants to provide datapoints for calculating our Scope 3 emissions for coming years. Additionally, we have performed a business impact analysis for physical climate change risks to identify material drivers and indicators affecting our properties.

Our roadmap includes reviewing the decarbonization plans of our tenants, aligning them to UHREIT's business strategy and expanding our physical climate business impact analysis to more regions in the U.S. that are susceptible to effects of climate change in FY2023. Additionally, we will endeavour to perform a scenario analysis to understand the financial impact of climate change on our business activities, based on selected parameters endorsed by the Board, in FY2024.

Risk Management:
We identified and incorporated various climate-related risks into UHREIT's Enterprise Risk Management ("ERM") Framework Manual in FY2022.

For FY2023, we aim to use a risk management process to map climate-related risks and the severity of the impact posed to our business activities, along with establishing a process to identify appropriate risk mitigation measures to address them.

Metrics and Targets:
For FY2022, we have reviewed greenhouse gas Scope 2 inventory and disclosed our climate-related metrics, targets, and performance data in The Report on page 96. In the coming years, we aim to review and develop our Scope 3 inventory to address both upstream and downstream emissions.

GHG Emissions and Energy Consumption

UHREIT's portfolio consists of Grocery & Necessity and Self-Storage properties. As the majority of our Grocery & Necessity leases are triple-net whereby tenants manage the energy usage within their own units, our main usage of energy is electricity consumption in the common areas. The Manager has a target of lowering the common area energy usage for our properties.

Guided by UHREIT's Environmental Policy, the Manager makes continuous effort to reduce the energy consumption and encourages our tenants, employees, and business partners to be part of this concerted effort. For example, while we may not have direct control over tenants who are responsible for the energy use in their units, we actively encourage them to adopt more energy-efficient practices.

The Property Manager monitors the electricity use for each property and reacts to unusual fluctuations in energy consumption in a timely manner. This also supports the Manager in its efforts to introduce measures to reduce electricity use where possible. We also comply with all applicable environmental legislations and regulations.

SUSTAINABILITY AND TCFD REPORT

In FY2022, UHREIT's electricity consumption stood at 3,475 MWh and Scope 2 emissions stood at 912 tonnes CO_2e. This includes (a) 12 months contribution from Colonial Square and Penrose Plaza which were acquired in November 2021; (b) 6 months contribution from Elizabeth and Perth Amboy Self-Storage which were sold in June 2022; and (c) approximately 5 months contribution from Upland Square which was acquired on 28 July 2022. Taking these into consideration as well as operational activities at each property, compared to FY2021[8] (Table 6), overall electricity consumption increased by 11% and Scope 2 emissions increased by 20%. Table 7 highlights our progress against targets.

Excluding the newly acquired properties (Colonial Square, Penrose Plaza and Upland Square) and the divested properties (Elizabeth and Perth Amboy Self-Storage), overall electricity consumption in FY2022 decreased by 16% and Scope 2 emissions decreased by 13% from the previous year. However, FY2021 included several one-off construction projects, notably at Hudson Valley Plaza, which resulted in higher than usual electricity consumption.

Table 6: UHREIT's Scope 2 Emissions and Electricity Consumption for FY2022 and FY2021[8]

	Coverage	FY2021 (tonnes CO_2e)	FY2022 (tonnes CO_2e)	Change
Scope 2 Emissions	All properties	757	912	+20%
	Excluding properties with partial year data	651	567	-13%
Electricity Consumption	**Coverage**	**FY2021 (MWh)**	**FY2022 (MWh)**	**Change**
	All properties	3,135	3,475	+11%
	Excluding properties with partial year data	2,723	2,294	-16%
UHREIT's Scope 2 emissions data was collected and prepared using the location-based method by the GHG Protocol. It consists of emissions from purchased electricity as a result of UHREIT's operations from landlord-controlled common areas in our properties. UHREIT does not report figures from tenant-controlled areas in our properties as they are not within UHREIT's direct control. The emission factors for electricity were obtained from the US EPA eGRID 2021 data.				

Table 7: UHREIT's Progress Against Targets

	Target	FY2022 Performance	Progress
Electricity Consumption	Reduce common area electricity usage portfolio wide (1.5% for both FY2022 and FY2023)	Consumed 2,294 MWh of electricity[9]	On track
EV Installation	Install EV charging stations at properties (10% by FY2022; 25% by FY2023; 35% by FY2024)	Installed EV charging stations at 13% of our properties	On track
LED Installation	Install LED lighting at the common areas of our properties (15% by FY2022; 50% by FY2023; 65% by FY2024)	Installed LED lighting at common areas at 39% of our properties	On track
Solar Panel Systems Installation	Install solar panel systems in 25% of our Self-Storage properties	Installed solar panel systems at 100% of our Self-Storage properties	On track

8 FY2021 figures were restated to include (i) onsite solar energy generation and consumption at Carteret, Millburn, and Perth Amboy Self-Storage properties; and (ii) electricity consumption at Colonial Square and Penrose Plaza which were acquired in 2021 but were not reported in Sustainability Report FY2021.

9 Electricity consumption here excludes properties in FY2022 with partial year data due to acquisition and divestment activities.

SOCIAL

The Manager actively seeks to foster a culture of learning to help our employees attain appropriate capabilities to promote their career development and ensure their happiness and strong mental health. The Manager is dedicated to empowering employees through fair learning opportunities, professional development opportunities, and compensation plans. We are committed to providing a safe and inclusive environment for all to thrive.

Being key drivers to the success and long-term growth of UHREIT, it is therefore vital for us to foster a working environment that empowers employees and celebrates equality, inclusivity, professional and personal growth, and collaboration between departments.

Diversity and Employment

To provide an inclusive workplace and promote high levels of employee engagement, UHREIT strives to:

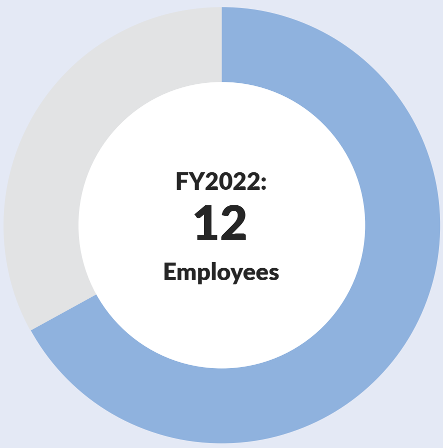
- Promote a conducive workplace environment
- Provide attractive employment benefits
- Actively seek employee feedback to improve the workplace culture and employee engagement

Promoting a Conducive Workplace Environment

UHREIT is committed to creating a fair and inclusive work environment, and providing equal opportunities for all employees regardless of their backgrounds. At the Board level, UHREIT has a Board Diversity Policy which sets out its approach to encouraging and ensuring diversity among the Board of Directors. The Board Diversity Policy is considered in determining the optimum composition of the Board and aims to ensure there is an appropriate balance and mix of skills, knowledge, and experience among Board members. In FY2022, the Board comprises of 5 males and 1 female. Across the Manager, we have a total of 12 employees[10] of which 33% are males and 67% are females (Table 8). In terms of age diversity, 33% are below 30, 50% are between 30 to 50 and 17% are above 50 (Table 9). In FY2022, we did not receive any reported cases of discrimination. Tables 10 and 11 describes the employee turnover and new hire rates.

Table 8: Gender Diversity

	FEMALE	MALE
SINGAPORE	7	1
U.S.	1	3
TOTAL	8 (67%)	4 (33%)



10 Head count is based on actual employees of both UHREIT and US Asset Management Team from the Hampshire Companies. They consist of finance and accounting personnel, management associates and employees doing asset management and analytical-related work. In terms of workers who are not employees and whose work is controlled by the organisation, there are 3 workers who are fully dedicated to UHREIT and are fully controlled by UHREIT. These positions are: Chief Investment Officer, Acquisitions Associate and Asset Administrator.

SUSTAINABILITY AND TCFD REPORT

Table 9: Age Diversity

	UNDER 30	30 TO 50	ABOVE 50
SINGAPORE	3	5	0
U.S.	1	1	2
TOTAL	4 (33%)	6 (50%)	2 (17%)

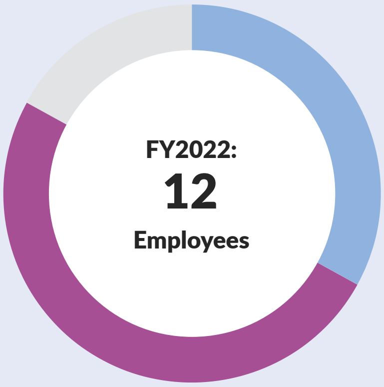


Table 10: New Employee Hires and Turnover[11] by Gender

	FEMALE	Male
RATE OF NEW HIRES	8% (1 female employee was hired)	0%
RATE OF TURNOVER	8% (1 female employee left)	0%

Table 11: New Employee Hires and Turnover[12] by Age Group

	UNDER 30	30 TO 50	ABOVE 50
RATE OF NEW HIRES	0%	8% (1 employee, in the age group 30 to 50, was hired)	0%
RATE OF TURNOVER	0%	8% (1 employee, in the age group 30 to 50, left)	0%

Provide Attractive Employment Benefits

UHREIT provides attractive employment benefits for our employees, including benefits mandated by prevailing local labour regulations. We partner with reputable third-party medical and insurance providers in providing holistic healthcare and insurance coverage for our employees. This includes but is not limited to corporate medical benefits such as life insurance, medical care benefits, disability coverage, parental leave, and retirement provisions. Through this, we hope to provide our employees peace of mind when handling medical-related expenses, as well as enabling them to perform their day-to-day duties in an optimal manner. We review employment benefits on a regular basis and update the insurance and medical benefits for employees, where appropriate. In FY2022, we introduced several wellbeing programs, with the aim to help employees achieve balanced work-life and healthy mental wellbeing.

11 The total number of employees as of 31 December 2022 was used as the denominator to calculate the respective new hire and turnover rates by gender.

12 The total number of employees as of 31 December 2022 was used as the denominator to calculate the respective new hire and turnover rates by age group.

Gathering Employee Feedback

UHREIT actively gathers employee insights and considers their opinions when making corporate policy decisions. For example, regular one-on-one meetings are held with the CEO and CFO, and all staff members are encouraged to communicate frequently with their individual supervisors. In addition, senior management and individual's supervisors are involved in the annual performance evaluations of all employees.

To ensure that all UHREIT employees have a voice in any operational, strategic and even cultural matters, we have implemented yearly employee satisfaction surveys and town hall meetings. From these initiatives, senior management gains insights as to how successfully the team balances our performance with appropriate corporate behaviours. In November 2022, we performed the employee survey where the results were discussed in our Townhall on 6 January 2023. During the Townhall, senior management also provided organization wide updates covering topics such as, achievements and milestones attained by the team in FY2022 as well as an overview of UHREIT's goals and strategy for the upcoming year.

UHREIT Townhall Meeting

Training and Development

All employees of the Manager undergo yearly training for their professional development so that UHREIT continues to operate effectively as a business and deliver long-term value to our stakeholders and shareholders. All employees are required to complete a combination of core and supplementary hours of training covering a broad range of topics including cybersecurity, anti-corruption and anti-money laundering. The Manager also provides supplementary training sessions based on their relevance to employees' areas of work, including topics such as financial reporting and sustainability.

In FY2022, UHREIT recorded an average of 29 training hours per employee (2021: 19.5), comfortably exceeding its target of 20 training hours per employee. A total of 348 training hours were recorded with average training hours for male and female employees being 21 and 33 respectively.

Safety and Wellbeing

The wellbeing of the employees of the Manager and the safety of our properties continues to be a priority to UHREIT. Any disregard for safety poses a significant risk. Hence, we put in place initiatives to provide a safe working environment for our employees and conduct physical building inspects to ensure that the properties are kept at high safety standards.

For example, we ensure that tenants are properly briefed on building safety and evacuation plans so that they are prepared in the event of an unexpected emergency. Furthermore, we distribute tenant newsletters to tenants to inform them on important events, such as maintenance work that will be carried out at the properties. Our properties are also regularly inspected to detect any defects which warrant rectification works and to ensure that they comply with all applicable laws and regulations. In FY2022, we are pleased to announce that there were no fatalities or reportable injuries.

We also promote programs and initiatives to enhance workplace well-being. For example in FY2022, we provided several wellness seminars, biometric health screenings and held bi-annual team bonding sessions for our employees.

In December 2022, we organised a Team Workout Challenge through "Map My Walk" App. The purpose of the challenge was to promote employees' physical fitness by tracking their fitness activities using the App. To encourage employees to track their fitness activities, employees were split into four teams of three employees each and the winning team which recorded the greatest number of workout hours performed using the App was awarded a gift card. Through this challenge, not only were employees motivated to take time off to exercise, it has also helped foster collaboration and team-building.

SUSTAINABILITY AND TCFD REPORT

Community Engagement

In addition to organizing internal employee engagement events, UHREIT invests time in giving back to the communities in which we live and work in both Singapore and the U.S.

In FY2022, employees from the Singapore office volunteered at (a) Willing Hearts, a soup kitchen, to assist with food and meal preparation for the less fortunate; (b) Food from the Heart, a food charity that feeds the less privileged through its food distribution program; and (c) The Food Bank Singapore, a non-profit centralised coordinating organization that collects food donations from donors and redistributes them to their beneficiaries. Activities performed by the Singapore team include assisting with the packing and sorting of food packs comprising of staple food items such as rice, biscuits and canned food and preparation for distribution to its various beneficiaries; sorting, checking of expiry dates and recording of inventory of incoming food donations as well as repacking of food donations into food rations for onward distribution to beneficiary centers.

Employees from the U.S. office volunteered at the Grow It Green Farm in Morristown, New Jersey, a local non-profit organization, bearing the mission to create sustainable farms and gardens, and educates communities on healthy eating and environmental stewardship. The team helped with the growing of vegetables out in the fields, which will then be donated to local community partners and families in need. The team also volunteered at Habitat for Humanity at the Raritan Valley, New Jersey, a global, non-profit housing organization that helps families build and improve places to call home. Here they helped with constructing park benches as part of a revitalization project.

In FY2022, the Manager achieved a total of 135 volunteer hours from both our U.S. and Singapore teams.

Volunteering at Food From The Heart

Volunteering at Habitat For Humanity

Volunteering at Grow It Green Farm

GOVERNANCE

Business Ethics

Strong corporate governance is critical to every business and one of the key pillars to a successful organization. It provides accountability and transparency to all stakeholders and enhances investor confidence. In striving to build a transparent and honest organizational culture, UHREIT is committed to ensuring that all employees and business partners are aware of and are compliant with our policies against anti-corruption practices and human rights violations. UHREIT practices a zero-tolerance stance towards all forms of corruption and human rights violation.

Table 12: UHREIT's Policies

Anti-Money Laundering Manual	The Anti-Money Laundering Manual states the legal and regulatory obligations under Singapore law as well as the internal policies and procedures instituted by UHREIT when conducting business.
Insider Trading Policy	The Insider Trading Policy provides guidance for the Directors, officers, and employees of the Manager in the context of dealing in the units of UHREIT. It covers: • The obligations of the Directors and CEO of the Manager to notify the Manager in relation to changes in his or her interest in Units; • The insider trading restrictions; and • Applicable trading black-out periods.
Code of Conduct	The Code of Conduct sets out the principles of conduct to guide employees and Directors of the Manager in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing both internal and external stakeholders. This is to ensure that we maintain a well-organized, respectful, and collaborative work environment. These principles of conduct are shared with all employees of the Manager through the Employee Handbook and Code of Conduct which are provided to all new hires. They are expected to read and acknowledge the contents during their onboarding process. In addition, briefing sessions were also conducted during onboarding process to remind our employees on our anti-corruption policy.
Whistleblowing Policy	UHREIT's Whistleblowing Policy is designed to ensure employees of the Manager and any other persons can raise concerns without fear of reprisal, and to provide a transparent and confidential process for dealing with concerns. All employees of the Manager and any other persons are encouraged to raise genuine concerns about possible improprieties and malpractices at the earliest opportunity, and in an appropriate way.
Human Rights and Modern-Day Slavery Statement	UHREIT's Human Rights and Modern-Day Slavery Statement ensures that our business activities and supply chain are free from modern-day slavery and human rights abuses. UHREIT is committed to respecting the human rights of all individuals involved in our activities and supply chain, keeping a zero-tolerance outlook towards abuse and exploitation.

UHREIT ensures that our anti-corruption policies are communicated to both the Board and employees on a regular basis. 100% of the Directors and employees of the Manager have completed relevant anti-corruption trainings. There were also zero reported instances of non-compliance with anti-corruption laws and regulations.

SUSTAINABILITY AND TCFD REPORT

UHREIT's anti-corruption policies are reviewed periodically by the CEO or the CFO to maintain the continued integrity of our business and ensure that they remain up-to-date and relevant to our operations. The policies are also reviewed in the course of internal and external audits. In the meantime, we are reviewing our contracts to incorporate ESG-related considerations so that our business partners understand our expectations.

Any updates to the policies will be communicated to all employees via email, in ensuring that everyone is aware of the expectations set by the Manager. Annual employee declarations on any potential conflicts of interest are also required on a mandatory basis.

Any possible improprieties can be reported to an independent third party via email at uhreitethicsline@kpmg.com.sg or via web portal at https://kpmgethicsline.com.sg/. Allegations will be investigated by independent parties and identities of the whistle-blowers will be kept strictly confidential to protect them from reprisal. This web portal is managed by our outsourced provider who notifies UHREIT's senior management monthly. In addition, the chairman of the Audit and Risk Committee will be notified monthly of any whistleblowing claims. Our whistleblowing statement and reporting channel can be found on our website, at https://www.uhreit.com/whistleblowing.html.

Cybersecurity and Data Privacy

As cybersecurity attacks have become more widespread and sophisticated, the Manager treats data security and our tenants' privacy very seriously. Our internal IT Policy outlines our approach towards the handling and protecting of personal data. It further serves as a guideline for our employees to minimize the risk of loss of program functionality, exposure of sensitive information contained within the Company's computing network, risk of introducing malware, and the legal exposure of running unlicensed software.

Without the consent of the tenants, UHREIT does not sell, rent, give away, exchange, or otherwise make this information accessible to other parties for commercial or other reasons, even if we need to gather personal information in order to provide our support to our tenants.

In FY2022, there were zero complaints or substantiated cases concerning breaches of privacy and losses of data, and we met our target of zero breaches of cybersecurity internally.

ECONOMIC

Economic Performance

The Manager is committed to achieving sustainable economic growth and delivering long-term value for UHREIT's stakeholders. In order to achieve this goal, the Manager seeks to integrate ESG considerations into property management strategies. The sustainability policies, practices and performances as detailed in this Report complement UHREIT's overall financial performance by providing a perspective through UHREIT's environmental, socioeconomic and governance impacts. The Board of Directors which maintains oversight on the overall strategic, operational and sustainability matters meet at least once every quarter to review the financial performance of UHREIT and respond with appropriate measures as required. Table 13 details UHREIT's Investment and Divestment Operating Policy and Hedging Policy.

Please refer to financial statements on page 138 for more details on UHREIT's FY2022 financial results.

Table 13: UHREIT's Policies

Investment and Divestment Operating Policy	This sets out the internal processes on investment and divestment to ensure key organizational objectives and regulatory compliance are met. It is adhered to by the Manager for all proposed investment and divestment decisions of UHREIT.
Hedging Policy	This guides UHREIT in managing our interest rate and foreign currency risk position. The practices executed in line with the policy will be subject to review and monitoring on an ongoing basis by the Manager's Audit and Risk Committee.

GRI CONTENT INDEX

GRI Standard	Disclosure		Page Reference
GRI 2: General Disclosures 2021	2-1	Organizational details	83
	2-2	Entities included in the organization's sustainability reporting	83 - 84
	2-3	Reporting period, frequency and contact point	83 - 84
	2-4	Restatements of information	95 - 96
	2-5	External assurance	83
	2-6	Activities, value chain and other business relationships	83 - 84
	2-7	Employees	83, 97 - 99
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	85
	2-10	Nomination and selection of the highest governance body	85
	2-11	Chair of the highest governance body	85
	2-12	Role of the highest governance body in overseeing the management of impacts	85
	2-13	Delegation of responsibility for managing impacts	85
	2-14	Role of the highest governance body in sustainability reporting	85
	2-15	Conflicts of interest	Not applicable
	2-16	Communication of critical concerns	91 - 92; there were no critical concerns raised during the reporting period
	2-17	Collective knowledge of the highest governance body	The Board of Directors have attended the sustainability training courses for Directors prescribed by SGX; Corporate Governance Report (Seminars and Trainings Attended by Directors in FY2022)
	2-18	Evaluation of the performance of the highest governance body	85
	2-19	Remuneration policies	Corporate Governance Report (Remuneration Matters)
	2-20	Process to determine remuneration	Corporate Governance Report (Remuneration Matters)
	2-21	Annual total compensation ratio	Notes to Financial Statement (Staff cost & Directors Salaries)
	2-22	Statement on sustainable development strategy	82
	2-23	Policy commitments	101 - 102
	2-24	Embedding policy commitments	101 - 102
	2-25	Processes to remediate negative impacts	91 - 92
	2-26	Mechanisms for seeking advice and raising concerns	102
	2-27	Compliance with laws and regulations	101 - 102
	2-28	Membership associations	92
	2-29	Approach to stakeholder engagement	91 - 92
	2-30	Collective bargaining agreements	Not applicable
GRI 3: Material Topics	3-1	Process to determine material topics	86
	3-2	List of material topics	87

SUSTAINABILITY AND TCFD REPORT

GRI Standard	Disclosure		Page Reference
Economic Performance			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	102
Business Ethics			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	101 - 102
Cybersecurity and Data Privacy			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	102
GHG Emissions and Energy Consumption			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 302: Energy	302-1	Energy consumption within the organization	95 - 96
	302-4	Reduction of energy consumption	95 - 96
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	95 - 96
Safety and Well Being			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 403: Occupational Health and Safety	403-9	Work-related injuries	99
Training and Development			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 404: Training and Education	404-1	Average hours of training per year per employee	99
	404-2	Programs for upgrading employee skills and transition assistance programs	99
Diversity and Employment			
GRI 3: Material Topics	3-3	Management of material topics	86 – 87
GRI 401: Employment	401-1	New employee hires and employee turnover	97 – 98
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	97 – 98
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	97 – 99

TCFD CONTENT INDEX

TCFD Pillar/Recommendation	Key Points	Page Reference
Governance		
a) Describe the board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risks and opportunities	UHREIT established oversight and accountability for our climate risk strategy at the Board and Management levels in FY2022. The Board shall review the targets set and the progress made against those targets on a yearly basis. Going forward, we aim to review and update our TCFD Framework in FY2023 and set climate KPIs and consider ESG-related remuneration for our employees in FY2024.	85

TCFD Pillar/Recommendation	Key Points	Page Reference
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	UHREIT's portfolio of properties consists of 21 Grocery & Necessity and two Self-Storage properties located across eight states, focusing on the populous and affluent East Coast markets of the U.S. UHREIT considers the long-term impacts of climate-related risks (both physical and transition) and opportunities. UHREIT has taken steps to understand our tenants' decarbonization strategy, and kick-started conversations for tenants to provide datapoints for calculating our Scope 3 emissions for coming years. Additionally, we have performed a business impact analysis for physical climate change risks to identify material drivers and indicators affecting our properties. Our roadmap includes reviewing the decarbonization plans of our tenants and aligning them to UHREIT's business strategy and expanding our physical climate business impact analysis to more regions in the U.S. that are susceptible to effects of climate change in FY2023. Additionally, we endeavour to perform a scenario analysis to understand the financial impacts of climate change on our business activities, based on selected parameters endorsed by the Board, in FY2024.	93 - 95
Risk Management:		
a) Describe the organization's processes for identifying and assessing climate-related risks b) Describe the organization's processes for managing climate-related risks c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	We have identified and incorporated the various climate-related risks into UHREIT's ERM Framework Manual in FY2022. For FY2023, we aim to use a risk management process to map climate-related risks and the severity of their impact posed to our business activities, along with establishing a process to identify appropriate risk mitigation measures to address them.	95
Metrics and Targets:		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	For FY2022, we have reviewed GHG Scope 2 inventory and disclosed our climate-related metrics, targets, and performance data. In the coming years, we aim to review and develop our Scope 3 inventory to address our upstream and downstream emissions.	95 - 96

INVESTOR RELATIONS

The Manager is committed to provide timely, fair and transparent information to the investment community. We maintain a high standard of disclosure and proactive engagement with the investment community to instil confidence and provide them with necessary information to make sound investment decision.

TIMELY AND TRANSPARENT DISCLOSURE

All announcements and news are promptly released to SGX-ST and published on UHREIT's corporate website at www.uhreit.com. Announcements, financial results, press releases, investor presentations, annual reports and general information are updated regularly and readily available on the corporate website. An email alert service is also provided so that registered participants can receive email notifications on UHREIT's latest news and updates.

PROACTIVE COMMUNICATION WITH STAKEHOLDERS

The Manager actively engages with the Unitholders and investment community through quarterly business updates, results briefings and investor webinars organised by financial institutions, SGX and REIT Association of Singapore ("REITAS") via various virtual meeting platform. In 2022, the Manager conducted over 10 group investor and analyst meetings, and held multiple one-on-one meetings which covered a broad spectrum of corporate, institutional, family office, private wealth and retail investors. In addition, the Manager participated in media interviews with The Business Times and The Edge Singapore to raise awareness and extend its outreach to the investment community.

In February 2022, UHREIT established a social media presence with the launch of UHREIT's LinkedIn page to broaden its communication efforts with its stakeholders. With this new digital tool, it allows us to raise our profile within the investment community and keeps our stakeholders abreast of our businesses, as well as the evolving U.S. retail landscape.

The Manager believes in two-way communication and values feedback from the investment community. These meetings and events provide opportunities for the Manager to understand issues that may be of concern to the investment community and address them appropriately. The investment community can also pose questions via a dedicated "Investor Relations" email at IR@uhreit.com.

MILESTONES AND COMMITMENT

The establishment of a distribution reinvestment plan ("DRP") in February 2022 provided Unitholders with an opportunity to receive part or all of their distributions in the form of fully paid new Units, instead of cash, thus, increasing their Unitholdings in UHREIT without incurring brokerage fees and other related costs. Issuing new Units in lieu of cash distributions also strengthens UHREIT's balance sheet, enhances its working capital reserves and improves liquidity of the Units.

UHREIT was included in three iEdge Indices, namely iEdge SG Real Estate Index, iEdge S-REIT Index, as well as iEdge SG ESG Transparency Index with effect from 26 September 2022. This milestone bears testament to UHREIT's effort to increase our profile with various global real estate equity investors and promotes trading liquidity with investors in Singapore as well as the international investment community. The inclusion further enhances UHREIT's presence on the SGX and visibility to global institutional investors.

In recognition of the Manager's intensive investor engagement efforts, UHREIT was awarded the Certificate for Excellence in Investor Relations by the internationally-renowned IR Magazine Awards – South East Asia 2022 as a finalist for each of the 3 awards at this event, namely Best Investor Relations website, Best use of multimedia for Investor Relations and Best annual report (small cap category). We are deeply encouraged that our intensive investor engagement efforts were given due recognition by the internationally-renowned IR Magazine Award and our team will strive to continually improve our investor communication channels by providing quality and timely updates on the REIT for the investment community.

INVESTOR RELATIONS CALENDAR

	DATE	EVENT
First Quarter	24 February	FY2021 Post Results - Analysts briefing
	25 February	FY2021 Post Results - Group Investors Briefing
	16 March	CGS-CIMB Webinar
Second Quarter	5 April	UOB Kay Hian Webinar
	26 April	CEO Interview with The Edge Singapore
		Annual General Meeting
	13 May	1Q 2022 Post Operational Updates - Analyst and Group Investors Briefing
	21 May	REIT Symposium 2022 jointly organized by Shareinvestor, InvestingNote and REITAS
	13 June	CEO Interview with The Business Times
	28 June	SIAS-SGX Corporate Connect Webinar
Third Quarter	12 August	1H 2022 Post Results – Analysts and Group Investors Briefing
	25 August	Citi-SGX-REITAS REITs/Sponsors Forum
	01 September	NH Investment & Securities - SGX Corporate Access Investor Presentation
	07 September	Philips Securities Webinar
	26 September	Included in three iEdge Indices - iEdge SG Real Estate Index, iEdge S-REIT Index and iEdge SG ESG Transparency Index
Fourth Quarter	05 October	CGS-CIMB ProsperUs Webinar
	09 November	3Q 2022 Post Operational Updates - Analysts and Group Investors Briefing
	16 November	SGX-REITAS Webinar
	06 December	Awarded Certificate of Excellence in Investor Relations by IR Magazine Awards - South East Asia 2022

ANALYST COVERAGE
UBS Securities Pte. Ltd.
UOB Kay Hian Private Limited

UNITHOLDER & MEDIA ENQUIRIES
If you have any enquiries or would like to find out more about UHREIT, please contact:

Ms Wong Siew Lu, CFA, CA (Singapore)
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Website: www.uhreit.com
Corporate LinkedIn Page: https://www.linkedin.com/company/uhreit/

Certificate of Excellence in Investor Relations

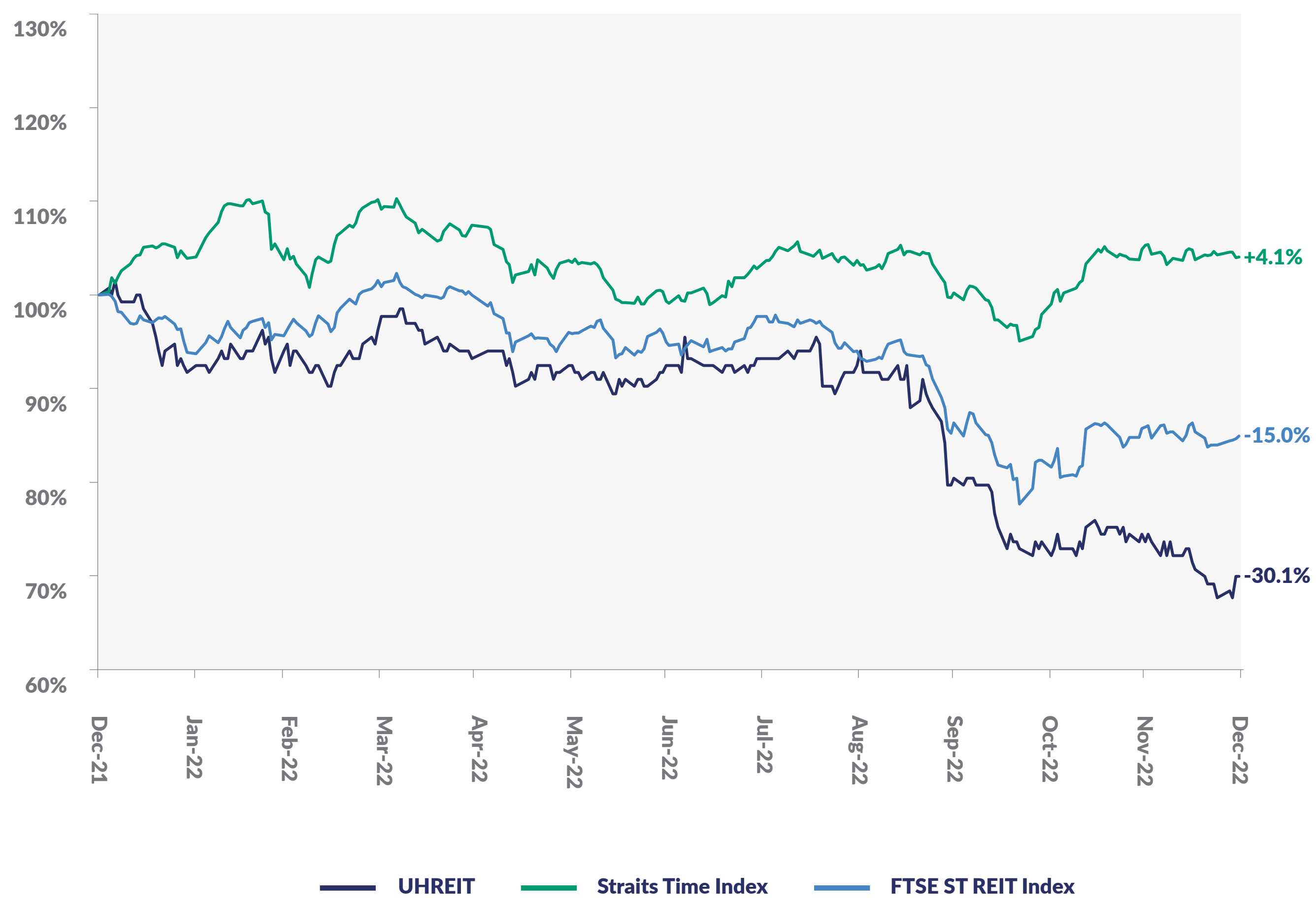
UNIT PRICE PERFORMANCE

UHREIT TRADING DATA IN FY2022

	FY2022	FY2021
Opening Unit Price on First Trading Day (US$)	0.67	0.66
Closing Unit Price on Last Trading Day (US$)	0.47	0.67
Highest Closing Unit Price (US$)	0.68	0.76
Lowest Closing Unit Price (US$)	0.45	0.63
Average Closing Unit Price (US$)	0.59	0.69
Volume Traded for the Period/Year (million units)	102.4	74.4
Average Daily Volume Traded for the Period/Year	409,416	293,970
Market Capitalisation as at Last Trading Day (US$ million)	262.7	370.7

COMPARATIVE TRADING PERFORMANCE FOR THE PERIOD

from 03 January to 30 December 2022



CORPORATE GOVERNANCE

United Hampshire US Real Estate Investment Trust ("**UHREIT**" or the "**Trust**") was constituted by a trust deed dated 18 September 2019 (as amended and restated) entered into between United Hampshire US REIT Management Pte. Ltd., as the manager (the "**Manager**") and Perpetual (Asia) Limited, as the trustee (the "**Trustee**") (the "**Trust Deed**"). The Manager holds a Capital Markets Services licence (CMS Licence) for REIT management issued by the Monetary Authority of Singapore ("**MAS**") pursuant to the Securities and Futures Act 2001 ("**SFA**"). The Manager sets the strategic direction for UHREIT and makes recommendations to the Trustee on any investment or divestment opportunities, as well as asset enhancement initiatives for the Trust, in accordance with the Trust's investment strategy.

The Board of Directors (the "**Board**" or "**Directors**" and individually, the "**Director**") of the Manager is committed to sound corporate governance policies and practices as well as continuous improvement in corporate governance as an avenue of achieving long-term Unitholders' value. It maintains sound and transparent policies and practices to align with market practices as well as to meet the specific business needs of UHREIT. These serve to provide a firm foundation for a trusted and respected business enterprise. The Board and the management team of the Manager ("**Management**") are committed to corporate governance practices that enhance the confidence placed in it by the Unitholders, business partners, employees and the financial markets.

The Manager adopts the Singapore Code of Corporate Governance 2018 issued by the MAS on 6 August 2018 (the "**Code**") as its benchmark for corporate governance policies and practices, and is committed to complying with the substance and spirit of the Code. This report describes the main corporate governance policies and practices of the Manager with reference to the Code, and to the extent that there are any deviations from the Code, explanations are provided for such deviation, together with details of the alternative practices which have been adopted by UHREIT which are consistent with the intent of the relevant principle of the Code.

THE MANAGER OF UHREIT

The Manager has general powers of management over the assets of UHREIT, and its core responsibility is to manage the assets and liabilities of UHREIT for the benefit of the Unitholders. In connection therewith, the primary role of the Manager is to formulate and establish the strategic direction and business plans of UHREIT in accordance with its mandate. This includes making recommendations to the Trustee on any opportunities on the investment, divestment, development and/or enhancement of the assets of UHREIT in accordance with the investment strategy of UHREIT. The research, evaluation and analysis required for these purposes are to be coordinated and carried out by the Manager, so as to maximise the returns, deliver sustainable distributions and create long term value for Unitholders.

The Manager uses its best endeavours to ensure that UHREIT conducts its business in a proper and efficient manner and conducts all transactions with or for UHREIT on an arm's length basis and on normal commercial terms. The Manager's principal functions and responsibilities include:

- *Budget Planning:* Developing UHREIT's business plans and budget so as to manage the performance of UHREIT's assets;
- *Investment:* Formulating investment strategy, including determining the location, sub-sector type and other characteristics of the property portfolio of UHREIT, overseeing negotiations and providing supervision in relation to investments of UHREIT, and making final recommendations to the Trustee;
- *Asset Management:* Formulating asset management strategy, including determining the tenant mix, asset enhancement works, rationalisation of operation costs, providing supervision in relation to asset management of UHREIT pursuant to the property management agreements signed for the respective properties and making final recommendations to the Trustee on material matters;

CORPORATE GOVERNANCE

- *Capital Management:* Formulating plans for equity and debt financing for UHREIT, which may contain proposals and forecasts on gross revenue, capital expenditure, acquisitions, sales and valuations, distribution payments, expense payments and property maintenance payments, as well as executing capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee;
- *Internal Control:* Establishing a framework of prudent and effective controls which enable financial, operational and compliance risks to be assessed and managed; and
- *Investor Relations:* Attending to all regular communications and liaisons with Unitholders, analysts and the investment community.

The Manager discharges its responsibility for the benefit of the Unitholders in accordance with all applicable laws and regulations, including the applicable provisions of the SFA, the listing manual of the SGX-ST (the "**Listing Manua**l"), the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**") the Trust Deed, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of UHREIT and the Unitholders as well as other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities and applicable laws.

BOARD MATTERS

Board's Conducts of Its Affairs

Principle 1: ***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Manager is headed by an effective Board, which endeavours to strike a reasonable balance between the continual striving for the highest standard of corporate governance, setting the strategy and engaging in policymaking as the ultimate decision-making body of the Manager.

With the focus on enhancing sustainable value for Unitholders, the Board in exercising due care and independent judgement in decision-making, is responsible for the stewardship of the business and managing the assets and liabilities of UHREIT. The Board is supported by Board Committees, namely the Audit and Risk Committee (the "ARC") and the Nominating and Remuneration Committee (the "NRC"), which are guided by their respective Terms of References ("ToRs"). Each of these Committees are chaired by independent directors (the "IDs") who report to the Board and is supported by the Chief Executive Officer (the "CEO"). The CEO, together with the Management team, is accountable to the Board.

ROLE OF THE BOARD AND BOARD'S APPROVAL

The Board has adopted a set of internal guidelines and protocols which sets out the levels of authorisation and financial authority limits. Key matters such as investments, divestments, bank borrowings, issuance of new units, income distributions and other returns to Unitholders, corporate strategies and policies of UHREIT, annual budget, financial performance of UHREIT and approval to release semi-annual and full year results and, where applicable, audited financial statements, are specifically reserved for the approval of the Board. Appropriate delegations of authority and approval sub-limits are provided at Management level to facilitate operational efficiency.

The principal roles and responsibilities of the Board, amongst others are:

- providing leadership and guiding the corporate strategy, policies and directions of the Manager;
- holding Management accountable for performance and ensuring that Management discharges its responsibility to provide business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- overseeing the proper conduct of the Manager;

CORPORATE GOVERNANCE

- ensuring measures relating to corporate governance, financial regulations, and other required policies are in place and enforced;
- ensuring that the necessary financial and human resources are in place for the Manager to meet their objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding the interests of the Unitholders and its assets;
- reviewing Management's performance;
- identifying the key stakeholder groups and recognising that their perceptions affect the reputation of UHREIT, and ensuring transparency and accountability to key stakeholder groups;
- setting the Manager's values and standards (including ethical standards), and ensuring that obligations to Unitholders and other stakeholders are understood and met; and
- considering sustainability issues (including environmental and social factors) as part of the Manager's overall strategy.

The Board recognises that Directors are fiduciaries who should act objectively in the best interests of the Manager and UHREIT and hold Management accountable for performance. The Board, in discharging its responsibilities, sets the appropriate tone-from-the-top and desired organisational culture via a Code of Conduct with clear policies and procedures for dealing with conflicts of interest. Where a Director faces a conflict of interest, he or she will recuse him or herself from the discussions and decisions involving the issues of conflict.

COMPOSITION OF THE BOARD

The Board is comprised of:

- Mr Tan Tong Hai (Chairman and Independent Non-Executive Director ("NED"))
- Mr James E. Hanson II (Non-Independent Non-Executive Director)
- Mr David Tuvia Goss (Non-Independent Non-Executive Director)
- Mr Wee Teng Wen (Non-Independent Non-Executive Director)
- Mr Chua Teck Huat Bill (Independent Non-Executive Director)
- Ms Jaelle Ang Ker Tjia (Independent Non-Executive Director)

Profiles of the Board and the diverse skills and experience they bring to UHREIT can be found between pages 20 to 23 of this Annual Report.

BOARD COMMITTEES

There is a clear delineation of roles between the Board and Management, with the CEO acting as the conduit between the Board and Management in driving the success of UHREIT's governance and management function. To assist in the delegation of its responsibilities, Board Committees, namely the NRC and ARC, were established to oversee the respective functions within UHREIT. The Board Committees are governed by their respective ToRs, which define the specific responsibilities, authorities and duties of the respective Board Committees.

The Board Committees and their delegated authority from the Board can be found between pages 117 to 119 and pages 131 to 132 of this Annual Report.

CORPORATE GOVERNANCE

BOARD MEETINGS AND ACTIVITIES

Prior to Board meetings and on an on-going basis, Management provides complete, adequate and timely information to the Board to enable the Board to make informed decisions and discharge their duties and responsibilities more effectively. Explanatory background information relating to matters brought before the Board include results announcements, budgets and documents related to the operational and financial performance of UHREIT. The Directors may request further explanations, briefings or informal discussions on any aspect of the Manager's operations or business issues from Management. Management will make the necessary arrangements for these briefings, informal discussions, or explanations. Management is also required to furnish any additional information, when so requested by the Board, as and when the need arises.

All Directors have separate and independent access to Management and the Company Secretary, namely Ms Ngiam May Ling, at all times. The appointment and removal of the Company Secretary is subject to the approval of the Board. The Company Secretary (or her representatives) attends to corporate secretarial administration matters as well as all Board and Board Committee meetings, and is responsible for ensuring that Board procedures are followed, with periodic updates on the relevant regulatory changes affecting UHREIT.

To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the Manager, the Board is briefed either during the Board meetings or at specially convened sessions involving the relevant advisers and professionals, or via circulation of Board papers. The constitution of the Manager allows for participation in meetings via telephone conference, video conference or similar communications equipment where the physical presence of the Board member at such meetings is not feasible.

An effective and robust Board, whose members engage in open and constructive debate to develop and refine proposals on strategy, is fundamental to good corporate governance. The Manager practises early planning of meeting schedules so that the Board members are able to plan ahead, provide the required time commitment to ensure that there is sufficient time for the Board to deliberate and discuss the various matters. Additional meetings are convened as and when required to enable the Board to raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

ORIENTATION AND TRAINING FOR DIRECTORS

All Directors are given formal appointment letters explaining the terms of appointment and setting out the duties and obligations of a Director (including their roles as non-executive and independent directors, as applicable). In addition, an induction, training and development programme is arranged for newly-appointed Directors to familiarise them with the business, operations, and financial performance of UHREIT. Any newly-appointed Director will also be briefed on the Manager's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in the securities, and restrictions on disclosure of price-sensitive information. The Directors are kept informed of new updates on corporate governance processes, changes to accounting standards, Listing Manual and other regulatory developments from time to time.

The Manager arranges for the Board to be kept abreast of developments in the real estate industry on a regular basis. To keep pace with new rules and regulations, the Directors are briefed by management, our compliance advisor and internal and external auditors during Board meetings on proposed or new regulations and rules that have been implemented. It is also provided in the Directors' appointment letters that the Directors, either individually or as a group, may at the Manager's expense, seek independent professional advice, where appropriate, to discharge their duties effectively.

CORPORATE GOVERNANCE

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge. Through participation in training and professional development programmes, Directors are routinely updated on developments and changes in the operating environment and applicable laws and regulations. This includes directors' duties and responsibilities, corporate governance matters and changes in financial reporting standards, to enable them to discharge their duties effectively as members of the Board and where applicable, as Board Committees members. The Directors may also attend other relevant courses, conferences and seminars, at the Manager's expense, including programmes run by the Singapore Institute of Directors. In 2022, all Board members attended sustainability training courses as required to meet the enhanced SGX sustainability reporting rules. The NRC makes recommendations to the Board on relevant matters relating to the review of training and professional development programmes for the Board.

Board Composition and Guidance

Principle 2: ***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

The Board reviews the size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of UHREIT.

REVIEW OF INDEPENDENCE OF DIRECTORS

The Board recognises the importance of independence and objectivity in its decision-making process, and that the presence of the IDs is essential in providing unbiased and impartial opinion, advice and judgement. This will ensure that the interests of UHREIT, Unitholders, employees, customers and other stakeholders in which UHREIT conducts its businesses with are well-represented and taken into account.

The Board assesses the independence of the IDs in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**") to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of UHREIT. A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, substantial shareholders who hold 5% or more of the voting shares of the Manager, or substantial Unitholders who hold 5% or more of the units in UHREIT or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgement with a view to the best interests of UHREIT, and is independent from the Management and any business relationship with the Manager and UHREIT, every substantial shareholder of the Manager and every substantial Unitholder of UHREIT, is not a substantial shareholder of the Manager or a substantial Unitholder of UHREIT and has not served on the Board for a continuous period of nine years or longer.

The IDs individually complete an annual confirmation of independence whereby they are required to assess their own independence, including independence from the major shareholders and Management. The NRC considers this review, with each of the NRC members recusing him or herself from deliberations on his or her own independence.

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The Board, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its view in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and UHREIT during FY2022	(ii) had been independent from any business relationship with the Manager and UHREIT during FY2022	(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder of UHREIT during FY2022	(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder of UHREIT during FY2022	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2022
Mr Tan Tong Hai	✓	✓	✓	✓	✓
Mr James E. Hanson II[(1)]	✓				✓
Mr David Tuvia Goss[(2)]	✓	✓		✓	✓
Mr Wee Teng Wen[(3)]	✓	✓		✓	✓
Mr Chua Teck Huat Bill	✓	✓	✓	✓	✓
Ms Jaelle Ang Ker Tjia	✓	✓	✓	✓	✓

(1) Mr James E. Hanson II is the President and CEO of The Hampshire Companies, LLC (the "Hampshire Sponsor"), which is one of the sponsors of and U.S. asset manager for UHREIT, and the property manager of 14 of the 23 properties in UHREIT. Mr Hanson is also a substantial shareholder of the Manager through his indirect interest of 46.08% in the Hampshire Sponsor, which in turn holds a 50% direct interest in the Manager. Pursuant to the SFLCB Regulations, during FY2022, Mr Hanson is deemed not to be (i) independent from a business relationship with the Manager and UHREIT by virtue of the payments made by UHREIT to the Hampshire Sponsor; and (ii) independent from every substantial shareholder of the Manager and substantial Unitholder of UHREIT by virtue of his indirect interest of 46.08% in the Hampshire Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2022, Mr Hanson was able to act in the best interests of all Unitholders of UHREIT as a whole.

(2) Mr David Tuvia Goss is the co-founder and Managing Director of UOB Global Capital LLC ("UOB Sponsor"), which is one of the sponsors of UHREIT. Pursuant to the SFLCB Regulations, during FY2022, Mr Goss is deemed not to be independent from every substantial shareholder of the Manager by virtue of his positions in the UOB Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2022, Mr Goss was able to act in the best interests of all Unitholders of UHREIT as a whole.

(3) Mr Wee Teng Wen is the son of the Deputy Chairman and Chief Executive Officer of United Overseas Bank Limited. United Overseas Bank Limited holds a 70.0% interest in the UOB Sponsor. Pursuant to the SFLCB Regulations, during FY2022, Mr Wee is deemed not to be independent from every substantial shareholder of the Manager by virtue of his relation to the Deputy Chairman and Chief Executive Officer of United Overseas Bank Limited which holds a 70.0% interest in the UOB Sponsor. Nonetheless, the Board is satisfied that, as at 31 December, FY2022 Mr Wee was able to act in the best interests of all Unitholders of UHREIT as a whole.

(4) For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 December 2022, each of the abovementioned Directors was able to act in the best interests of all the Unitholders as a whole.

The Board has considered and determined, taking into account the views of the NRC, that Mr Tan Tong Hai, Mr Chua Teck Huat Bill and Ms Jaelle Ang Ker Tjia have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FY2022 and is satisfied that each of them acted with independent judgement. The Board has also assessed the relationships or circumstances which are likely to affect or could appear to affect the Directors' judgement. Based on the annual review of the Directors' independence conducted by the NRC, the criteria of independence as set out in the Code and Listing Manual Rule 210(5)(d) and the declarations by the IDs of their independence, the Board is satisfied that Mr Tan Tong Hai, Mr Chua Teck Huat Bill and Ms Jaelle Ang Ker Tjia are independent.

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The Board presently comprises six directors, three of whom are IDs and all of whom are NEDs. The NRC is of the view that, taking into account the nature and scope of UHREIT's operations, the present Board size is appropriate and facilitates effective decision-making. The Board of the Manager was established on 24 May 2019 and none of the Directors has served on the Board beyond nine years since the date of their first appointment.

The IDs contribute to the Board process by monitoring and reviewing the performance of management against goals and objectives. Their views and opinions provide an alternative perspective to UHREIT's business which enables the Board to make informed and balanced decisions and allows interaction between the Board and Management in shaping the strategic process. In the review of the proposals and decisions tabled by Management, the IDs bring their objective judgement to bear on business activities and transactions involving conflicts of interest and other complexities and in this regard, the IDs meet without the presence of the Management on an as-needed basis.

BOARD DIVERSITY POLICY AND COMPOSITION

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness, The Board's diversity policy endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity to support the Manager in the pursuit of its strategic and business objectives and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Manager can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board diversity policy provides for the NRC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered include accounting, finance, business management, industry, strategic planning, marketing, human resource management, legal and regulatory, telecommunications, technology and operations in cybersecurity,

A skills matrix is used to help identify the gaps. The skills matrix classifies the skills, knowledge and professional experience of existing Directors into several broad categories such as industry knowledge; financial markets; regulation, compliance and/or government relations; leadership; cybersecurity and technology; environmental, social and governance (ESG), and also where such skills, knowledge and professional experience were acquired or utilised geographically.

Suitable candidates will then be identified, including through external search firms. External search firms that are engaged, are instructed that diversity is a key criterion in the search and in particular, gender diversity. Female candidates are therefore required to be included for consideration.

Following its assessment of the candidates, the NRC will then interview the short-listed candidates. The NRC will thereafter make its recommendations to the Board including appointments to the appropriate Board committees after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NRC, will consider if its Directors meet the criteria under its Board diversity policy and possess the necessary competencies to govern the Manager effectively. Following the appointment of Ms. Jaelle Ang Ker Tjia as an Independent Director on 21 February 2020, the Board's target to have at least one female represented on the Board has been met. The Board has maintained this target for the financial year ended 31 December 2022.

In terms of gender representation, the current Board consists of five men and one woman, or is 83% male and 17% female, and, as among the Independent Directors, the female gender representation is 33%.

CORPORATE GOVERNANCE

The Board also recognises that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in business and management and strategic planning. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The profiles of the Directors are on pages 22 to 23 of the Annual Report. The Manager remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Chairman and Chief Executive Officer

Principle 3: ***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.***

The Board is led by the Chairman and Independent Non-Executive Director, Mr Tan Tong Hai and, apart from the Board and Board Committee members, is supported by the CEO of the Manager, Mr Robert Totten Schmitt who has a wide range of expertise and experience. The separation of the roles of the Chairman and the CEO ensures non-repetition of duties, an appropriate balance of power and responsibilities, an effective system of checks and balances, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO collectively play an important role in the stewardship of the strategic direction and operations of UHREIT. The Chairman and the CEO are not related, nor do they have any close family ties.

The Chairman has a robust leadership background and vast experience in various senior positions which led to his appointment as the Chairman and Independent Non-Executive Director of the Board. The Board has assigned the day-to-day affairs of UHREIT's business to the Management. The CEO is accountable for the conduct and performance of Management within the agreed business strategies.

CLEAR DIVISION OF ROLES BETWEEN CHAIRMAN OF THE BOARD AND THE CEO OF THE MANAGER

The Chairman's role is to:

- carry out a visionary leadership role in facilitating the effective conduct of the Board;
- create a culture of openness characterised by constructive debate and appropriate challenge on strategy, business operations, enterprise risks and other plans amongst Board members;
- promote and ensure the highest standards of integrity in regard to corporate governance processes and issues;
- monitor the flow of information from Management to the Board, and undertake primary responsibility for the Board to receive accurate, timely, clear information and is consulted on all relevant matters; and
- ensure effective communication with Unitholders.

The CEO's role is to:

- assume overall responsibility for the management and conduct of the business of the Manager;
- be principally responsible for the business direction and operational decisions in managing UHREIT;
- oversee Management;
- develop, recommend and implement organisational strategy, targets, business plans and policies;
- foster a corporate culture promoting ethical practices and integrity;
- manage day-to-day conduct of business and affairs; and
- be the public face, the official spokesperson of UHREIT.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and Management, with clarity of roles and robust deliberations on the business activities of UHREIT. The Board has not appointed a lead Independent Director. The current Chairman is an Independent Director and there is a whistle blowing channel that is established whereby Unitholders or investors with concerns may reach out to a party independent of Management and the Chairman.

CORPORATE GOVERNANCE

Board Membership

Principle 4: ***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the NRC. The majority of the NRC are IDs, including the Chairman. The members of the NRC are as follows:

Name	Designation	Directorship
Mr Tan Tong Hai	Chairman	Chairman of the Board, ID
Mr Chua Teck Huat Bill	Member	ID
Mr James E. Hanson II(1)	Member	Non-Independent Non-Executive Director
Mr David Tuvia Goss(2)	Member	Non-Independent Non-Executive Director
Ms Jaelle Ang Ker Tjia	Member	ID

On behalf of the Board, the NRC acts as a key gatekeeper in ensuring the Board and Board Committees have the right balance of skills, experience, independence and knowledge to effectively discharge their duties and responsibilities. The Board is mindful of the need for boardroom diversity. The NRC in evaluating, assessing and making recommendations to the Board for approval shall take into consideration qualifications, credentials, core competencies vis-à-vis the compositions of required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director.

The ToR sets out the scope and authority in performing the functions of the NRC, and these include assisting the Board in matters relating to:

- reviewing the structure, size and composition of the Board;
- identification, selection and appointment of new Directors and re-appointment of existing Directors of the Board taking into account the contribution, performance and ability to commit sufficient time and attention to the affairs of UHREIT as well as their respective commitments outside of UHREIT;
- implementation and monitoring of the Board Diversity Policy to make recommendations to the Board on the diversity of skills, experience, gender, age, knowledge, size and composition of the Board;
- determining annually the independence of Director having regard the circumstances set forth in Provisions 2.1 and 2.2 of the Code and Listing Rule 210 (5)(d);
- deciding if a Director is able to and has been adequately carrying out his duties as a Director of the Board, taking into consideration the Director's principal commitments;
- review of succession plans in particular to the appointment and/or replacement of the Chairman, the CEO and the key management personnel (the "**KMP**");
- review the process and criteria for evaluation of the performance of the Board or Board Committees and individual Directors; and
- review of training and professional development programmes for the Directors and new Directors, such that they are aware of their duties and obligations.

CORPORATE GOVERNANCE

SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The NRC is responsible for reviewing succession plans for the Board and Board Committees, in particular the appointment and/or replacement of the Chairman, the CEO and the KMP.

The NRC regularly reviews the existing attributes and competencies of the Board and the suitability of any candidates put forward for appointment and re-appointment in order to determine the desired experience or expertise required to strengthen or supplement the Board. The NRC is in charge of making recommendations to the Board regarding the identification and selection of new Directors and in identifying candidates for new appointments to the Board as part of the Board's renewal process. The NRC takes into account the following when discharging its duties:

(a) the NRC evaluates whether the candidate is fit and proper in accordance with MAS' fit and proper guidelines, taking into account the track record, age, experience and capabilities and such other relevant experience as may be determined by the Board. In addition, as part of regulatory requirements, MAS also requires prior approval for any change of the CEO. Candidates are evaluated and selected based on their relevant expertise and potential contributions where other factors including the current and medium-term needs, and goals of UHREIT are also considered;

(b) the Board is mindful of the need for boardroom diversity. The NRC in making recommendations to the Board for approval shall also take into consideration qualifications, credentials, core competencies vis-à-vis the compositions of required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director; and

(c) the Directors must ensure that they are able to give sufficient time and attention to the affairs of the Manager, and as part of its review process, the NRC decides whether or not a Director is able to do so and whether he or she has been adequately carrying out his or her duties as a Director. The NRC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each board may vary, and thus should not be prescriptive.

Upon establishment of the selection criteria, the search for potential candidates is initiated by considering recommendations from the Board, Management and the external search for candidates that fit the criteria, where the external search is conducted through the Singapore Independent Directors' Board Appointment Service. Candidates shortlisted and interviewed by the NRC, are then evaluated by the Chairman of the Board and the IDs, ensuring that recommendations made on proposed candidates are objective and well-supported. Once a candidate is selected for the Board, the NRC conducts due diligence and reference checks before recommending the candidate to the Board for approval.

The NRC obtains annual confirmations from the Directors of their willingness to continue in office and as to their being fit and able to continue in office. The NRC also considers and proposes to the Board the directors to be re-elected to the Board once every two years. The Manager believes that Board renewal is necessary and a continuous process for good governance. Board renewal ensures that the Board and Board Committees comprise Directors that, as a group, provide an appropriate balance and diversity of skills, experience and industry knowledge and knowledge of UHREIT's business. Renewal or replacement of a Director does not necessarily reflect his or her performance or contributions to date. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

CORPORATE GOVERNANCE

INDEPENDENCE AND TIME COMMITMENT

The NRC is responsible for determining annually, and as and when circumstances require, the independence of the Directors. In doing so, the NRC takes into account the circumstances and existence of relationships which would deem a Director not to be independent. Following due review, the Board considers all IDs to be independent for FY2022. Please refer to section on Review of Independence of Directors on page 114 for more details.

An assessment was carried out on major commitments of the Directors, including employment and listed company directorships and took note of the number of listed company directorships held at present. The Board is to ensure that the duties of each Director have and can be suitably discharged and the Directors must also ensure that they are able to give sufficient time and attention to the affairs of the Manager. The NRC is of the view that setting a maximum number of listed company board representations a Director may hold is arbitrary, given that time requirements for each listed company varies and thus should not be prescriptive. The Board concurs with the view of the NRC.

The Board is satisfied with the level of time commitment and contribution given by the Directors towards fulfilling their roles and responsibilities as Directors of UHREIT Manager. The attendance of the Board at Board and Board Committees meetings (as well as the frequency of such meetings) and the Annual General Meeting (the "**AGM**") during FY2022 are as recorded below:

Number of meetings held in FY2022	Annual General Meeting	Board of Directors	Audit and Risk Committee	Nominating and Remuneration Committee
	1	4	4	2
Name of Director	**Number of meetings attended in FY2022**			
Mr Tan Tong Hai	1	4^	4	2
Mr James E. Hanson II	1	4	4*	2
Mr David Tuvia Goss	1	4	4*	2
Mr Wee Teng Wen	1	4	3*	–
Mr Chua Teck Huat Bill	1	4	4^	2
Ms Jaelle Ang Ker Tjia	1	3	4	2

^ Chairman.
* Attendance by invitation.

Based on the Directors' attendance record at Board and Board Committee meetings, the AGM, and contributions outside of formal Board and Board Committees meetings, the NRC, with the concurrence of the Board, is satisfied that all Directors were able to and have committed sufficient time and discharged their duties adequately for FY2022. The Manager has no alternate directors on its Board. Key information on the Directors such as academic and professional qualifications, committee membership, date of appointment, a list of the present and past directorships of each Director, and unitholding in UHREIT and its related corporations are reflected on pages 22 to 23 of this Annual Report.

CORPORATE GOVERNANCE

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board had conducted a formal performance evaluation exercise in FY2022, to assess the effectiveness of the Board as a whole and its Board committees, as well as the contribution by each individual Director and the Chairman to the Board. The evaluation process for FY2022 was facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. ("**BCAS**"). Save for BCAS's appointment as external facilitator to conduct the Board evaluation and as UHREIT's Company Secretary, Unit Registrar, payroll and leave management services provider, BCAS does not have any other connection with the Manager or any of the Directors. The evaluations are carried out by means of a questionnaire being completed by each Director. The performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed the effective discharge of duties.

The objective performance criteria include Board composition and size, Unitholders' access to information, Board structure, Board processes, Board effectiveness, Board meeting participation, Board standards of conduct and financial performance indicators, corporate strategy and planning, risk management and internal controls, conduct of meetings, communication with stakeholders, standards of individual Director's conduct, independence and performance, and the upkeep of their professional development. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how Directors have enhanced long-term Unitholders' value.

Evaluation of the contribution by each Director generally took into consideration various factors, including individual performance of principal functions and fiduciary duties, participation in meetings and commitment of time to Director's duties. There may also be different factors taken into consideration, as each Director's contributions can take different forms such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships as well as the Director's accessibility to Management outside of formal Board and Board Committees meetings. The performance of each Director will be taken into account in re-election or re-appointment.

Our Independent Non-Executive Director, Mr Bill Chua Teck Huat, is a Director of Boardroom Executive Services Pte. Ltd. ("**BESPL**") which is a wholly-owned subsidiary of Boardroom Pte. Ltd. ("**BPL**") and is in the business of providing share plan administration, payroll, services and employee benefits. The Manager's corporate secretary, BCAS, is also a wholly-owned subsidiary and is in the business of providing, amongst others, corporate secretarial and share registry services. BESPL and BCAS are separate and distinct legal entities. Mr Chua does not have any stake in BESPL and is not involved in the management of BESPL. He is remunerated directly by BESPL.

CORPORATE GOVERNANCE

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

Level and Mix of Remuneration

Principle 7: ***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

Disclosure on Remuneration

Principle 8: ***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC plays an important role in ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. It devises the appropriate attraction, recruitment, motivation and retention of talents which are qualified and valuable to UHREIT through competitive remuneration and progressive policies so as to achieve UHREIT's goals and to deliver sustainable Unitholder value, distribution income as well as growth in total returns. The ToR setting out the scope and authority in performing the functions of the NRC include assisting the Board in matters relating to:

- reviewing and recommending to the Board a general framework of remuneration for the Board and the KMP;
- reviewing, developing policies for fixing of, and recommending to the Board the specific remuneration packages for each Director as well as for the KMP;
- reviewing the remuneration policy of the Manager to ensure the policy meets its stated objectives having regard to the performance of UHREIT and other considerations;
- reviewing UHREIT's obligations arising in the event of termination of NEDs and KMP's contracts of service and ensuring that such contracts of service contain fair, equitable and reasonable termination clauses which are not overly generous; and
- reviewing the disclosures in the Annual Report of the Manager's remuneration policies, level and mix of remuneration and the procedure for setting remuneration.

The NRC seeks to ensure that the remuneration paid to the Directors and KMP of the Manager are closely linked to the achievement of corporate and individual performance targets aligned with the interests of the Unitholders and other stakeholders, as well as promoting the long-term success of UHREIT. The performance targets approved by the Board at the start of each year are set with the purpose of motivating a high degree of business performance, with an emphasis on both short and longer-term quantifiable goals. At the close of each financial year, the NRC reviews the achievements of the Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends. Based on this review, the NRC approves a bonus pool that commensurate with the performance achieved. Where necessary, the Board modifies the framework of remuneration to align the Manager's compensation with the interests of the Unitholders. The remuneration of the Directors, Management and employees of the Manager is not paid out of the deposited property of UHREIT but paid by the Manager from the fees it receives. There were no termination, retirement and post-employment benefits granted to Directors, the CEO or the Chief Financial Officer ("**CFO**") during FY2022.

CORPORATE GOVERNANCE

REMUNERATION DETERMINATION AND DISCLOSURES

UHREIT is externally managed by the Manager as it has no personnel of its own. The remuneration of all Directors and employees of the Manager is borne by the Manager and not by UHREIT.

In recommending the Directors and KMP's remuneration to the Board for approval, the NRC took into account the responsibilities of the Directors and KMP, the corporate and individual performance, the current views of stakeholders, the general market conditions, the accomplishment of strategic goals as well as regional and global corporate performance. The NRC also benchmarked the proposed remuneration against the remuneration arrangements with peer companies within similar industries, and of a similar position, size and complexity.

The remuneration of the Directors is positioned at levels which enables the Manager to attract and retain the Directors with the relevant experience and expertise to manage the business of UHREIT effectively. The remuneration of KMP is determined at levels which enables UHREIT to attract, develop and retain high-performing and talented individuals with the relevant experience and level of expertise to manage the level of responsibilities. The Board recommended that the level of remuneration should reflect the effort, time-spent and the level of responsibilities undertaken by each NED.

The Board believes in a competitive and transparent remuneration framework. The Directors' remuneration paid in FY2022 was based on the Directors' fee structure for NEDs, which comprised of a base fee and additional fees for serving on Board Committees as the case may be, The Director fees paid for FY2022 are set out in the table below. Each Director had abstained from the decision-making process with regards to his or her own remuneration

Main Board	Chairman	S$65,000 per annum
	Director	S$40,000 per annum
ARC	Chairman	S$28,500 per annum
	Member	S$13,500 per annum
NRC	Chairman	S$13,500 per annum
	Member	S$6,500 per annum

Name of Director	Salary	Performance Bonus	Director's Fees	Total
Mr Tan Tong Hai	–	–	$92,000	–
Mr James E. Hanson II	–	–	–[(1)]	–
Mr David Tuvia Goss	–	–	–[(1)]	–
Mr Wee Teng Wen	–	–	$40,000	–
Mr Chua Teck Huat Bill	–	–	$75,000	–
Ms Jaelle Ang Ker Tjia	–	–	$60,000	–

Note:

(1) Non-Executive Directors who are employees of the Sponsors do not receive any director's fees in their capacity as Directors.

The Chairman of each Board Committee is paid a higher fee as compared with the members of such Board Committees in view of the greater responsibilities carried by chairing that office in addition to their existing roles.

CORPORATE GOVERNANCE

With the assistance of an external consultant, Aon Hewitt, which the Manager engaged, the NRC has put in place the Manager's remuneration structure which addresses four key objectives, namely:

- Unitholder alignment: to incorporate performance measures that are aligned to Unitholders' interests;
- Long-term orientation: to motivate employees to drive sustainable long-term growth;
- Simplicity: to ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
- Value Creation: amount of value-add contributed by the individual, including but not limited to deal introduction to UHREIT, cost-savings ideas and initiatives which have the potential of increasing the performance of UHREIT and measured based on the monetary benefit or cost-savings which UHREIT receives as a result of the value-add contributed by the individual Director and a KMP.

The external remuneration consultant does not have any relationship with the Manager which would affect their independence and objectivity.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the SFA) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis with a breakdown (in percentage or dollar terms) of each Director's and the CEO's remuneration earned through base/ fixed salary, variable or performance-related income/ bonuses, benefits in-kind, stock options granted, share-based incentives and awards, and other long-term incentives; (ii) the disclosure of the remuneration of at least the top five key management personnel (who are neither Directors nor the CEO) in bands of S$250,000, with a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives; and (iii) the disclosure of the aggregate total remuneration paid to the top five key management personnel (who are neither Directors nor the CEO). In the event of non-disclosure, the Manager is required to give reasons for such non-disclosure.

The Board is cognisant of the requirements under Principle 8 and Provision 8.1 of the CG Code for listed issuers to make certain remuneration disclosures, *inter alia*, the amounts and breakdown of the CEO's remuneration, and the names, amounts and breakdown of the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. After careful consideration, the Board has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis) and (b) not to disclose the remuneration of its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) not to disclose the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) on the following grounds:

(a) the competition for talent in the REIT management industry is very keen and there is a need to minimise potential staff movement which would cause undue disruptions to the Management team;

(b) it is important that the Manager retains its competent and committed staff to ensure the stability and continuity of business and operations of UHREIT;

(c) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders. Conversely, the Manager is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration paid to the CEO and the top five KMP (who are not also Directors or the CEO) and their performance; and

(d) there is no misalignment between the remuneration of the CEO and KMP with the interests of the Unitholders as their remuneration is paid out from the fees that the Manager receives from UHREIT, rather than borne by UHREIT. The quantum and basis of the fees that the Manager receives have also been disclosed within the Financial Statements.

CORPORATE GOVERNANCE

The Manager is accordingly of the view that their practice is consistent with Principle 8 of the Code as a whole and that non-disclosure of the remuneration of the KMP does not compromise the ability of the Manager to meet with the requirement of having good corporate governance as the NRC, comprising independent and non-independent NEDs, reviews the remuneration package of the CEO and KMP who are remunerated based on their roles and responsibilities to ensure that the KMP are fairly remunerated.

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO in percentage terms for FY2022, are provided in the remuneration table below.

KEY MANAGEMENT PERSONNEL

Between S$1,000,000 to S$1,250,000	Base Salary	Variable Bonus [1]	Short term allowance and benefits-in-kind	Contingent award of units PUP [2]
Mr Robert T. Schmitt	46.8%	25.9%	7.4%	19.9%

1 The quantum of performance-related bonuses earned by the CEO of the Manager are for FY2021 but paid in FY2022.

2 The proportion of value of the unit awards under the Performance Unit Plan of the Manager ("**PUP**") is based on the fair value of the units comprised in the contingent awards under PUP at the time of grant in FY2022. The final number of units released under the contingent awards of units for the PUP will depend on the achievement of pre-determined performance targets and subject to the respective vesting period under the PUP. More information on the PUP is contained within the section on "Remuneration Policy in respect of Key Management Personnel".

There are no employees of the Manager who are Substantial Shareholders of the Manager, Substantial Unitholders, or immediate family members of a Director, the CEO, a Substantial Shareholder of the Manager or a Substantial Unitholder of UHREIT, whose remuneration exceeds S$100,000 during the year.

Remuneration Policy in respect of Key Management Personnel

The Manager's remuneration framework for KMP is directly linked to corporate and individual performance, both in terms of financial and non-financial performances. The financial performance of the Manager which is closely linked to UHREIT's distributable income is also taken into account and is distributed to employees based on their individual performance. In terms of individual performance, this is designed to holistically incorporate components that measure near-term and mid-term performance. The NRC takes into consideration all aspects of the remuneration and aims to be competitive and fair while ensuring that the remuneration package aligns with the interest of UHREIT's unitholders.

The total remuneration mix comprises three components - annual fixed pay, short-term incentive and long-term incentive.

(a) The annual fixed pay component comprises the annual basic salary. The Manager uses market benchmarking to ensure that its remuneration is competitive.

(b) The short-term incentive is determined by a Balanced Scorecard ("**BSC**") which is a variable cash component that looks at UHREIT's financial and non-financial performance and is distributed to employees based on their individual performance.

The BSC bonus drives focus on short-term dynamic targets whilst ensuring a holistic assessment of performance. It also aligns the interests of UHREIT and the Manager. The Manager has identified four focus areas as key to measuring its performance –

i. Financial: This includes targets relating to key financial indicators such as the net property income of UHREIT and the income available for distribution to unitholders;

CORPORATE GOVERNANCE

ii. Customer / Asset Focus: This includes targets relating to the occupancy at UHREIT's properties, lease renewals, rental collections and accounts receivable;

iii. Operations / Strategic Focus: This includes targets relating to risk management, legal and regulatory compliance, investors relations and Environmental, Social and Governance ("**ESG**"); and

iv. People: This includes targets relating to employee retention, training and engagement.

These are cascaded down throughout the organisation, thereby creating alignment of interests between UHREIT and the Manager.

After the close of each financial year, the Board reviews UHREIT's achievements against the targets set in the BSC and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape and industry trends. In determining the pay-out quantum for each employee under the BSC, the Board considers the overall business performance and individual performance as well as the affordability of the pay-out for the Manager.

(c) The long-term incentive is in the form of the PUP which is applicable to KMP. The PUP has a three-year performance period and the final number of units to be granted depends on the achievement of certain performance targets at the end of the performance period. The performance targets comprise of a combination of the Absolute Total Unitholder Return ("**ATUR**"), Assets Under Management ("**AUM**") Growth and Distribution Per Unit ("**DPU**"). ATUR drives alignment of Manager's interests to that of the Unitholders , whilst the DPU and AUM Growth complement the ATUR in capturing UHREIT's long-term value creation objectives. The Manager believes that the unit-based components of the remuneration for KMP serve to align the interests of such KMP with that of Unitholders and UHREIT's long-term growth and value.

Units were granted under the PUP in FY2022 to the KMP which is subject to the aforesaid 3-year vesting period, in respect of which the qualifying performance period has not ended as at the date hereof. No new units are or will be issued by UHREIT to satisfy the grant of the units under the PUP as the units that are granted under these plans will be taken from the units which are already owned by the Manager.

No employee share option schemes or share schemes have been implemented by UHREIT.

The Manager applies the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices in order to attract suitably qualified talent, to grow and manage UHREIT. The Manager applies the principle that the remuneration for the Board and KMP should be viewed in totality. The NRC and Board have reviewed and ensured that the level and structure of remuneration for the Manager's Directors and KMP are in alignment with the long-term interests and risk management policies of UHREIT.

Accountability and Audit

Principle 9: ***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

The Board acknowledges that it is responsible for the risk management and internal control system in UHREIT which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity to safeguard Unitholders' interest and UHREIT's assets.

CORPORATE GOVERNANCE

ROLES OF THE BOARD AND ARC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for UHREIT's risk management framework and system of internal controls and for reviewing the adequacy and integrity of the risk management framework and system of internal controls. Accordingly, the Board is required to ensure that the Manager has in place an effective system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The Board assumes the responsibility for the effectiveness and adequacy of the risk management and internal control system and has delegated the responsibility of undertaking periodic review to the ARC with an established ToR to assist in discharging this responsibility. A summary of the ARC's key responsibilities under its ToR is disclosed on page 132 of this Annual Report. The ARC also assesses the materiality of specific developments or risks that might have an impact on the security price of UHREIT. However, the Board remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk Management

The Manager strives to employ a risk strategy which balances the level of risk with UHREIT's business growth and profitability goals, in order to achieve consistent and sustainable performance over the long-term.

The Manager has put in place an Enterprise Risk Management (the "**ERM**") framework which aims to identify and manage the risks from all aspects of the business, and which evolves in tandem with the changes to the business environment and operations.

In adopting ERM standards and good practices, UHREIT follows the following ERM principles:

- ERM is an integral part of all organisational processes, which shall be embedded in all activities, processes and systems;
- ERM is effected by people – not simply policies, questionnaires, forms and checklists - but requires active participation from all staff;
- ERM advocates managing risks holistically rather than in silos or isolation within areas or functions;
- ERM is based on the best risk information available;
- ERM is dynamic, iterative, responsive to change, and tailored;
- ERM is aligned to and supports strategic and business objectives;
- ERM is evolving and subject to continuous improvement; and
- ERM is a continuous process that should be reviewed and updated periodically.

4-STEP RISK MANAGEMENT PROCESS

Step 1. Identify – Identify and prioritise key risks to the organisation based on business context and strategy;
Step 2. Assess – Assess risk based on impact and likelihood of occurrence;
Step 3. Manage – Develop mitigating measures and action plans to manage risks; and
Step 4. Monitor and report – Monitor and report risks on an ongoing basis.

The Manager adopts a four-step risk management process comprising risk identification, assessment, management as well as risk monitoring and reporting.

UHREIT's risk universe covers risks across strategic, financial, operational, technology and compliance categories. In order to focus risk management efforts on key risks to the organisation, the risk prioritisation and assessment process seeks to classify risks based on impact to the organisation and likelihood of occurrence. In-depth risk assessments are then performed for key risks prioritised. Tools deployed include risk rating matrices and risk registers to assist the Manager in its performance of risk management.

CORPORATE GOVERNANCE

The Board and Management meet quarterly or more frequently, when necessary, to review UHREIT's performance; assess its current and future operating, financial and investment risks; as well as respond to feedback from the risk and compliance manager and auditors.

The ERM framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within UHREIT. For FY2022, the Board, with the concurrence of the AC, has assessed and deemed UHREIT's risk management system and internal controls to be adequate and effective in addressing the key risks identified below. Other current, evolving or emerging risks are monitored and reported where significant:

1. **Operational Risk**

   The Manager actively manages UHREIT's property portfolio with the objective of protecting, adding and creating value across the property portfolio. The Manager formulates the asset management strategy and works closely with the property managers to execute the strategy and optimise asset performance. Guidelines relating to tenant mix, lease renewal, rental collections, rationalising operation costs and asset enhancement works are also formulated to benchmark against industry practices and minimise operational risk. In addition, insurance coverage is reviewed annually to ensure that UHREIT's assets are adequately and appropriately insured.

   A business continuity plan is in place to minimise exposure to business interruption arising from sudden and major disaster events. The plan is updated and tested regularly to ensure UHREIT is well prepared to respond effectively to disruptions and able to continue its critical business functions, while minimising impact on its people, operations and assets.

2. **Economic and Taxation Risks**

   UHREIT is subject to economic and real estate market risks and may also be adversely affected by changes to the taxation legislation or regulations. In order to manage such risks, the Manager adopts a disciplined approach towards financial management, monitors the U.S. political environment, economic developments and tax regime, and works closely with tax agents and advisors to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of UHREIT and its Unitholders.

3. **Liquidity Risk**

   The Manager actively monitors UHREIT's operational cash flow, debt maturity profile and funding requirements to ensure that UHREIT has sufficient liquid reserves to meet its obligations. In addition, UHREIT has access to various sources of funds from banks and capital markets to minimise over-reliance on a single source for any funding or refinancing requirement.

4. **Interest Rate Risk**

   UHREIT's exposure to changes in interest rates relates primarily to interest bearing financial liabilities. The Manager actively monitors and manages UHREIT's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable. As at 31 December 2022, 81.4% of the borrowing are hedged at fixed rates.

5. **Foreign Exchange Risk**

   UHREIT's business is not exposed to significant currency risk as the portfolio of properties are located in the U.S. and the cash flows from the operations of the properties are denominated in U.S. Dollar ("**USD**"). UHREIT also borrows in the same currency as the assets in order to manage the foreign currency risk. UHREIT receives distributions in USD from its investment properties which will be passed to the Unitholders, either in USD or converted to Singapore Dollar ("**SGD**") at the spot foreign exchange rate on the designated date.

   For operating expenses incurred in Singapore, UHREIT is exposed to fluctuations in the cross-currency rates of the USD and SGD. However, such expenses are not material. Where appropriate, based on the prevailing market conditions, the Manager may adopt suitable hedging strategies to minimise any foreign exchange risk.

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6. Credit Risk

The Manager manages credit risk from the outset by conducting credit risk assessments of potential tenants prior to signing the lease agreements. Security deposits are also collected from the tenants where applicable. In addition, UHREIT mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes a significant percentage of its gross revenue and implements rental collection procedures to ensure rentals are collected and arrears are followed up promptly.

7. Investment Risk

All investment opportunities are subject to a rigorous and disciplined evaluation process to meet UHREIT's investment strategy of enhancing Unitholder return and pursue opportunities for future income and capital growth. Investment opportunities are evaluated based on a comprehensive set of investment criteria which include but not limited to the asset's specifications, location, expected returns, yield accretion, growth potential and performance sustainability, while taking into account the prevailing economic climate and market conditions. All investment proposals are subject to the Board's review and approval.

8. Compliance Risk

UHREIT is required to comply with applicable and relevant legislations and regulations of the various jurisdictions in which it operates. A compliance monitoring programme is in place to ensure compliance with the regulatory requirements, and actively monitor regulatory changes affecting UHREIT and implement appropriate mitigating strategies. The Manager has also engaged KPMG Services Pte. Ltd. ("**KPMG**") to assist in carrying out functions such as providing training to employees on regulatory requirements, highlighting deficiencies or making recommendations on the compliance processes and reviewing returns to MAS.

In addition, UHREIT adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented so that compliance risks and controls are effectively managed.

9. Information Technology Risk

The Manager is aware of the rising risks associated with information technology ("**IT**") as cybersecurity attacks become more widespread and sophisticated. The Manager conducts periodic reviews of its technology risks and disaster recovery program, with the intention to minimise the impact and continue operations caused by disruption to the IT systems. The Manager also engages external consultants to conduct trainings for the employees to raise their IT security awareness.

INTERNAL CONTROLS

The internal auditors conduct reviews of the adequacy and effectiveness of the material internal controls and risk management systems. These include testing, where practicable, material internal controls in areas managed by external service providers. The ARC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues. The ARC directs and reviews the adequacy and work scopes of the internal auditor ("**IA**"), any findings on material non-compliance or weaknesses in internal controls and risk management by the IA are reported directly to the ARC. The recommendations to further improve the internal control system and risk management system are reported to the ARC and actions are taken by Management.

CORPORATE GOVERNANCE

The Board has received assurance from the CEO and the CFO of the Manager that:

a. the financial records of UHREIT have been properly maintained and the financial statements for FY2022 give a true and fair view of the UHREIT's operations and finances; and
b. the risk management and internal control systems of UHREIT are adequate and effective to address the risks (including strategic, financial, operational, compliance and IT risks) that the Manager considers relevant and material to the current business environment.

Based on the risk management and internal control systems established and maintained by the Manager, the above-mentioned assurances received from the CEO and CFO, work performed by the Internal and External Auditors, reviews conducted by Management, KPMG and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that UHREIT's internal controls (including financial, operational, compliance and IT controls) and risk management systems in place are adequate and effective. to address the risks faced by UHREIT in its current business environment as at 31 December 2022.

The Board notes that the internal control systems established provide reasonable assurance that UHREIT will not be adversely affected by events that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities. The Board, together with the ARC and Management, will continue to enhance and improve the existing risk management and internal control frameworks to identify and mitigate these risks.

The Governance Index for Trusts (GIFT) is an index which ranks Singapore listed Real Estate Investment Trusts (REITs), Business Trusts (BTs) and stapled trusts (STs) in terms of their corporate governance practices. GIFT was developed specifically for trusts as their governance structures and practices as well as applicable rules and regulations are different from companies. In November 2022, under the assessment carried out for the 6th edition of GIFT, UHREIT was ranked joint 12th out of the 43 trusts listed on SGX. Points were allocated to business risk, assessed using leverage-related factors and other factors such as lease expiry and income-support arrangements. Merit and demerit points were awarded for various corporate governance practices, creating the total score. Merit points were given for practices that the trusts should aspire to adopt.

INTERNAL CONTROL SYSTEM FOR RELATED PARTY AND INTERESTED PERSON TRANSACTIONS

An internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively "**IPT**") will be undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Unitholders of UHREIT has been established by the Manager.

Related party transactions have been disclosed in the financial statements of this Annual Report. As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining, where practicable, quotations from parties unrelated to the Manager or obtaining valuations from independent professional valuers in accordance with the Property Funds Appendix. The Manager maintains a register to record all IPT which are entered into by UHREIT and the bases on which they are entered into, including any quotations from unrelated parties and independent valuations obtained.

The Manager has incorporated into its internal audit plan a review of IPTs entered into by UHREIT. The ARC will monitor the procedures established to regulate IPT, including reviewing any IPT entered into from time to time, and will direct the preparation of internal audit reviews annually to ascertain that the guidelines and procedures established to monitor IPT have been complied with, including relevant provisions of the Listing Manual and Property Funds Appendix. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. Further to that, the Trustee has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

CORPORATE GOVERNANCE

In addition, the following procedures are undertaken:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of UHREIT's net tangible assets will be subject to review by the ARC at regular intervals; Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of UHREIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of UHREIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding 5.0% of the value of UHREIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning UHREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of UHREIT with an interested party which would include relevant associates thereof, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of UHREIT and the Unitholders of UHREIT, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the said transaction. The Trustee has the ultimate discretion under the Trust Deed to decide whether to enter into a transaction involving an interested party. If the Trustee is to sign any contract with an interested party, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs in the Property Funds Appendix and the provisions of the Listing Manual relating to IPT as well as guidance prescribed by the MAS and SGX-ST.

UHREIT will comply with Rule 905 of the Listing Manual by announcing any IPT in accordance with the Listing Manual if such transaction by itself or when aggregated with other IPT entered into with the same interested party as defined in the Listing Manual during the same financial year is 3% or more of the value of UHREIT's net tangible assets.

On a quarterly basis, Management reports to the ARC the IPT entered by UHREIT. The Trustee also has the right to review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with. The ARC reviews all IPT to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes the examination of the nature of the transaction and if necessary, its supporting documents or such other data deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

The IPT undertaken by UHREIT in FY2022 are set out on page 201 of his Annual Report. Saved as disclosed above, there were no additional IPTs (excluding transactions of less than S$100,000 each) entered into during the financial year under review nor any material contracts entered into by the Manager on behalf of UHREIT involving the interests of the CEO, any of the Directors or the controlling shareholder.

CORPORATE GOVERNANCE

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AUDIT AND RISK COMMITTEE

The ARC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the ARC. The ARC comprises three directors and all of whom are IDs. The members of the ARC are as follows:

Name	Designation	Directorship
Mr Chua Teck Huat Bill	Chairman	ID
Mr Tan Tong Hai	Member	ID
Ms Jaelle Ang Ker Tjia	Member	ID

The Board is of the view that all members of the ARC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. The Board considers Mr Chua Teck Huat Bill as having sufficient financial management knowledge to discharge his responsibilities as Chairman of the ARC. The Board is of the view that the ARC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities. The ARC members, as a whole, possess a wide range of necessary skills to discharge their duties and are financially literate. None of the ARC members are former partners or directors of UHREIT's existing external auditing firm, Deloitte & Touche LLP ("**Deloitte**"), and neither do they have any financial interest in Deloitte.

The ARC has explicit authority to investigate any matter within its ToR. The ARC has full access to the Internal and External Auditors, and has full discretion to invite Management, external consultants or advisers to attend its meetings, and Management is required to provide the fullest co-operation in providing information and resources and in implementing or carrying out all requests made by the ARC. The Internal and External Auditors have unrestricted access to the ARC. In FY2022, 4 ARC meetings were held and the ARC has also met separately with the Internal and External Auditors, without the presence of Management to discuss issues and to confirm that they had full access to and received co-operation and support from the Management.

EXTERNAL AUDITORS

Cognisant that the External Auditors should be free from any business or other relationships with UHREIT that could materially interfere with its ability to act with integrity and objectivity, the ARC undertook a review of the independence of the External Auditors and considered UHREIT's relationships with them during FY2022. In determining the independence of the External Auditors, the ARC reviewed all aspects of UHREIT's relationships with it including the processes, policies and safeguards adopted by UHREIT and the External Auditors relating to auditor independence. The ARC has conducted a review of all non-audit services provided by Deloitte in FY2022, and the corresponding fees. The aggregate amount of fees paid and payable to Deloitte for FY2022 was US$824,814, of which the audit fees amounted to US$573,000 and the non-assurance fees amounted to US$251,814 mainly for general tax and GST compliance works. The ARC was satisfied with the independence of Deloitte as External Auditors.

The ARC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, Deloitte's experience in the REIT sector and the size and complexity of the audit. The ARC is satisfied with the independence and objectivity of the External Auditors and has recommended to the Board the re-appointment of Deloitte as the External Auditors of UHREIT at the forthcoming annual general meeting. The Manager confirms that UHREIT complies with the requirements of Rules 712 and 715 read with Rule 716 of the Listing Manual in respect of the suitability of the auditing firm for UHREIT.

CORPORATE GOVERNANCE

The ARC is collectively responsible in assisting the Board in corporate governance and compliance matters of UHREIT. A summary of the ARC's key responsibilities under its ToR, which also represents a summary of the work and key matters undertaken by the ARC during FY2022, includes the following:

- Reviewing financial statements and formal announcements relating to financial performance and reviewing the significant financial reporting issues and judgements so as to ensure integrity of the financial statements of UHREIT and any announcements relating to the financial performance;
- Reviewing the audit plans and reports of the Internal and External Auditors and considering the effectiveness of actions or policies taken by Management on the recommendations and observations;
- Assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective risk management framework and reviewing the adequacy and effectiveness of the risk management and internal control systems;
- Reviewing the assurances from the CEO and CFO on the financial records and financial statements;
- Making recommendations to the Board on the proposal to the Unitholders on the appointment and removal of External Auditors and the remuneration and terms of engagement of the External Auditors;
- Reviewing the adequacy, effectiveness, independence, scope and results of the Internal and External Auditors;
- Reviewing the nature and extent of non-audit services performed by the External Auditors;
- Meeting with the External Auditors and with the Internal Auditors, in each case without the presence of the Management, at least annually.
- Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- Examining Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the SGX Listing Manual); and
- Investigating any matters within the Manager ARC's purview, whenever it deems necessary.

Periodic updates on changes in accounting standards and their accounting implications on UHREIT are prepared by the External Auditors and circulated to members of the ARC so that they are kept abreast of such changes and the potential corresponding impact on UHREIT's financial statements, if any.

INTERNAL AUDITORS

The role of the Internal Auditors is to assist the ARC to ensure that the Manager maintains a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high risks areas.

The Internal Auditors plan the internal audit schedules in consultation with, but independent of the Manager. The audit plan is submitted to the ARC for approval on an annual basis.

The ARC approves the appointment, removal, evaluation and compensation of the Internal Audit function. The Internal Audit function is outsourced to KPMG, which is a staffed by qualified professionals and their audit methodology is in conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. These standards cover attributes as well as performance and implementation principles. KPMG reports to the Chairman of the ARC and has unfettered access to documents, records, properties and personnel, including unrestricted access to the ARC. On an annual basis, the ARC reviews the adequacy and effectiveness of the Internal Audit function. For FY2022, the ARC concludes that the Internal Audit function is adequately resourced, effective and independent.

REVIEWS CONDUCTED BY THE ARC

In FY2022, the ARC performed independent reviews of the half-yearly and full year financial results of UHREIT before recommending that the Board approve the release of the financial statements and SGX announcements relating to UHREIT's financial statements. In the process, the ARC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements.

CORPORATE GOVERNANCE

Following the review and discussions, the ARC was satisfied with the approach and appropriateness of methodologies used by Management, as adopted and disclosed in the financial statements, and recommendation was made by the ARC to the Board to approve the financial statements.

The ARC also reviewed and discussed with Management, among other matters, the following key audit matter(s) ("**KAM**") identified by the External Auditors for FY2022:

Valuation of investment properties

The ARC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties, noted the objectivity, independence and expertise of the external appraisers engaged by the Manager, assessed the appropriateness of the valuation model and reasonableness of the significant assumptions adopted, evaluated major cost items capitalised in investment properties during the period for reasonableness and having reviewed the valuation reports and the carrying value of its investment properties are satisfied that the use of inputs and assumptions are reasonable and that the investment properties have been appropriately measured at fair value and valuations fall within a reasonable range.

The ARC reviewed and approved the audit plan and scope of the audit of the full year financial statements. The ARC also reviewed and approved the internal audit plan and scope of the Internal Auditors' work and audit programme. It reviewed the findings during the year and Management's responses thereto and it satisfied itself of the adequacy of the internal audit function. In addition, the ARC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix. Changes to the accounting standards and issues which have a direct impact on the financial statements were reported and discussed with the ARC at its meetings. In carrying out its function, the ARC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the Manager's cost.

During the year, the Manager has implemented internal policies and procedures in relation to sanctions risk, and has made an assessment and noted that the Company does not have exposure to sanctions risks. The Board and ARC are responsible for monitoring the Company's risk of becoming subject to, or violating, any Sanctions Law; and ensuring timely and accurate disclosures to SGX and other relevant authorities

WHISTLEBLOWING POLICY

UHREIT acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Manager has put in place a Whistleblowing Policy which serves to encourage its employees and any other persons to raise concerns about possible improprieties in matters of financial reporting and other malpractices (including fraud, corruption, bribery or blackmail, criminal offences, failure to comply with a legal or regulatory obligation, miscarriage of justice, endangering the health and safety of an individual and concealment of any of the aforementioned) in confidence and in good faith.

The Manager has engaged KPMG to provide independent reporting channels for employees and external parties to raise concerns about possible improprieties without fear of reprisal. Whistleblowers are given the option to remain anonymous and concerns about illegal, unprofessional, fraudulent or other unethical behaviour may be referred to the Ethics web portal or email that are available on UHREIT's website.

The ARC is guided by the Whistleblowing Policy to ensure proper conduct and closure of investigations, including handling of possible improprieties, prohibition of obstructive or retaliatory actions, confidentiality, disciplinary and civil or criminal actions. Any concerns which are not resolved by these channels may be raised with the ARC Chairman of the Manager. Following a review of the complaint or concern, the ARC Chairman, where appropriate, will take steps to have the matter investigated and, if warranted, will request that the Board and management implement corrective measures.

Establishing these policies reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical standards. The Whistleblowing Policy is made available to all employees when they join the Manager, and they are briefed on this.

CORPORATE GOVERNANCE

DEALING IN UNITS

Each Director and the CEO of the Manager is to give notice to the Manager of (a) particulars of Units held by him or her, or in which he or she has an interest and the nature and extent of that interest within two Business Days after the later of (i) the date on which the director or Chief Executive Officer becomes a director or Chief Executive Officer or (ii) the date on which the director or Chief Executive Officer becomes a holder of, or acquires an interest in the Units or (b) of changes in the number of Units which he or she holds or in which he or she has an interest, within two Business Days after the director or Chief Executive Officer becomes aware of the change. All dealings in Units by the Directors and/or the CEO of the Manager will be announced via SGXNET.

The Directors and employees of the Manager are prohibited from dealing in the Units (a) in the period commencing one month before the announcement of UHREIT's half year and full year financial statements; and (b) at any time while in possession of price sensitive information.

Further, the insider trading rules stipulated in the SFA are to be adhered to, including that the Directors and the employees of the Manager are prohibited from communicating price sensitive information to any person. The dealing in the Units of UHREIT on short-term or speculative considerations is strongly discouraged.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

Engagement with Shareholders

Principle 12: ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

CONDUCT OF GENERAL MEETINGS

The public can access the electronic copy of the Annual Report via SGXNET as well as UHREIT's website and under normal circumstances, all Unitholders will receive a booklet containing key highlights of UHREIT, instructions on accessing the Annual Report online with the option of receiving a printed version of the Annual Report, a notice of annual general meeting ("**AGM**") and a proxy form with instructions on the appointment of proxies. The Manager will be conducting the AGM in respect of FY2022 via electronic means. Arrangements have been made to take into account the online nature of the AGM, further information of which is set out in the notice of the AGM dated 30 March 2023. The notice of AGM is also published via SGXNET and UHREIT's website.

CORPORATE GOVERNANCE

UHREIT supports and encourages active Unitholder participation at general meetings as such meetings serve as an opportune avenue for Unitholders to meet and interact with the Board and Management. Unitholders are informed of general meetings through notices published on UHREIT's website, through reports or circulars sent to all Unitholders and via SGXNET. At general meetings, Unitholders are given the opportunity to participate effectively and vote. Where relevant rules and procedures govern such meetings (e.g. voting procedure), these rules and procedures are clearly communicated prior to the start of the meeting.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Manager is not implementing absentia voting methods (such as voting via mail, email or fax) until issues such as the authentication of Unitholders identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, Unitholders are able to appoint up to two proxies to vote on their behalf should they be unable to attend the meeting. Based on the above, the Board is of the view that Unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting through the appointment of proxies. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

In addition to that, the Manager sets out separate resolutions on each substantially separate issue (which are not interdependent and not linked so as to form one significant proposal) at general meetings and supports the Code's provision as regards "bundling" of resolutions. Should there be resolutions which are interlinked, the Manager will provide reasons and material implications in the notice of the meetings or at general meetings to which Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

For greater transparency and to better reflect Unitholders' interests, the Manager will be using poll voting at the general meetings to facilitate greater and more efficient participation of all Unitholders present or represented at the general meetings. The voting results of all votes cast for, against or abstaining from each resolution are then displayed at the general meeting and announced to SGX-ST after the general meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

All Board members, including the Chairman of the NRC and ARC, the Manager and representatives from the Trustee will be present at the general meetings of Unitholders which includes participation in person or by means of teleconference, video conference or similar communication methods without the need to be present physically to address relevant questions raised by the Unitholders. The External Auditors will also be present to provide professional independent clarification and to address Unitholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of Unitholders' general meetings which capture the attendance of Board members at the general meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the Manager and are available on SGXNET and UHREIT's website at https://www.uhreit.com/.

As the Manager will be conducting the AGM in respect of FY2022 via electronic means, Unitholders are therefore unable to attend the meeting in person and Unitholders may appoint the Chairman of the meeting as proxy(ies) (other than the Chairman of the AGM) to vote on their behalf at the AGM and submit questions relating to the business of the meeting in advance. Please refer to the notice of the AGM dated 30 March 2023 for further information.

CORPORATE GOVERNANCE

FURTHER ENGAGEMENT

In the execution of its duties, the Board adopts an inclusive approach and not only considers UHREIT's obligations to its Unitholders but also the interests of its material stakeholders, as part of its overall responsibility to ensure that the best interests of UHREIT are served. The Manager continues to engage and maintain the stakeholders' needs and expectations, considers their viewpoints, provides new perspectives in generating positive impact to UHREIT by treating all Unitholders fairly and equitably. The Manager strives to establish timeliness and consistency in its disclosure while maintaining regular interaction and dialogue with Unitholders to generate awareness and understanding of UHREIT's strategic business model, competitive strengths, growth strategy and investment merits and garner feedback and views for consideration. The Trust Deed is available for inspection at the Manager's office (with prior appointment).

The Manager is committed to providing timely, fair and transparent communication to the investment community. UHREIT's financial results and operating performance as well as other material information, including press releases, presentations, annual and sustainability reports and financial statements are uploaded onto SGXNET and on UHREIT's website in a timely and accurate manner. This is to enable Unitholders to keep abreast and make informed decisions on UHREIT. During the year, the Manager also established its social media presence with the launch of UHREIT's Linkedin page to broaden its communication efforts with Unitholders and the broader investment community.

The Manager has an Investor Relations team which works with legal counsel to ensure compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations team provides regular updates on analyst and investor feedback. The Manager's investor relations policy prioritises proactive engagement, timely and effective communication with its stakeholders outlining the various modes of communications with Unitholders and the ways in which the Manager solicits and understands the views of Unitholders. The IR Policy is published on UHREIT's website, https://investor.uhreit.com/ir_policy.html.

Continuous and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance. The CEO, senior management and the Investor Relations team of the Manager actively engage with retail investors, analysts and fund managers to solicit and understand the views of the investment community via analyst and investor briefings held after the financial results and operational updates announcements. Engagement is also via one-on-one or group meetings, conference calls, investor luncheons, local or overseas road shows, webinars and conferences and on UHREIT's website at http://www.uhreit.com/. An email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications. In this way, UHREIT seeks to establish good communication and engagement with all its stakeholders.

More information of the Manager's Investor Relations activities can be found on page 106 of this Annual Report.

UHREIT strives towards improving fiscal growth, optimising operational efficiency while creating a Sustainable Culture throughout to create long-term value based on Environment, Social and Governance ("**ESG**"). In recognition that stakeholders are important to UHREIT's long-term growth and success, the Manager has identified stakeholder groups which have a significant influence and interest in UHREIT's operations and business and engaged these stakeholders to understand their ESG expectations and in allowing us to have a good grasp of their concerns. The key stakeholders identified are the Manager's Board of Directors, employees, sponsors, Unitholders and investment community, government regulators and industry or business associations, and local community at large.

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report provides UHREIT's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report will also set out the key areas of focus in relation to the management of stakeholder relationships during the reporting period. UHREIT is committed to conducting its business operations in a manner that upholds high standards of corporate governance and considers the environmental and social impact for sustainable growth. Thus, UHREIT established a reporting team led by the CEO for formulating and implementing UHREIT's sustainability best practice. UHREIT has published the electronic version of its Sustainability Report for FY2022 on SGXNET and UHREIT's website at http://www.uhreit.com/ on 30 March 2023.

CORPORATE GOVERNANCE

DISTRIBUTION POLICY

UHREIT's distribution policy is to distribute at least 90% of its annual distributable income. Such distributions are typically paid on a semi-annual basis. UHREIT's distribution policy is to distribute as much of its income as practicable and the determination to distribute and the quantum of distributions to be made by UHREIT will be at the discretion of the Board of Directors of the Manager. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

ADDITIONAL INFORMATION

ADDITIONAL DISCLOSURES ON FEES PAYABLE TO THE MANAGER

Pursuant to the revised CIS Code which came into effect on 1 January 2016, the methodology and justifications for each type of fees payable to the Manager should be disclosed, where such fees are payable out of the deposited property of UHREIT. The methodology for the computation and payment of fees, with reference to the relevant clauses in the Trust Deed, is disclosed on page 201 and pages 155 to 158 under the "Notes to the Financial Statements" section of this Annual Report. The management fees are earned by the Manager for the management of UHREIT's portfolio of properties. The various fees earned by the Manager and their rationale are further elaborated below.

BASE FEE AND PERFORMANCE FEE

The Base Fee, as contained in Clause 15.1 of the Trust Deed, covers the day-to-day operational, compliance, monitoring and reporting costs as well as administrative overheads incurred by the Manager. The Base Fee represents the compensation to the Manager for executing its core responsibilities and is based on a percentage of the value of UHREIT's deposited properties, which is an appropriate metric to determine the resources required for managing UHREIT. As UHREIT grows in portfolio size, the complexity of management increases and the Manager is expected to expend greater effort in fulfilling its responsibilities.

The Performance Fee, as contained in Clause 15.1 of the Trust Deed, is based on the growth in distribution per unit ("**DPU**"), and incentivises the Manager to proactively manage its portfolio, which may include but are not limited to asset enhancement initiatives, repositioning or re-branding of its properties, re-segmentation of its properties' customer base and driving cost efficiencies to improve profit margins. Such fee methodology aligns the interests of the Manager and Unitholders and ensures the long-term sustainability of the assets, instead of taking on excessive short-term risks to the detriment of the Unitholders.

ACQUISITION FEE AND DIVESTMENT FEE

The Acquisition Fee and Divestment Fee, which are contained in Clause 15.2 of the Trust Deed, seek to continue delivering long-term sustainable distribution income to the Unitholders. The Manager regularly reviews its portfolio of properties and sources of growth opportunities and yield-accretive acquisitions, and efficiently recycles capital through the divestment of underperforming or non-core assets. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of the acquisition or divestment to the existing portfolio and future growth expectations.

The Acquisition Fee and Divestment Fee payable to the Manager serve as a form of compensation for the time, effort and resources spent in sourcing, evaluating and executing potential opportunities to acquire new properties or in rebalancing and unlocking the underlying value of the existing properties within its asset portfolio to optimise UHREIT's returns. The Manager provides these services over and above the provision of ongoing management services with the aim of ensuring income sustainability and achieving the investment objectives of UHREIT.

The Acquisition Fee is higher than the Divestment Fee because the time and effort undertaken in terms of sourcing, evaluating and conducting due diligence, and fund-raising for an acquisition, is higher as compared to a divestment.

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of Units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act 2001 (the "SFA") of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of United Hampshire US REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 18 September 2019 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the financial year covered by these financial statements, set out on pages 145 to 200, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
15 March 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of the directors of the Manager, the accompanying financial statements of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group") as set out on pages 145 to 200, comprising the statements of financial position of the Group and the Trust as at 31 December 2022, the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds and consolidated statement of cash flows of the Group, and statement of changes in Unitholders' funds of the Trust for the financial year ended 31 December 2022, portfolio statement of the Group as at 31 December 2022 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, the consolidated comprehensive income, distributable income, consolidated changes in Unitholders' funds and consolidated cash flows of the Group, and changes in Unitholders' funds of the Trust for the financial year ended 31 December 2022 and portfolio statement of the Group as at 31 December 2022, in accordance with the International Financial Reporting Standards adopted by the International Accounting Standards Board and the provisions of the Trust Deed between Perpetual (Asia) Limited and the Manager dated 18 September 2019 (as amended and restated) and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
United Hampshire US REIT Management Pte. Ltd.

Tan Tong Hai
Director

Chua Teck Huat Bill
Director

Singapore
15 March 2023

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of United Hampshire US Real Estate Investment Trust

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2022, and the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds, consolidated statement of cash flows of the Group, and the statement of changes in Unitholders' funds of the Trust for the financial year ended 31 December 2022, portfolio statement of the Group as at 31 December 2022 and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 145 to 200.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in Unitholders' funds of the Trust are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") and comply with the relevant provisions of the Trust Deed dated 18 September 2019 (as amended and restated) (the "Trust Deed") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, and of the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds, consolidated statement of cash flows of the Group and the statement of changes in Unitholders' funds of the Trust for the financial year ended 31 December 2022 and portfolio statement of the Group as at 31 December 2022.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of United Hampshire US Real Estate Investment Trust

Key audit matter	**How the matter was addressed in the audit**
Fair Valuation and Disclosure of Fair Value for Investment Properties The Group owns a portfolio of investment properties comprising grocery and necessity properties and self-storage properties across the United States. These investment properties represent the single largest category of assets with a carrying amount of US$761.1 million as at 31 December 2022. The Group has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value, and has engaged an external independent valuer ("Valuer") to perform the fair value assessment for all 23 of its investment properties. The fair valuation of investment properties is considered to be a matter of significance to our audit as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, and the use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to certain key inputs applied in deriving the underlying cash flows and capitalisation rates where a small change in these inputs can result significant changes in the fair valuations of the investment properties. The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 7 to the consolidated financial statements.	We have assessed the Group's process of appointing and determining the scope of work of the Valuer, as well as the process of reviewing, and accepting the Valuer's investment property valuations. We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuer with the Group to determine whether there are any matters which might affect the objectivity of the Valuer or impede their scope of work. We have held discussions with management and the Valuer on the valuation reports, and have engaged our valuation specialists to assist in: • Assessing the valuation methodology, key assumptions and inputs used by the Valuer against general market practice for similar types of properties; • Comparing key valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties; and • Reviewing the integrity of the valuation calculations and inputs, including review of lease schedules and lease agreements. Based on the audit procedures performed, the various key inputs used are within a reasonable range of our expectations. We have also assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of United Hampshire US Real Estate Investment Trust

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

United Hampshire US REIT Management Pte. Ltd. (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 18 September 2019 (as amended and restated) and relevant requirements of the CIS code issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of United Hampshire US Real Estate Investment Trust

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

(d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

15 March 2023

STATEMENTS OF FINANCIAL POSITION

31 December 2022

		Group		Trust	
	Note	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	12,227	11,194	1,357	1,779
Restricted cash	5	1,322	310	–	–
Trade and other receivables	6	5,459	4,257	3,628	4,618
Tax receivable		–	65	–	–
Prepaid expenses		1,539	1,671	4	57
Derivative financial assets	13	686	–	–	–
Total current assets		**21,233**	**17,497**	**4,989**	**6,454**
Non-current assets					
Restricted cash	5	511	258	–	–
Investment properties	7	761,052	711,650	–	–
Derivative financial assets	13	3,107	91	–	–
Investment in subsidiaries	8	–	–	390,721	440,874
Total non-current assets		**764,670**	**711,999**	**390,721**	**440,874**
Total assets		**785,903**	**729,496**	**395,710**	**447,328**
LIABILITIES					
Current liabilities					
Trade and other payables	10	11,251	8,040	827	1,234
Loans and borrowings	11	–	6,000	–	–
Provision for taxation		206	–	–	–
Lease liability	14	816	798	–	–
Total current liabilities		**12,273**	**14,838**	**827**	**1,234**
Non-current liabilities					
Loans and borrowings	11	314,300	265,639	–	47,816
Preferred shares	12	125	125	–	–
Rental security deposits		938	789	–	–
Lease liability	14	21,561	22,377	–	–
Deferred tax liabilities	9	9,111	6,469	–	–
Total non-current liabilities		**346,035**	**295,399**	**–**	**47,816**
Total liabilities		**358,308**	**310,237**	**827**	**49,050**
NET ASSETS		**427,595**	**419,259**	**394,883**	**398,278**
Net assets attributable to:					
Unitholders		425,070	416,999	394,883	398,278
Non-controlling interests	15	2,525	2,260	–	–
		427,595	**419,259**	**394,883**	**398,278**
Units in issue and to be issued ('000)	16	**568,278**	**558,660**	**568,278**	**558,660**
Net asset value per Unit (US$)	17	**0.75**	**0.75**	**0.69**	**0.71**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Gross revenue	18	67,452	55,195
Property expenses	19	(20,569)	(16,276)
Other income	20	175	3,027
Net property income		**47,058**	**41,946**
Manager's base fees		(3,313)	(3,119)
Manager's performance fees		–	(17)
Trustee's fees		(138)	(136)
Other trust expenses	21	(1,943)	(2,061)
Finance costs	22	(12,204)	(7,234)
Finance income		45	14
Net income before tax, fair value changes and loss on divestment of investment properties		**29,505**	**29,393**
Loss on divestment of investment properties		(481)	–
Fair value change in investment properties	7	(2,979)	18,615
Fair value change on derivative financial instruments		3,702	2,208
Net income before tax		**29,747**	**50,216**
Income tax expense	23	(3,149)	(6,891)
Net income after tax		**26,598**	**43,325**
Net income after tax attributable to:			
Unitholders		26,166	42,860
Non-controlling interests		432	465
Net income for the year		**26,598**	**43,325**
Basic and diluted earnings per Unit (US cents)	24	4.67	8.40

See accompanying notes to financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2022

	Group	
	2022	**2021**
	US$'000	**US$'000**
Amount available for distribution to Unitholders at the beginning of the financial year	7,263	15,045
Net income after tax attributable to the Unitholders for the year	26,166	42,860
Distribution adjustments (Note A)	6,965	(11,665)
Amount available for distribution to Unitholders	33,131	31,195
Distribution to Unitholders during the financial year:		
Distribution of US3.03 cents per Unit for the period from 1 July 2020 to 31 December 2020	–	(15,030)
Distribution of US3.05 cents per Unit for the period from 1 January 2021 to 30 June 2021	–	(15,205)
Advanced Distribution of US1.75 cents per Unit for the period from 1 July 2021 to 13 October 2021	–	(8,742)
Distribution of US1.30 cents per Unit for the period from 14 October 2021 to 31 December 2021	(7,246)	–
Distribution of US2.91 cents per Unit for the period from 1 January 2022 to 30 June 2022	(16,295)	–
Total distribution to Unitholders	(23,541)	(38,977)
Income available for distribution to Unitholders at the end of the financial year	16,853	7,263
Distribution per Unit (DPU) (US cents)	**5.88**	**6.10**

See accompanying notes to financial statements.

DISTRIBUTION STATEMENT (CONT'D)

For the financial year ended 31 December 2022

Note A – Distribution adjustments comprise:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Property related non-cash items [(1)]	(1,701)	(1,670)
Manager's base fees payable/paid in Units	3,313	3,119
Manager's performance fees paid in Units	–	17
Trustee's fees	138	136
Amortisation of upfront debt-related transaction costs [(2)]	3,395	821
Loss on divestment of investment properties	481	–
Fair value change in investment properties [(3)]	2,979	(18,615)
Fair value change on financial derivatives	(3,702)	(2,208)
Deferred tax expense	2,642	6,469
Income top-ups [(4)]	–	737
Interest on lease liability	522	541
Ground lease rental payment	(1,320)	(1,320)
Other net adjustments [(5)]	218	308
Distribution adjustments	**6,965**	**(11,665)**

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) Includes Manager's acquisition fees.

(4) Comprises income top-ups provided by the Hampshire Sponsor in relation to the St. Lucie West Top-Up Agreement during the financial year ended 2021.

(5) Net of non-controlling interests.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Unitholders' funds US$'000	Non-controlling interests US$'000	Total US$'000
Group						
As at 1 January 2022		**401,007**	**15,992**	**416,999**	**2,260**	**419,259**
Operations						
Net income for the year		–	26,166	26,166	432	26,598
Net increase in net assets resulting from operations		**401,007**	**42,158**	**443,165**	**2,692**	**445,857**
Unitholders' transactions						
Distribution to Unitholders	16	(9,112)	(14,429)	(23,541)	–	(23,541)
Manager's base fees paid in Units	16	1,630	–	1,630	–	1,630
Manager's base fees payable in Units	16	1,683	–	1,683	–	1,683
Issue of new Units for Distribution Reinvestment Plan	16	2,133	–	2,133	–	2,133
Net decrease in net assets resulting from Unitholders' transactions		**(3,666)**	**(14,429)**	**(18,095)**	**–**	**(18,095)**
Dividends to non-controlling interests		–	–	–	(167)	(167)
As at 31 December 2022		**397,341**	**27,729**	**425,070**	**2,525**	**427,595**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

For the financial year ended 31 December 2022

	Note	Units in issue and to be issued US$'000	(Accumulated losses)/ Retained earnings US$'000	Unitholders' funds US$'000	Non-controlling interests US$'000	Total US$'000
Group						
As at 1 January 2021		**376,851**	**(1,532)**	**375,319**	**1,910**	**377,229**
Operations						
Net income for the year		–	42,860	42,860	465	43,325
Net increase in net assets resulting from operations		**376,851**	**41,328**	**418,179**	**2,375**	**420,554**
Unitholders' transactions						
Issue of Private Placement Units	16	35,000	–	35,000	–	35,000
Issue costs	16	(1,122)	–	(1,122)	–	(1,122)
Distribution to Unitholders	16	(13,641)	(25,336)	(38,977)	–	(38,977)
Manager's base fees paid in Units	16	2,287	–	2,287	–	2,287
Manager's base fees payable in Units	16	832	–	832	–	832
Manager's performance fees payable in Units	16	17	–	17	–	17
Manager's acquisition fees paid in Units	16	783	–	783	–	783
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**24,156**	**(25,336)**	**(1,180)**	**–**	**(1,180)**
Dividends to non-controlling interests		–	–	–	(115)	(115)
As at 31 December 2021		**401,007**	**15,992**	**416,999**	**2,260**	**419,259**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

For the financial year ended 31 December 2022

	Note	Units in issue and to be issued US$'000	(Accumulated losses)/ Retained earnings US$'000	Total US$'000
Trust				
As at 1 January 2022		**401,007**	**(2,729)**	**398,278**
Operations				
Net income for the year		–	14,700	14,700
Net increase in net assets resulting from operations		**401,007**	**11,971**	**412,978**
Unitholders' transactions				
Distribution to Unitholders	16	(9,112)	(14,429)	(23,541)
Manager's base fees paid in Units	16	1,630	–	1,630
Manager's base fees payable in Units	16	1,683	–	1,683
Issue of new Units for Distribution Reinvestment Plan	16	2,133	–	2,133
Net decrease in net assets resulting from Unitholders' transactions		**(3,666)**	**(14,429)**	**(18,095)**
As at 31 December 2022		**397,341**	**(2,458)**	**394,883**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

For the financial year ended 31 December 2022

	Note	Units in issue and to be issued US$'000	(Accumulated losses)/ Retained earnings US$'000	Total US$'000
Trust				
As at 1 January 2021		**376,851**	**(2,847)**	**374,004**
Operations				
Net income for the year		–	25,454	25,454
Net increase in net assets resulting from operations		**376,851**	**22,607**	**399,458**
Unitholders' transactions				
Issue of Private Placement Units	16	35,000	–	35,000
Issue costs	16	(1,122)	–	(1,122)
Distribution to Unitholders	16	(13,641)	(25,336)	(38,977)
Manager's base fees paid in Units	16	2,287	–	2,287
Manager's base fees payable in Units	16	832	–	832
Manager's performance fees payable in Units	16	17	–	17
Manager's acquisition fees paid in Units	16	783	–	783
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**24,156**	**(25,336)**	**(1,180)**
As at 31 December 2021		**401,007**	**(2,729)**	**398,278**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Operating activities			
Net income before tax		29,747	50,216
Adjustments for:			
Property related non-cash items	7	(1,701)	(1,670)
Manager's base fees payable/paid in Units		3,313	3,119
Manager's performance fees paid in Units		–	17
Loss on divestment of investment properties		481	–
Fair value change in investment properties	7	2,979	(18,615)
Fair value change on financial derivatives	13	(3,702)	(2,208)
Finance costs	22	12,204	7,234
Finance income		(45)	(14)
Operating cash flows before working capital changes		**43,276**	**38,079**
Changes in working capital:			
Trade and other receivables		(1,196)	1,442
Restricted cash		(1,265)	(190)
Prepaid expenses		1,118	170
Trade and other payables		1,784	712
Rental security deposits		114	88
Cash generated from operations		**43,831**	**40,301**
Income tax paid		(236)	(960)
Net cash generated from operating activities		**43,595**	**39,341**
Investing activities			
Acquisition of investment properties and related assets and liabilities, including loan assumption		(47,562)	(78,386)
Payment for capital expenditure relating to investment properties	a	(6,181)	(4,241)
Proceeds from divestment of investment properties		43,943	–
Interests received		45	14
Net cash used in investing activities		**(9,755)**	**(82,613)**
Financing activities			
Proceeds from issuance of Units	16	–	35,000
Payment for transaction costs relating to issuance of Units	16	–	(1,122)
Distribution paid to Unitholders	b	(21,408)	(38,977)
Dividends paid to non-controlling interests		(167)	(115)
Dividends paid to preferred shareholders		(16)	(16)
Proceeds from loans and borrowings		238,350	70,500
Payment of debt-related transaction costs		(5,353)	(2,375)
Finance costs paid on loans and borrowings		(7,893)	(5,649)
Repayment of loans and borrowings		(235,000)	(14,500)
Repayment of lease liability		(798)	(779)
Interest paid on lease liability		(522)	(541)
Net cash (used in)/generated from financing activities		**(32,807)**	**41,426**
Net increase/(decrease) in cash and cash equivalents		1,033	(1,846)
Cash and cash equivalents at beginning of the year		11,194	13,040
Cash and cash equivalents at end of the year	**4**	**12,227**	**11,194**

a) Payment for capital expenditure relating to investment properties

Includes cash paid on capital expenditure, tenant improvements and leasing commissions.

b) Distributions paid to Unitholders

3,633,668 Units amounting to approximately US$2.1 million were issued as part payment of distributions in respect of the distribution for the period from 1 January 2022 to 30 June 2022, pursuant to UHREIT's Distribution Reinvestment Plan.

See accompanying notes to financial statements.

PORTFOLIO STATEMENT

As at 31 December 2022

Description of property	Location	Tenure of land	Fair value as at 31 December 2022 US$'000	Percentage of total net assets as at 31 December 2022 %	Fair value as at 31 December 2021 US$'000	Percentage of total net assets as at 31 December 2021 %
Grocery & Necessity Properties						
Hudson Valley Plaza	New York	Freehold	48,600	11.4	49,200	11.7
Albany ShopRite – Supermarket	New York	Freehold	23,700	5.5	23,700	5.7
Albany ShopRite – Gas Station	New York	Freehold	4,400	1.0	4,400	1.0
Towne Crossing	New Jersey	Freehold	12,600	3.0	12,300	2.9
Lynncroft Center	North Carolina	Freehold	27,125	6.3	25,000	6.0
Garden City Square – BJ's Wholesale Club	New York	Freehold	49,000	11.6	48,000	11.4
Garden City Square – LA Fitness	New York	Freehold	22,300	5.2	21,000	5.0
Price Chopper Plaza	New York	Freehold	21,100	4.9	20,900	5.0
Big Pine Center	Florida	Freehold	9,500	2.2	9,100	2.2
Stop & Shop Plaza	New Jersey	Freehold	26,000	6.1	25,500	6.1
Fairhaven Plaza	Massachusetts	Freehold	18,900	4.4	19,500	4.7
Wallington ShopRite	New Jersey	Leasehold [1]	15,700	3.7	16,300	3.9
Parkway Crossing	Maryland	Freehold	30,300	7.1	27,300	6.5
Wallkill Price Chopper	New York	Freehold	12,600	2.9	13,000	3.1
St. Lucie West	Florida	Freehold	86,500	20.3	86,100	20.5
BJ's Quincy	Massachusetts	Freehold	33,400	7.8	34,800	8.3
Arundel Plaza	Maryland	Freehold	44,200	10.3	45,200	10.8
Lawnside Commons	New Jersey	Freehold	33,850	7.9	34,575	8.2
Colonial Square	Virginia	Freehold	25,100	5.9	26,400	6.3
Penrose Plaza	Pennsylvania	Freehold	53,900	12.6	55,100	13.2
Upland Square [2]	Pennsylvania	Freehold	86,000	20.1	–	–
Self-Storage Properties						
Carteret Self-Storage	New Jersey	Freehold	23,800	5.6	22,200	5.3
Millburn Self-Storage	New Jersey	Freehold	30,100	7.0	24,500	5.8
Elizabeth Self-Storage [3]	New Jersey	Freehold	–	–	24,000	5.7
Perth Amboy Self-Storage [3]	New Jersey	Freehold	–	–	20,400	4.9
Investment properties, at valuation (Note 7)			**738,675**	**172.8**	**688,475**	**164.2**
Investment property – Right-of-use asset (Note 7)			22,377	5.2	23,175	5.5
Investment properties, at carrying value [4] (Note 7)			**761,052**	**178.0**	**711,650**	**169.7**
Other assets and liabilities (net)			(333,457)	(78.0)	(292,391)	(69.7)
Net assets			**427,595**	**100.0**	**419,259**	**100.0**

Footnotes:

(1) The Wallington ShopRite property consists of a leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two ten-year renewal options that would take the term through 24 June 2060.

(2) Acquired on 28 July 2022.

(3) Divested on 22 June 2022.

(4) The carrying value of the Group's investment properties as at 31 December 2022 was based on the independent valuation as at 31 December 2022 undertaken by Cushman & Wakefield of New Jersey LLC, Inc. (2021: Cushman & Wakefield of New Jersey LLC, Inc, Newmark Knight Frank Valuation & Advisory, LLC and CBRE, Inc), taking into account capital expenditure, tenant improvements, leasing costs and amortisation of right-of-use asset recognised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 GENERAL

United Hampshire US Real Estate Investment Trust (the "Trust" or "United Hampshire US REIT" or "UHREIT") is a real estate investment trust constituted by a trust deed entered into on 18 September 2019 (as amended and restated) (the "Trust Deed") between United Hampshire US REIT Management Pte. Ltd. as the manager of the Trust (the "Manager") and Perpetual (Asia) Limited, as the trustee of United Hampshire US Real Estate Investment Trust (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders (the "Unitholders") of Units in the Trust (the "Units").

The Hampshire Companies, LLC (the "Hampshire Sponsor") and UOB Global Capital LLC (the "UOB Sponsor") are the sponsors of the Trust.

The Trust was inactive from the date of its constitution to 11 March 2020. The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 March 2020 (the "Listing Date").

The registered office and principal place of business of the Manager is 80 Raffles Place, #28-21 UOB Plaza 2, Singapore 048624.

The consolidated financial statements of the Trust as at and for the financial year ended 31 December 2022, comprise the Trust and its subsidiaries (the "Group").

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and 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."). Collectively, the Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure for the Trust.

The financial statements were authorised for issue by the Manager on 15 March 2023.

The financial statements are presented in United States dollars.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structure of these services are as follows:

(a) Manager's fees

The Manager is entitled to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 10.0% per annum of the Trust's Annual Distributable Income (calculated before accounting for the base fee and the performance fee, if any). The base fee is payable to the Manager either in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The Manager has elected to receive 100.0% (2021: 100.0%) of its base fee in the form of Units for the financial year ended 31 December 2022.

The base fee, payable either in the form of cash and/or Units, is payable quarterly in arrears for the relevant period. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the last business day of the end of the relevant period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 GENERAL (CONT'D)

(a) Manager's fees (cont'd)

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a performance fee equal to the rate of 25.0% per annum of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

For the financial year ended 31 December 2021, the difference in DPU shall be the difference in actual DPU in such financial year with the relevant projected DPU as set out in the Profit Forecast and Profit Projections section of the Prospectus.

The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the performance fee is payable may be less than the DPU in any preceding financial year.

The performance fee, payable either in the form of cash and/or Units, is payable quarterly in arrears for the relevant period. The Manager has elected to receive 100.0% of its performance fee in the form of Units for the financial year ended 31 December 2021. The Manager was not entitled to receive any performance fee for the financial year ended 31 December 2022. Where the performance fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the last business day of the end of the relevant period.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee of 0.75% of the purchase price of any real estate purchased, whether directly or indirectly through one or more subsidiaries, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate acquired) from related parties and 1.0% of the acquisition price for all other cases (or such lower percentage as may be determined by the Manager in its absolute direction). The acquisition fee is payable to the Manager in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The Manager has elected to receive 100.0% of its acquisition fee in the form of cash (2021: 100.0% in Units) during the financial year ended 31 December 2022.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any real estate sold or divested, whether directly or indirectly through one or more subsidiaries, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate sold or divested) or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The Manager has elected to receive 100.0% of its divestment fee in the form of cash during the financial year ended 31 December 2022. There was no divestment of investment properties for the financial year ended 31 December 2021. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 GENERAL (CONT'D)

(a) Manager's fees (cont'd)

Development Management Fee

Pursuant to the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 5.0% of the first US$15 million of the relevant project costs and 3.0% of the relevant project costs in excess of US$15.0 million, in each development project undertaken by the Manager on behalf of the Trust.

The development management fee is payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or (as the case may be) paid by the Manager when the total project costs is finalised.

The Trust will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of the Trust's deposited property (subject to maximum of 25.0% of the Trust's deposited property) only if the additional allowance of up to 15.0% of United Hampshire US REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by United Hampshire US REIT for at least three years and which United Hampshire US REIT will continue to hold for at least three years after the completion of the redevelopment; subject to approval of Unitholders at a general meeting for the redevelopment of the property.

(b) Trustee's fees

The Trustee's fees shall not exceed 0.015% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.

(c) Property management fees

A monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each property management agreement. Property management fees are assessed on a monthly basis and payable in arrears.

Under the property management agreement in respect of the properties, the Property Manager will provide property management services, construction supervision services and lease management services. The Property Manager is entitled to the following fees:

In relation to Grocery & Necessity Properties where the Property Manager is the Hampshire Sponsor

The Property Manager is entitled to receive a property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on a fee range of 3.0% to 4.75% per annum of Gross Revenue of the relevant Grocery & Necessity Property, depending on the number of tenants occupying the property, as more specifically provided in each property management agreement, or US$2,500 per month, whichever is greater.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 GENERAL (CONT'D)

(c) Property management fees (cont'd)

In relation to Grocery & Necessity Properties where the Property Manager is neither the Hampshire Sponsor nor Extra Space Storage

The Property Manager is entitled to receive property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on a fee range of 2.0% to 4.0% per annum of Gross Revenue of the relevant Grocery & Necessity Property, as more specifically provided in each property management agreement.

In relation to Self-Storage Properties where Extra Space Storage Inc. is the Property Manager

The Property Manager is entitled to receive property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on 5.0% per annum of Gross Revenue of the relevant Self-Storage Property, subject to a cap of US$50,000 per annum.

For purposes of the calculation of the property management fee, the Gross Revenue of the relevant property will not take into account the amounts paid under the Top-Up Agreements.

(d) Construction management fees

In relation to Grocery & Necessity Properties where the Property Manager is the Hampshire Sponsor, or other third parties

The Property Manager is entitled to a construction management fee in connection with any construction project for overseeing the physical construction of the property relating to any alterations, tenant improvements and/or roof replacements performed to any premises other than ordinary maintenance and repair. The fee shall be a percentage, between 3.0% to 5.0% (as more specifically provided in each property management agreement) of the cost, excluding design fees and permit costs (the "Construction Costs"), in any 12-month period, other than ordinary maintenance and repair.

For the avoidance of doubt, the construction management fee will be payable to the Property Manager of St. Lucie West in relation to the construction of the St. Lucie West Expansion.

In relation to completed Self-Storage Properties where the Property Manager is Extra Space Storage

The Property Manager is entitled to receive a construction management fee in connection with any construction project, for overseeing the physical construction of the property (including any series of related construction projects) relating to any alterations, tenant improvements and/or roof replacements performed to any premises other than ordinary maintenance and repair, equal to 7.0% of the Construction Cost, as more specifically provided in each property management agreement.

For the avoidance of doubt, the construction management fee is not payable to the Property Manager of Perth Amboy Self-Storage in relation to the construction of the Perth Amboy Self-Storage.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1 GENERAL (CONT'D)

(e) Leasing commission

In relation to Grocery & Necessity Properties where the Hampshire Sponsor is the Leasing Agent

The Leasing Agent shall be entitled to receive a leasing commission ("Leasing Commission") payable in cash:

(i) (in relation to new leases secured by the Leasing Agent, where the tenant is not represented by a third party broker), 5.0% of Base Rental Income on the initial term of the lease and 2.5% of the Base Rental Income for the option terms, subject to a maximum of two option terms;

(ii) (in relation to new leases secured by the Leasing Agent, where the tenant is represented by a third party broker), 2.5% of Base Rental Income on the initial term of the lease and 2.5% of the Base Rental Income for the option terms, subject to a maximum of two option terms;

(iii) (in relation to renewal of leases or expansion of leased premises secured by the Leasing Agent, where the tenant is not represented by a third party broker) 5.0% of the Base Rental Income of the extended lease term or the initial term of the expanded leased premises (as applicable); and

(iv) (in relation to renewal of leases or expansion of leased premises secured by the Leasing Agent, where the tenant is represented by a third party broker) 2.5% of the Base Rental Income of the extended lease term or the initial term of the expanded leased premises (as applicable).

For purposes of the calculation of the Leasing Commission, the Base Rental Income of the relevant property will not take into account the amounts paid under the Top-Up Agreements.

In relation to Grocery & Necessity Properties where the Leasing Agent is a third party

The Leasing Agent is entitled to receive, a Leasing Commission of between 4.0% to 6.5% of the Base Rental Income on the initial term of the lease, as more specifically provided in each leasing services agreement. A Leasing Commission may be payable upon a renewal term of a lease, as more specifically provided in each leasing services agreement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and are drawn up in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS").

The financial statements have been prepared on historical cost basis, except as disclosed in the accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards

On 1 January 2022, the Group and the Trust adopted all the new and revised IFRS that were effective from that date and were relevant to its operations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective (Note 32).

The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the financial year ended 31 December 2022.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust ("subsidiaries"). Control is achieved when the Trust:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

<u>Business combination</u>

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

<u>Subsidiaries</u>

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests of a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

<u>Loss of control</u>

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary and any non-controlling interests are derecognised. Amounts previously recognised in other comprehensive income or loss in respect of that entity are also reclassified to profit or loss or transferred to retained earnings. Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amounts of the retained interest at the date control is lost and its fair value is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (cont'd)

Transaction eliminated on consolidation

Intra-group balances and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

2.4 Financial instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. The Group determines the classification of its financial assets at initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets comprise trade and other receivables, cash and cash equivalents and restricted cash. Cash and cash equivalents comprise cash at bank and restricted cash comprises cash held in escrow accounts. These are classified in the amortised cost measurement category.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss ("FVTPL"). Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of non-derivative financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Impairment of non-derivative financial assets (cont'd)

The Group considers a financial asset in default when contractual payments are 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a prior loss should be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group is classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of direct issue costs.

Repurchase of the Trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Trust's own equity instruments.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and any directly attributable transaction costs.

Financial liabilities at amortised cost comprise trade and other payables (excluding deferred income), lease liability, rental security deposits, loans and borrowings and preferred shares. These are classified in the amortised costs measurement category.

Subsequent measurement

After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Preferred shares

Preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such shares, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance costs in profit or loss as accrued. Preferred shares are recognised initially at fair value and any directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial liabilities (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets or liabilities that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other trust expenses" line item.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposure.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The Group enters into interest rate swaps that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. While the Group has determined that these arrangements are economically effective, they have not satisfied the documentation, designation and effectiveness tests required by IFRS 9 *Financial Instruments*. As a result, they do not qualify for hedge accounting and gains or losses arising from changes in fair value are recognised immediately in profit or loss.

2.5 Leases

Operating lease where an entity within the Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset (classified as investment property) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Leases (cont'd)

Operating lease where an entity within the Group as lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. For the right-of-use asset associated with an underlying asset which meets the definition of an investment property, the Group applies the fair value model in IAS 40 *Investment Property* to these assets with any change therein being recognised in the consolidated statement of comprehensive income and adjusted for certain remeasurements of the lease liability.

Operating lease where an entity within the Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis as part of 'gross revenue' over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both. They are not for sale in the ordinary course of business, or used in the production or supply of goods or services, or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Initial cost includes expenditures that are directly attributable to the acquisition of the investment properties.

The Trust Deed requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment properties (cont'd)

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. Initial direct costs, including lease commissions, incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset as part of investment properties and recognised as an expense over the lease term on the same basis as the lease income.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss when control is transferred to the buyer.

2.7 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when control of the promised services is transferred to the customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the promised services before transferring them to the customer.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss. Tenant lease incentives are included in the cost basis of the investment property and recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Recoveries income

Reimbursements from tenants are recognised as recoveries income in the period in which the applicable costs are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Trust and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Income tax (cont'd)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2.11 Foreign currency transactions and translation

The financial statements are presented in United States Dollars ("US$" or "USD"), which is the functional currency of the Trust and the Group. All financial information presented has been rounded to the nearest thousand (US$'000), unless otherwise stated.

Transactions in foreign currencies are translated to the respective functional currencies of the Trust's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation are recognised in profit or loss.

2.12 Unitholders' funds

Unitholders' funds are classified as equity. Issuance costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

2.13 Distribution policy

UHREIT's distribution policy is to distribute at least 90.0% of its annual distributable income for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Management who is responsible for allocating resources and assessing performance of the operating segments.

2.15 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no critical judgements made in applying accounting policies that have the most significant effect on the amount recognised in the financial information. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of period are disclosed in Note 7 and Note 23.

4 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Cash at bank	12,227	11,194	1,357	1,779

Cash at bank earns interest at floating rates based on daily bank deposit rates.

5 RESTRICTED CASH

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Restricted cash analysed as:				
Current assets	1,322	310	–	–
Non-current assets	511	258	–	–
	1,833	568	–	–

Restricted cash consists of (1) the tenant's security deposits for St. Lucie West and Big Pine Center held in a separate bank account as required under Florida law and (2) an escrow account for the payment of real estate tax and refundable remediation fee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Trade receivables	2,928	2,724	–	–
Allowance for ECL	(138)	(113)	–	–
Net trade receivables	2,790	2,611	–	–
Other receivables	2,669	1,239	12	193
Other receivables from subsidiaries	–	–	3,616	4,425
Top-up receivables	–	407	–	–
	5,459	4,257	3,628	4,618

During the financial year, the Group has written back rent abatement of US$19,000 (2021: granted rent abatement of US$17,000) and granted rent deferral of US$101,000 (2021: US$129,000) to eligible retail tenants affected by the COVID-19 pandemic.

Other receivables of the Group mainly relate to accrued recoveries income for the relevant period, which will be invoiced subsequent to the end of the reporting period. Other receivables of the Trust mainly relate to GST receivables.

Other receivables due from subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and to be settled in cash.

Top-up receivables relate to income top-ups of US$0.4 million attributable to Q4 2021, which were received during the financial year.

Impairment losses

The movement in impairment losses recognised in respect of trade receivables during the financial year is as follows:

	Group	
	2022	2021
	US$'000	US$'000
At the beginning of the financial year	113	277
Allowance for ECL	139	100
Write-off	(114)	(264)
At the end of the financial year	138	113

The Manager believes that no allowance for ECL is necessary in respect of the remaining trade and other receivables as majority of the balances are not past due and/or relate to creditworthy debtors and counterparties with good payment record.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 INVESTMENT PROPERTIES

	Group	
	2022	2021
	US$'000	US$'000
Statements of financial position		
At the beginning of the financial year	711,650	608,667
Acquisition (including acquisition costs)	88,031	81,003
Additions in capital expenditure, tenant improvements and leasing commissions	7,073	1,695
Divestment of investment properties	(44,424)	–
Fair value change in investment properties [1]	(1,278)	20,285
Carrying value of investment properties	761,052	711,650 [2]
Net fair value:		
Right-of-use asset	22,377	23,175
Fair value of investment properties as at 31 December	738,675	688,475
	761,052	711,650
Consolidated statement of comprehensive income		
Fair value change in investment properties [1]	(1,278)	20,285
Property related non-cash items [3]	(1,701)	(1,670)
Net fair value change in investment properties	(2,979)	18,615

Fair value hierarchy

The fair value measurement for investment properties has been categorised as Level 3 of the fair value hierarchy based on inputs to the valuation techniques used.

	Group	
	2022	2021
	US$'000	US$'000
Fair value of investment properties (based on valuation report)	738,675	688,475
Add: carrying amount of right-of-use asset (Note 14)	22,377	23,175
Investment properties as at 31 December	761,052	711,650

Footnotes:

(1) Fair value changes in investment properties includes fair value loss attributable to the right-of-use asset amounting to US$798,000 (2021: US$779,000) during the financial year.

(2) Fair value of properties includes Perth Amboy Top-Up and Elizabeth Top-Up, which are inseparable from its underlying assets.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 INVESTMENT PROPERTIES (CONT'D)

The investment properties were stated at fair value based on independent valuation undertaken by Cushman & Wakefield of New Jersey LLC, Inc (2021: Cushman & Wakefield of New Jersey LLC, Newmark Knight Frank Valuation & Advisory, LLC and CBRE, Inc). The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values were calculated using the Income Approach. The two primary income approaches that may be used are the Discounted Cash Flow ("DCF") and the Direct Capitalisation Method ("DCM"). DCF calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposal, to determine the fair value. DCM determines value by applying a capitalisation rate to the property's stabilised net operating income, normally at the first year. Both the DCF and DCM approaches convert the earnings of a property into an estimate of value. The Market of Direct Comparison approach may also be used, which is based on sound considerations for similarity and comparability between properties that have recently been sold. Considerations may include geographic location, physical, legal, and revenue generating characteristics, market conditions and financing terms and conditions. The final step in the valuation process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: for unadjusted price quoted in active markets for identical assets or liabilities,

- Level 2: for inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

- Level 3: for inputs that are based on unobservable market data. These unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the Group's own data).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7 INVESTMENT PROPERTIES (CONT'D)

Valuation techniques and significant unobservable inputs

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties:

Valuation techniques	Significant unobservable inputs	Sensitivity
Discounted cash flow approach	**Grocery & Necessity Properties** Discount rate of 7.0% – 9.0% (2021: 6.75% – 9.0%) Terminal capitalisation rate of 6.5% – 8.25% (2021: 6.25% – 8.25%) **Self-Storage Properties** Discount rate of 7.75% – 8.0% (2021: 8.0%) Terminal capitalisation rate of 5.25% (2021: 5.5%)	Slight increase in discount rate or terminal capitalisation rate would result in a significant decrease in fair value and vice versa
Direct capitalisation method	**Grocery & Necessity Properties** Capitalisation rate of 6.0% – 7.75% (2021: 5.75% – 8.0%) **Self-Storage Properties** Capitalisation rate of 5.0% (2021: 5.25%)	Slight increase in capitalisation rate would result in a significant decrease in fair value and vice versa

Investment properties with a fair value of approximately US$216,700,000 (2021: US$131,300,000) have been pledged as security for mortgage loan facilities granted by financial institutions to the Group (Note 11). All the investment properties are located in the U.S.

8 INVESTMENT IN SUBSIDIARIES

	Trust	
	2022	**2021**
	US$'000	**US$'000**
Unquoted equity shares, at cost	390,721	440,874

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the Trust's significant subsidiaries at 31 December are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Interest held	
			2022	2021
			%	%
Directly held:				
United Hampshire US REIT Sub 1 Pte. Ltd. (1)	Singapore	Investment Holding	100	100
United Hampshire US REIT Sub 2 Pte. Ltd. (1)	Singapore	Investment Holding	100	100
United Hampshire US REIT Sub 3 Pte. Ltd. (1)	Singapore	Investment Holding	100	100
Indirectly held:				
United Hampshire US Parent REIT, Inc. (2)	United States	Investment Holding	100	100
United Hampshire US Holdings LLC (2)	United States	Investment Holding	100	100
UH US Warwick 2019 LLC (2)	United States	Property Owner	100	100
UH US Wallington 2019 LLC (2)	United States	Property Owner	100	100
UH US Albany 2019 LLC (2)	United States	Property Owner	100	100
UH US Albany2 2019 LLC (2)	United States	Property Owner	100	100
UH US Big Pine 2019 LLC (2)	United States	Property Owner	100	100
UH US Millburn 2019 LLC (2)	United States	Property Owner	100	100
UH US Lynncroft 2019 LLC (2)	United States	Property Owner	100	100
UH US Hudson Valley 2019 LLC (2)	United States	Property Owner	100	100
UH US Port St. Lucie Extension 2019 LLC (2)	United States	Property Owner	100	100
UH US Colonial Square 2021 LLC (2)	United States	Property Owner	100	100
UH US Penrose 2021 LLC (2)	United States	Property Owner	100	100
UH US Upland 2022 LLC (2)(3)	United States	Property Owner	100	-
HUH Hempstead BJ 2012 LLC (2)	United States	Property Owner	100	100
HUH Hempstead LAF 2012 LLC (2)	United States	Property Owner	100	100
Fairhaven HUH, 2014, LLC (2)	United States	Property Owner	100	100
Piscataway HUH 2014, LLC (2)	United States	Property Owner	100	100
48 Leffert Street Urban Renewal, LLC (2)	United States	Property Owner	100	100
Elizabeth SS 2018, LLC (2)	United States	Property Owner	100	100
Towne Crossing Burlington, LLC (2)	United States	Property Owner	100	100
St Lucie West 2016 LLC (2)	United States	Property Owner	100	100
BJ's Quincy 2016 LLC (2)	United States	Property Owner	100	100
Perth Amboy Self-Storage, LLC (2)	United States	Property Owner	100	100
UH US Arundel 2019 LLC (2)	United States	Property Owner	100	100
MCBH Parkway Crossing JV LLC (2)	United States	Investment Holding	90	90
MCBH Parkway Crossing LLC (2)	United States	Property Owner	90	90
HUH Wallkill Town Center 2016, LLC (2)	United States	Property Owner	97	97
MCBUH Lawnside JV LLC (2)	United States	Investment Holding	99	99
MCBUH Lawnside LLC (2)	United States	Property Owner	99	99

Footnotes:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Deloitte & Touche LLP, United States for group reporting purpose.

(3) The entity was incorporated on 19 May 2022 for the purpose of the acquisition of Upland Square.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

9 DEFERRED INCOME TAX

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are attributed to the following:

	Group	
	2022	2021
	US$'000	US$'000
Deferred tax liabilities		
Investment properties	(9,111)	(6,469)

The following are the major components of deferred tax assets/(liabilities) recognised and movements therein during the current and prior financial years:

Group	Tax depreciation	Changes in fair value of investment properties	Total
	US$'000	US$'000	US$'000
Deferred tax assets			
Balance as at 1 January 2021	–	2,178	2,178
Recognised in profit or loss	–	(2,178)	(2,178)
Balance as at 31 December 2021 and 31 December 2022	–	–	–
Deferred tax liabilities			
Balance as at 1 January 2021	(2,178)	–	(2,178)
Recognised in profit or loss	(2,842)	(1,449)	(4,291)
Balance as at 31 December 2021/1 January 2022	(5,020)	(1,449)	(6,469)
Recognised in profit or loss	(3,040)	398	(2,642)
Balance as at 31 December 2022	(8,060)	(1,051)	(9,111)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables	626	70	75	91
Other payables	385	101	90	2
Deferred income	2,955	3,187	–	–
Accrued real estate taxes	1,447	105	–	–
Accrued capital expenditure	2,056	1,269	–	–
Accrued expenses	3,782	3,308	662	1,141
	11,251	8,040	827	1,234

Deferred income pertains to rental or recoveries income received in advance.

Accrued expenses relate to the deferred maintenance credit from the prior owners and the accrual of interest expense, various professional fees for audit, tax, valuation, and other professional services incurred for the financial year.

11 LOANS AND BORROWINGS

	Nominal interest rate per annum	Maturity	Group		Trust	
			2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Secured loans and borrowings						
Amount repayable within one year:						
Revolving Credit Facility ("RCF 1")	USD LIBOR + Margin	March 2023	–	6,000	–	–
			–	**6,000**	**–**	**–**
Amount repayable after one year:						
Term Loan 1 Facility ("TL1")	USD LIBOR + Margin	March 2023	–	91,500	–	–
Term Loan 2 Facility ("TL2")	USD LIBOR + Margin	March 2024	–	66,500	–	–
Term Loan 3 Facility ("TL3")	USD SOFR + Margin	November 2024	–	50,000	–	50,000
Term Loan 4 ("TL4")	USD SOFR + Margin	December 2025	50,000	–	–	–
Term Loan 5 ("TL5")	USD SOFR + Margin	December 2026	60,000	–	–	–
Term Loan 6 ("TL6")	USD SOFR + Margin	March 2027	90,000	–	–	–
SOFR RCF ("RCF 2")	USD SOFR + Margin	December 2025	17,350	–	–	–
Arundel Plaza Mortgage Loan	3.88% and 4.23%	March 2024	21,143	21,143	–	–
St. Lucie West Mortgage Loan	3.42%	February 2028	40,000	40,000	–	–
Upland Square Mortgage Loan	3.62%	November 2026	41,000	–	–	–
			319,493	269,143	–	50,000
Less: Unamortised upfront debt-related transaction costs			(5,193)	(3,504)	–	(2,184)
			314,300	**265,639**	**–**	**47,816**
Total secured loans and borrowings			**314,300**	**271,639**	**–**	**47,816**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11 LOANS AND BORROWINGS (CONT'D)

Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.

During the prior financial year, the Trust obtained a US$50.0 million (TL3) term loan facility to finance the acquisition of Colonial Square and Penrose Plaza. TL3 is secured by security interests in each of the property-owning entities as pledged securities.

During the financial period ended 31 December 2020, certain subsidiaries of the Group entered into certain loan agreements for an aggregate principal amount of up to US$178.0 million, consisting of US$91.5 million and US$66.5 million of floating rate borrowings drawn to part finance the acquisition of properties as well as a revolving credit facility of US$20.0 million for general corporate and working capital purposes (collectively TL1, TL2, TL3 and RCF 1, the "Prior Term Loan Credit Facilities").

The Prior Term Loan Credit Facilities were secured by, amongst other collateral:

- A perfected first priority lien over the shares of the borrowers and their subsidiaries (but excluding the subsidiaries that own properties securing the St. Lucie West Mortgage Loan and the Arundel Plaza Mortgage Loan).
- Assignments of certain bank accounts.
- Subordination of an inter-company loan within the Group.

The Prior Term Loan Credit Facilities have been fully refinanced by new credit facilities on 28 December 2022 for an aggregate floating rate term loan principal amount of US$200.0 million and US$50.0 million credit revolver facility (collectively TL4, TL5, TL6 and RCF 2, the "SOFR Term Loan Credit Facilities").

The SOFR Term Loan Credit Facilities are secured by, amongst other collateral:

- A perfected first priority lien over the shares of certain subsidiaries (existing and future but excluding the subsidiaries that own properties securing the St. Lucie West Mortgage Loan, the Arundel Plaza Mortgage Loan and Upland Square Mortgage Loan).
- Assignments of certain bank accounts.
- Subordination of inter-company loans within the Group.

Arundel Plaza Mortgage Loan

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, is secured by, among others, a mortgage over Arundel Plaza. 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.

St. Lucie West Mortgage Loan

Mortgage loan of US$40.0 million ("St. Lucie West Mortgage Loan"), which is secured by, among others, a mortgage over St. Lucie West and has 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 amortisation 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11 LOANS AND BORROWINGS (CONT'D)

Upland Square Mortgage Loan

During the year, a subsidiary of the Group assumed an existing mortgage loan of US$41.0 million ("Upland Square Mortgage Loan"), which is secured by, among others, a mortgage over Upland Square and has a fixed interest rate of 3.62% per annum, for which interest-only repayments will be made throughout the loan tenure followed by repayment of principal upon maturity period. The Upland Square Mortgage Loan includes representations, warranties and covenants by the borrower which are customary for U.S. mortgage loans. The Upland Square 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 31 December 2022, the Group has total gross loans and borrowings of US$319.5 million (31 December 2021: US$275.1 million) and US$32.6 million (31 December 2021: US$14.0 million) undrawn revolving credit facility to meet its future obligations. The Group entered into interest rate swaps to hedge the floating rate under TL1 and TL2 to a fixed rate. Following the repayment of Prior Term Loan Credit Facilities, the existing interest rate swaps have been novated to hedge the floating rate under SOFR Term Loan Credit Facilities partially. 81.4% (31 December 2021: 79.6%) of the total gross borrowings are fixed rate loans or floating rate loans that have been hedged using floating-for-fixed interest rate swaps.

The weighted average interest rate on loans and borrowings for the financial year was 3.83% (31 December 2021: 2.63%) (taking into account interest rate swaps and upfront debt-related transaction costs including residual upfront fee of US$1.9 million relating to the Prior Term Loan Credit Facilities but excluding commitment fee on the undrawn RCF). Excluding upfront debt-related transaction costs, the year-to-date average interest rate is 2.77% (31 December 2021: 2.33%).

Aggregate leverage, as defined in the Property Funds Appendix set out in CIS Code, as at 31 December 2022 was 41.8% (31 December 2021: 39.0%). Interest coverage ratio as at 31 December 2022 was 3.27 times (31 December 2021: 4.89 times) in accordance with the Property Funds Appendix of the CIS Code.

12 PREFERRED SHARES

The preferred units are issued by indirect subsidiaries of the Trust, and they rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance costs) at a rate of 12.5% per annum per preferred unit plus all accrued and unpaid dividends which is payable annually in arrears. The preferred units are not convertible into, or exchangeable for, any other property or securities of the subsidiaries. The Board of Directors of the subsidiaries may, in its sole and absolute discretion, cause the subsidiaries to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2022		2021	
	Maturity	Assets US$'000	Maturity	Assets US$'000
Floored interest rate swaps				
- Current	March 2023	686	–	–
- Non-current	March 2024	3,107	March 2023 - March 2024	91
		3,793		**91**
Derivative financial instruments as a percentage of Group's net assets		0.89%		0.02%
Derivative financial instruments as a percentage of Trust's net assets		0.96%		0.02%

Interest rate swap contracts

The Group entered into floored-interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates. As at the reporting date, the notional principal amount of the financial instruments was US$158,000,000 (2021: US$158,000,000).

The changes in fair value of the interest rate swaps and floors are recognised in profit or loss for the financial year.

14 LEASE LIABILITY

	Group	
	2022 US$'000	2021 US$'000
Maturity analysis:		
Due within 1 year	1,320	1,320
Due within 1 - 2 years	1,320	1,320
Due within 2 - 3 years	1,441	1,320
Due within 3 - 4 years	1,452	1,441
Due within 4 - 5 years	1,452	1,452
Due after 5 years	20,601	22,053
	27,586	28,906
Analysed as:		
Current	816	798
Non-current	21,561	22,377
	22,377	23,175
Right-of-use asset (included within Investment Properties) (Note 7)	22,377	23,175

The carrying amount of lease liability and the movement during the financial year is provided in Note 29. The interest expense on lease liability recognised in profit or loss for the financial year is provided in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14 LEASE LIABILITY (CONT'D)

The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two ten-year renewal options that would take the term through 24 June 2060. The Group does not face significant liquidity risk with regard to its lease liability. Lease liability is monitored within the Group's finance function.

15 NON-CONTROLLING INTERESTS

Set out below are the summarised financial information of significant entities with non-controlling interests. These are presented before inter-company eliminations.

	MCBUH Lawnside JV LLC 2022 US$'000	MCBH Parkway Crossing JV LLC 2022 US$'000	HUH Wallkill Town Center 2016, LLC 2022 US$'000
Summarised statements of financial position			
Non-current			
Assets	33,812	30,283	12,558
Liabilities	(17)	(12,907)	(3,529)
Net non-current assets	33,795	17,376	9,029
Current			
Assets	3,848	1,412	1,209
Liabilities	(35)	(446)	(349)
Net current assets	3,813	966	860
Net assets	37,608	18,342	9,889
Summarised statements of comprehensive income			
Revenue	3,581	3,217	1,401
Total comprehensive income	2,934	3,868	512
Summarised statements of cash flows			
Net cash flows generated from operating activities	1,659	1,754	966
Net cash flows used in investing activities	(9)	(816)	(1)
Net cash flows used in financing activities	(1,650)	(1,216)	(965)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

15 NON-CONTROLLING INTERESTS (CONT'D)

	MCBUH Lawnside JV LLC 2021 US$'000	MCBH Parkway Crossing JV LLC 2021 US$'000	HUH Wallkill Town Center 2016, LLC 2021 US$'000
Summarised statements of financial position			
Non-current			
Assets	33,401	27,294	12,990
Liabilities	(17)	(12,921)	(3,529)
Net non-current assets	33,384	14,373	9,461
Current			
Assets	2,993	1,882	1,239
Liabilities	(54)	(280)	(280)
Net current assets	2,939	1,602	959
Net assets	36,323	15,975	10,420
Summarised statements of comprehensive income			
Revenue	3,759	3,140	1,238
Total comprehensive income	4,494	4,075	420
Summarised statements of cash flows			
Net cash flows generated from operating activities	1,500	1,465	460
Net cash flows used in investing activities	–	(181)	(160)
Net cash flows used in financing activities	(1,500)	(1,000)	(300)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust			
	31 December 2022		31 December 2021	
	No. of Units '000	US$'000	No. of Units '000	US$'000
Units in issue:				
At the beginning of the financial year	557,374	400,158	496,055	376,033
New Units issued from Private Placement	–	–	55,555	35,000
Issue costs	–	–	–	(1,122)
Capital distribution	–	(9,112)	–	(13,641)
New Units issued for Manager's base fees	3,899	2,462	4,520	3,053
New Units issued for Manager's performance fees	26	17	82	52
New Units issued for Manager's acquisition fees	–	–	1,162	783
New Units issued for Distribution Reinvestment Plan	3,634	2,133	–	–
Total issued Units as at the end of the financial year	564,933	395,658	557,374	400,158
Units to be issued:				
Manager's base fees payable/paid in Units [(1)]	3,345	1,683	1,260	832
Manager's performance fees paid in Units [(1)]	–	–	26	17
Total Units issued and to be issued as at the end of the financial year	568,278	397,341	558,660	401,007

Footnote:

(1) The Units to be issued to the Manager as payment of Manager's base fees for Q3 2022 and Q4 2022 (2021: Q4 2021) were issued on 19 January 2023 and 10 March 2023 (2021: 4 March 2022) respectively.

Issue of new Units during 2022

During the financial year ended 31 December 2022, the Trust issued the following new Units to the Manager:

(i) 3,899,129 new Units as payment of 100% of Manager's base fee for the period from 1 October 2021 to 30 June 2022;
(ii) 26,057 new Units as payment of 100% of Manager's performance fee for the financial year ended 2021;

3,345,280 new Units to be issued to the Manager as payment of Manager's base fee for the period from 1 July 2022 to 31 December 2022.

Distribution Reinvestment Plan ("DRP")

On 23 February 2022, the Manager announced the establishment of a DRP, pursuant to which Unitholders may elect to receive new Units in UHREIT in respect of all or part only of the cash amount of any distribution to which the DRP applies. The DRP may be applied from time to time to any distribution declared by UHREIT as the Manager may determine in its absolute discretion. Consequently, for the distribution of US 2.91 cents per Unit for the period from 1 January 2022 to 30 June 2022, 3,633,668 new Units were issued at an issue price of US$0.587 per Unit on 28 September 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

16 UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

Issue of new Units during 2021

During the financial year ended 31 December 2021, the Trust issued the following new Units to the Manager:

(i) 4,519,927 new Units as payment of 100% of Manager's base fee for the period from 1 October 2020 to 30 September 2021;
(ii) 82,153 new Units as payment of 100% of Manager's performance fee for the period from the Listing Date to 31 December 2020; and
(iii) 1,162,339 new Units as payment of 100% of Manager's acquisition fee in relation to the acquisition of Colonial Square and Penrose Plaza.

On 14 October 2021, the Trust issued an aggregate of 55,555,000 Units at US$0.6300 per Unit in connection with the Private Placement launched on 5 October 2021. The total gross proceeds raised was US$35,000,000.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders. The Unitholders are entitled to receive all distributions declared and paid by the Trust.

Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust. The restrictions on Unitholders include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17 NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT

	Group		Trust	
	2022	**2021**	**2022**	**2021**
Net assets [(1)] (US$'000)	425,070	416,999	394,883	398,278
Number of Units in issue and to be issued [(2)] ('000) (Note 16)	568,278	558,660	568,278	558,660
NAV and NTA per Unit [(3)] (US$)	0.75	0.75	0.69	0.71

Footnotes:

(1) This excludes non-controlling interests' share of net assets.

(2) Based on the number of Units in issue for the financial year and the Units to be issued as full payment of the Manager's base fees (2021: Manager's base fees and Manager's performance fees).

(3) NAV and NTA are the same as there are no intangible assets as at the end of the financial year.

18 GROSS REVENUE

	Group	
	2022	**2021**
	US$'000	**US$'000**
Rental income	53,444	44,282
Recoveries income	13,444	10,684
Other operating income	564	229
	67,452	55,195

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.

19 PROPERTY EXPENSES

	Group	
	2022	**2021**
	US$'000	**US$'000**
Real estate taxes	8,956	7,394
Repair, maintenance and utilities expenses	6,086	4,047
Property management fees	2,516	2,210
Insurance expenses	1,491	1,171
Other property expenses	1,520	1,454
	20,569	16,276

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

20 OTHER INCOME

	Group	
	2022	**2021**
	US$'000	**US$'000**
Elizabeth Self-Storage Top-Up	88	1,159
Perth Amboy Self-Storage Top-Up	87	1,180
Compensatory stipulated damages	–	688
	175	3,027

Other income comprises top-ups attributable to Perth Amboy Self-Storage and Elizabeth Self-Storage and compensatory stipulated damages received in connection with the delay in completion of construction of Perth Amboy Self-Storage.

21 OTHER TRUST EXPENSES

	Group	
	2022	**2021**
	US$'000	**US$'000**
Auditor's fees	573	557
Tax compliance fees	252	244
Unit registry expense	38	65
Property valuation fees	112	107
Others	968	1,088
	1,943	2,061

Auditor's remuneration

Deloitte & Touche LLP, Singapore ("Deloitte") are the independent auditors of the Trust. Deloitte and its overseas affiliate have provided a number of audit and non-assurance related services to the Group during the financial year.

Below is a summary of fee payable/paid to Deloitte and its overseas affiliate for various services provided during the financial year:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Audit services		
Auditing of financial reports	573	557
Fee payable/paid for audit services to Deloitte	573	557
Non-assurance services		
Compliance services	252	244
Total remuneration payable/paid to Deloitte	825	801

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22 FINANCE COSTS

	Group	
	2022	**2021**
	US$'000	**US$'000**
Interest expense on loans and borrowings	8,002	5,753
Dividends paid to preferred shareholders	16	16
Commitment fees and amortisation of upfront debt-related transaction costs	3,664	924
Interest on lease liability	522	541
	12,204	7,234

23 INCOME TAX EXPENSE

	Group	
	2022	**2021**
	US$'000	**US$'000**
Current income tax:	540	422
Current income tax charge	(33)	–
Overprovision in prior financial years	507	422
Deferred tax:		
Deferred tax charge	2,802	7,556
Utilisation of prior year's unrecognised deferred tax assets	–	(1,087)
Overprovision in prior financial years	(160)	–
	2,642	6,469
Income tax expense reported in the consolidated statement of comprehensive income	3,149	6,891

The income tax for the period can be reconciled to the accounting result based on U.S. tax rate of 21.0% as all properties are based in the U.S., as follows:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Net income before tax	29,747	50,216
Tax calculated using U.S. tax rate of 21.0%	6,247	10,545
Tax effect of expenses not deductible for tax purposes	8,298	6,435
Tax effect of income not subjected to tax	(12,068)	(9,990)
Utilisation of prior year's unrecognised deferred tax assets	–	(1,087)
Overprovision of prior year income tax	(193)	–
Effect of different tax rate in state jurisdictions	875	988
Others	(10)	–
	3,149	6,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

23 INCOME TAX EXPENSE (CONT'D)

Provision for taxation

Uncertainties exist with respect to the interpretation of complex tax regulations in the jurisdictions in which the Group operates and the amount and timing of future taxable income. Given the span of tax regulations which may apply to the various taxable entities or persons within the Group, the cross-border and long-term nature and complexity of the contractual arrangements and the conditions to the tax rulings which have been obtained, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions recorded or require new or additional tax provisions to be recorded.

The Group establishes provisions, based on reasonable estimates, for anticipated tax liabilities or possible consequences of audits by the tax authorities of the respective jurisdictions in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations between the taxable entity or person involved and the relevant tax authority and anticipated future changes in the tax laws that may have a direct impact on any tax ruling or favourable tax treatment relied upon. Such instances may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the respective entity or person involved.

24 BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit ("EPU") is based on the following data:

	Group	
	2022	**2021**
Net income for the year attributable to Unitholders (US$'000)	26,166	42,860
Weighted average number of Units in issue ('000)	560,658	510,258
Basic and diluted EPU (US cents)	4.67	8.40

Basic and diluted EPU are calculated based on the weighted average number of Units in issue for the financial year.

Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 SEGMENTAL REPORTING

For the purpose of making resource allocation decisions and the assessment of segment performance, the Manager reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under IFRS 8 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under IFRS 8 are as follows:

(a) Grocery & Necessity Properties; and
(b) Self-Storage Properties

Segment profit represents the profit earned by each segment without allocation of Manager's base fees, Manager's performance fees, Trustee's fees, other trust expenses, finance costs, finance income, fair value change on derivatives and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, certain restricted cash, certain other receivables, derivative assets, certain trade and other payables, loans and borrowings (excluding Arundel Plaza Mortgage Loan, St. Lucie West Mortgage Loan and Upland Square Mortgage Loan), provision for tax, preferred shares and deferred tax liabilities.

Revenues of US$6,518,000 and US$6,029,000 (2021: US$6,461,000 and US$4,947,000) are derived from 2 major external tenants of the Group. These revenues are attributable to the gross revenue from Grocery & Necessity Properties.

The Group's main operation is located in the U.S., hence no analysis by geographical area of operation is provided.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

25 SEGMENTAL REPORTING (CONT'D)

Information regarding the Group's reportable segments are presented in the tables below.

	2022			2021		
	Grocery & Necessity Properties US$'000	**Self-Storage Properties US$'000**	**Total US$'000**	**Grocery & Necessity Properties US$'000**	**Self-Storage Properties US$'000**	**Total US$'000**
Gross revenue	63,032	4,420	67,452	51,424	3,771	55,195
Property expenses	(19,105)	(1,464)	(20,569)	(14,387)	(1,889)	(16,276)
Other income	–	175	175	–	3,027	3,027
Net property income	**43,927**	**3,131**	**47,058**	**37,037**	**4,909**	**41,946**
Fair value change in investment properties	(10,179)	7,200	(2,979)	7,233	11,382	18,615
Loss on divestment of investment properties	–	(481)	(481)	–	–	–
Unallocated expenses			(17,000)			(17,236)
Net income after tax			**26,598**			**43,325**

	As at 31 December 2022			As at 31 December 2021		
	Grocery & Necessity Properties US$'000	**Self-Storage Properties US$'000**	**Total US$'000**	**Grocery & Necessity Properties US$'000**	**Self-Storage Properties US$'000**	**Total US$'000**
Segment assets	715,765	54,414	770,179	627,502	92,010	719,512
Unallocated assets			15,724			9,984
Consolidated assets			**785,903**			**729,496**
Segment liabilities	133,306	523	133,829	138,340	553	138,893
Unallocated liabilities			224,479			171,344
Consolidated liabilities			**358,308**			**310,237**
Other segment items						
Capital expenditures	7,049	24	7,073	1,677	18	1,695

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26 COMMITMENTS

Capital commitments

The capital expenditure commitments which are contracted but not provided for are as follows:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Capital commitments in respect of investment properties	204	1,453

Operating lease commitments – as lessor

The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period and indexation clauses and/or adjusted terms in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Within 1 year	51,675	44,360
Due within 1 - 2 years	50,475	43,711
Due within 2 - 3 years	48,651	38,654
Due within 3 - 4 years	46,869	37,440
Due within 4 - 5 years	43,182	35,998
After 5 years	184,313	178,851
	425,165	379,014

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Overview

The Group's activities expose it to a variety of financial risks, which include credit risk, liquidity risk and market risk. This note provides information about the risk management strategy for the Group in relation to each of the above financial risks to which the Group is exposed to. The Group's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Group seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts. The Group's management of treasury activities is centralised and governed by policies approved by the Manager who monitors the operating compliance and performance as required. The Group has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

The Group holds the following financial instruments:

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Financial assets at amortised cost	19,519	16,019	4,985	6,397
Financial assets measured at fair value	3,793	91	–	–
Financial liabilities				
Lease liability	22,377	23,175	–	–
Financial liabilities at amortised cost	323,659	277,406	827	49,050

(a) Market risk management

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments fluctuates due to market price changes. The Group is exposed to the following market risks:

(i) Foreign exchange risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the U.S. and the cash flows from the operations of the properties are denominated in US$.

The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Group will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore dollars ("SGD") at the spot foreign exchange rate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(a) Market risk management (cont'd)

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager is actively monitoring the net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2022, the Group had gross borrowings of US$158.0 million (2021: US$158.0 million) with floating rate interest which have been hedged using interest rate swaps, and US$59.4 million (2021: US$56.0 million) of unhedged variable rate interest loans and borrowings.

Sensitivity analysis for interest rate risk

As at reporting date, if the interest rates of borrowings had been 1.0% per annum higher/lower with all other variables constant, the Group's net profit after tax would have been US$509,000 (2021: US$67,000) lower/higher, arising mainly as a result of a higher/lower interest expense on floating rate borrowings that are unhedged.

(b) Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to the Group. Credit risk arises from cash and cash equivalents, restricted cash, favourable derivative financial instruments with banks and financial institutions and receivables.

The Group manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions;
- regularly monitoring receivables on an ongoing basis; and
- requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Credit risk management (cont'd)

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, there was no identified impairment loss. Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Rental and recoveries income from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. At the end of the reporting financial year, approximately 44.0% (2021: 44.1%) of the Group's trade receivables were due from 3 tenants.

The Group assesses on a forward-looking basis the ECLs associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk of these counterparties has not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 31 December 2022.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statements of financial position. The ageing of the trade receivables at the reporting date was as follows:

	31 December 2022		31 December 2021	
	Gross trade receivables US$'000	**Allowance for ECL US$'000**	**Gross trade receivables US$'000**	**Allowance for ECL US$'000**
Group				
Current	1,495	(13)	1,865	(3)
Past due up to 3 months	928	(36)	366	(19)
Past due more than 3 to 6 months	257	(11)	248	(17)
Past due more than 6 months	248	(78)	245	(74)

Trade and other receivables that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash and credit facilities deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group's credit facilities are set out in Note 11.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	8,296	8,296	8,296	–	–
Loans and borrowings	314,300	381,243	16,418	324,711	40,114
Preferred shares	125	187	16	171	–
Rental security deposits	938	938	–	418	520
Lease liability	22,377	27,586	1,320	5,665	20,601
	346,036	418,250	26,050	330,965	61,235
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	4,853	4,853	4,853	–	–
Loans and borrowings	271,639	291,537	11,663	238,392	41,482
Preferred shares	125	203	16	62	125
Rental security deposits	789	789	–	306	483
Lease liability	23,175	28,906	1,320	5,533	22,053
	300,581	326,288	17,852	244,293	64,143

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Liquidity risk management (cont'd)

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Trust					
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables	827	827	827	–	–
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	1,234	1,234	1,234	–	–
Loans and borrowings	47,816	52,451	850	51,601	–
	49,050	53,685	2,084	51,601	–

(d) Capital management policies and objectives

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code issued by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the level of distributions made to Unitholders.

The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix previously stipulated that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 45.0% of the fund's deposited property. On 16 April 2020, the MAS announced that the Aggregate Leverage limit for Singapore REITs ("S-REITs") will be raised from 45.0% to 50.0% with immediate effect and deferred the implementation of a new minimum interest coverage ratio ("ICR") requirement to 1 January 2022. With a new minimum ICR of 2.5 times, S-REITs are allowed to increase their leverage to beyond the prevailing 45.0% limit (up to 50.0%).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Capital management policies and objectives (cont'd)

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The Aggregate Leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets (excluding right-of-use asset acquired prior to 1 January 2019). The Aggregate Leverage ratio is 41.8% as at 31 December 2022 (2021: 39.0%). The Group has complied with the Aggregate Leverage limit during the financial year.

(e) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities at amortised cost approximate their fair values.

The following is a description of the valuation technique(s) and key inputs used in the determination of the fair value of the financial assets and financial liabilities.

Financial instruments measured at fair value

<u>Financial derivative</u>

The fair value measurement for financial derivative (Note 13) has been categorised as Level 2 of the fair value hierarchy. The fair value of interest rate swaps are based on discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparties.

Financial instruments not measured at fair value

<u>Loans and borrowings and lease liability</u>

The fair values of loans and borrowings (Note 11) and lease liability (Note 14) are calculated using the discounted cash flow technique based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28 RELATED PARTIES

Related parties are persons or entities that are related to the Trust as defined by IAS 24 *Related Party Disclosures*. These include directors and their close family members and any entities they control as well as subsidiaries, the Manager, the Manager's shareholders, Hampshire U.S. Holdco, LLC (a wholly owned subsidiary of Hampshire Sponsor), the UOB Sponsor and all subsidiaries and associates of the Hampshire Sponsor or UOB Sponsor. They also include entities which are considered to have significant influence over the Hampshire Sponsor or UOB Sponsor.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the CIS Code. In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year. All of the Trust's transactions with related parties are on normal commercial terms and conditions and at market rates.

	Group	
Description of transactions	**2022**	**2021**
	US$'000	**US$'000**
Base fee payable/paid to the Manager	3,313	3,119
Acquisition fee paid to the Manager	857	783
Divestment fee paid to the Manager	228	–
Performance fee paid to the Manager	–	17
Trustee's fee payable/paid to the Trustee	138	136
Property management fees payable/paid to the Hampshire Sponsor	1,530	1,501
Construction management fee payable/paid to the Hampshire Sponsor	–	21
Leasing commission fee payable/paid to the Hampshire Sponsor	251	–
Rental income from an affiliated fund of the Hampshire Sponsor	395	395
Advance in relation to target acquisition from subsidiary of the Hampshire Sponsor	–	1,300
Refund of advance in relation to target acquisition from subsidiary of the Hampshire Sponsor	–	1,300
Compensatory stipulated damages income received from an affiliated fund of the Hampshire Sponsor	–	688
Underwriting fees paid to related corporations of the UOB Sponsor	–	962

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	At 1 January 2022 US$'000	Financing cash flows US$'000	Interest expense US$'000	Loan assumption US$'000	Amortisation of upfront debt transaction costs US$'000	At 31 December 2022 US$'000
Lease liability	23,175	(1,320)	522	–	–	22,377
Loans and borrowings – Current	6,000	(6,000)	–	–	–	–
Loans and borrowings – Non-current	265,639	3,997	–	41,000	3,664	314,300
Preferred shares	125	(16)	16	–	–	125
Accrued interest payable	248	(7,886)	8,002	–	–	364
	295,187	(11,225)	8,540	41,000	3,664	337,166

		Non-cash changes			
	At 1 January 2021 US$'000	Financing cash flows US$'000	Interest expense US$'000	Amortisation of upfront debt transaction costs US$'000	At 31 December 2021 US$'000
Lease liability	23,954	(1,320)	541	–	23,175
Loans and borrowings – Current	–	6,000	–	–	6,000
Loans and borrowings – Non-current	217,090	47,625	–	924	265,639
Preferred shares	125	(16)	16	–	125
Accrued interest payable	144	(5,649)	5,753	–	248
	241,313	46,640	6,310	924	295,187

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

30 FINANCIAL RATIOS

	Group	
	2022	2021
	%	%
Ratio of expenses to weighted average net assets [(1)]		
– Including Manager's performance fee	1.26	1.39
– Excluding Manager's performance fee	1.26	1.38
Portfolio turnover rate [(2)]	10.43	–

Footnotes:

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance costs, net foreign exchange differences and income tax expense. The Group did not incur any performance fee for the financial year ended 31 December 2022.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code.

31 EVENTS AFTER THE REPORTING PERIOD

(a) Distribution

On 22 February 2023, the Manager announced a distribution of US 2.97 cents per Unit for the financial period from 1 July 2022 to 31 December 2022.

(b) Issuance of management fees in Units to the Manager

On 19 January 2023, 1,499,395 Units were issued as payment of 100.0% Manager's base fees for the period from 1 July 2022 to 30 September 2022.

On 10 March 2023, 1,845,885 Units were issued as payment of 100.0% Manager's base fees for the period from 1 October 2022 to 31 December 2022.

32 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following IAS and IFRS pronouncements relevant to the Group and the Trust were issued but not effective.

Effective for annual periods beginning on or after 1 January 2023

- Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to IAS 8: *Definition of Accounting Estimates*
- Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Manager anticipates that the adoption of the above IFRS, IFRS INTs and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group and of the Trust in the year of their initial adoption.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year ended 31 December 2022, which fall under the Listing Manual of the SGX-ST and Property Funds Appendix of the Code of Collective Investment Scheme, are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review: excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920		Aggregate value of all interested person transactions during the financial year under review: transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY2022 US$'000	FY2021 US$'000	FY2022 US$'000	FY2021 US$'000
United Hampshire US REIT Management Pte. Ltd.	**The Manager of UHREIT**				
Base fee		3,313	3,119	–	–
Performance fee		–	17 [1]	–	–
Acquisition fee		857	783	–	–
Divestment fee		228	–	–	–
Perpetual (Asia) Limited	**Trustee of UHREIT**				
Trustee fee		138	136	–	–
The Hampshire Companies, LLC	**Shareholder of the Manager/Hampshire sponsor**				
Property management fee		1,530	1,501	–	–
Construction management fee		–	21 [1]	–	–
Leasing commission fee		251	–	–	–
HH Acquisition Partners LLC	**Subsidiary of the Hampshire sponsor**				
Advance in relation to target acquisition		–	1,300	–	–
Refund of advance in relation to target acquisition		–	1,300	–	–
Burlington 2000 L.L.C	**Subsidiary of an affiliated fund of the Hampshire Sponsor**				
Rental income		395	395	–	–

Save as disclosed above, there were no additional interested person transactions (excluding transactions less than S$100,000) entered into during the financial year under review and UHREIT has not obtained a general mandate from Unitholders for interested person transactions.

Please also see Related Party Transactions in Note 28 to the Financial Statements.

Subscription of UHREIT Units

For the financial year ended 31 December 2022, an aggregate of 3,925,186 (2021: 5,764,419) Units were issued and subscribed for in relation to the Manager's base fees and performance fees. 3,633,668 Units were issued on 28 September 2022 as part payment of distributions in respect of the distribution for the period from 1 January 2022 to 30 June 2022, pursuant to UHREIT's Distribution Reinvestment Plan.

On 19 January 2023, an aggregate of 1,499,395 Units and on 10 March 2023, an aggregate of 1,845,885 Units were issued in relation to the payment of Manager's base fees for the third quarter of 2022 and the fourth quarter of 2022 respectively.

1 These Interested Person Transactions include transactions of less than S$100,000 each.

UNITHOLDING STATISTICS

ISSUED AND FULLY PAID UNITS

There were 568,278,478 Units issued in United Hampshire US Real Estate Investment Trust as at 10 March 2023 (voting rights: one vote per Unit). There is only one class of Units in United Hampshire US Real Estate Investment Trust. There are no treasury Units and subsidiary holdings held.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings			Number of Unitholders	% of Unitholders	Number of Units	% of Units
1	-	99	3	0.16	140	0.00
100	-	1,000	188	10.20	169,206	0.03
1,001	-	10,000	953	51.68	5,444,662	0.96
10,001	-	1,000,000	675	36.60	44,055,240	7.75
1,000,001 and above			25	1.36	518,609,230	91.26
			1,844	**100.00**	**568,278,478**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name of Unitholders	Number of Units	%
1.	RAFFLES NOMINEES (PTE.) LIMITED	97,193,817	17.10
2.	UOB KAY HIAN PRIVATE LIMITED	74,959,616	13.19
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	74,695,924	13.14
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	50,640,187	8.91
5.	DBS NOMINEES (PRIVATE) LIMITED	47,949,424	8.44
6.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	39,229,694	6.90
7.	DBSN SERVICES PTE. LTD.	30,373,180	5.34
8.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	27,484,500	4.84
9.	DB NOMINEES (SINGAPORE) PTE LTD	10,756,800	1.89
10.	PHILLIP SECURITIES PTE LTD	8,488,713	1.49
11.	METRO ARC INVESTMENTS PTE LTD	7,556,932	1.33
12.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	7,295,300	1.28
13.	BOUSTEAD SINGAPORE LIMITED	7,000,000	1.23
14.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,732,977	1.01
15.	UNITED HAMPSHIRE US REIT MANAGEMENT PTE LTD	5,164,506	0.91
16.	MAYBANK SECURITIES PTE. LTD.	4,080,345	0.72
17.	AAH INVESTMENT PTE LTD	3,750,000	0.66
18.	SUPERBOWL HOLDINGS LIMITED	3,547,979	0.62
19.	OCBC SECURITIES PRIVATE LIMITED	2,703,692	0.48
20.	TANG WEE LOKE	2,518,977	0.44
	TOTAL	**511,122,563**	**89.92**

UNITHOLDING STATISTICS

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 10 March 2023)

Name of Substantial Unitholders	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
U.S. RE Fund II Offshore Feeder 1 Ltd	44,395,000	7.81	–	–
United Overseas Bank Limited[2]	–	–	49,559,506	8.72
The Hampshire Generational Fund LLC[3]	–	–	44,395,000	7.81
Golden Sun (China) Limited	32,654,800	5.75	–	–

Notes:

(1) The percentage is based on 568,278,478 Units in issue as at 10 March 2023.

(2) United Overseas Bank Limited is deemed interested in 44,395,000 Units held by U.S. RE Fund II Offshore Feeder 1 Ltd as U.S. RE Fund II Offshore Feeder 1 Ltd is a direct wholly owned subsidiary of United Overseas Bank Limited. United Overseas Bank Limited is also deemed interested in 5,164,506 Units held by the Manager.

(3) The Hampshire Generational Fund LLC holds a 95.0% interest in each of HGF Investors Fund I LLC and HGF Investors Fund II, LLC. Accordingly, The Hampshire Generational Fund LLC is deemed to be interested in HGF Investors Fund I LLC's and HGF Investors Fund II, LLC's respective direct interests in the Units.

UNITS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors' Unitholdings as at 21 January 2023)

Directors	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
James Ernest Edwin Hanson II[2]	–	–	3,668,824	0.65
David Tuvia Goss	1,187,180	0.21	–	–
Tan Tong Hai	–	–	–	–
Chua Teck Huat Bill	–	–	–	–
Jaelle Ang Ker Tjia	–	–	–	–
Wee Teng Wen	1,585,000	0.28	–	–

Notes:

(1) The percentage is based on 566,432,593 Units in issue as at 21 January 2023.

(2) Mr. James Ernest Edwin Hanson II is deemed interested in 3,668,824 Units held by United Hampshire US REIT Management Pte. Ltd. (the "**Manager**") and Hampshire Reinvestment LLC as he has more than 20% interest in each of these entities.

FREE FLOAT

Based on the information made available to the Manager as at 10 March 2023, approximately 76.73% of the Units in United Hampshire US Real Estate Investment Trust are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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Non-Independent Non-Executive Director

Mr. David Tuvia Goss
Non-Independent Non-Executive Director

Mr. Wee Teng Wen
Non-Independent Non-Executive Director

Mr. Chua Teck Huat Bill
Independent Non-Executive Director

Ms. Jaelle Ang Ker Tjia
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Mr. Chua Teck Huat Bill
Chairman

Mr. Tan Tong Hai

Ms. Jaelle Ang Ker Tjia

NOMINATING AND REMUNERATION COMMITTEE

Mr. Tan Tong Hai
Chairman

Mr. Chua Teck Huat Bill

Mr. James E. Hanson II

Mr. David Tuvia Goss

Ms. Jaelle Ang Ker Tjia

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Mr. Shariq Barmaky
Appointed:
With effect from financial period ended 31 December 2020

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