



UNITED HAMPSHIRE US REIT ACHIEVES 12.2% GROWTH IN 9M 2023 NET PROPERTY INCOME

- **9M 2023 Gross Revenue and Net Property Income increased 11.7% and 12.2% y-o-y respectively**
- **Committed occupancy for Grocery & Necessity Properties remains high at 97.2%**
- **Strong tenant retention rate of 92% since IPO**
- **Long WALE of 7.2 years¹, majority of leases are triple net with built-in rental escalations**
- **Construction of Academy Sports Building in Port St. Lucie has been completed ahead of schedule, with store opening anticipated by end of November 2023**
- **Minimal near-term refinancing requirements with 93.4%² of debt maturing in November 2026 or later**

SINGAPORE, 9 NOVEMBER 2023 – United Hampshire US REIT Management Pte. Ltd. (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that its gross revenue and net property income (“**NPI**”) for the 9 months ended 30 September 2023 (“**9M 2023**”) rose 11.7% and 12.2% year-on-year (“**y-o-y**”), to US\$54.4 million and US\$38.7 million respectively. The portfolio’s strong performance was supported by contributions from recently renewed leases, rental escalations from existing leases and the latest acquisition, Upland Square.

Distributable income for 9M 2023 was US\$23.7 million³. To preserve unitholder value by minimising unit base dilution, the Manager has elected to receive 100% of its 3Q 2023 base fee in cash instead of units. On a like-for-like basis, assuming 3Q 2023 base fee was received in units rather than cash, distributable income for 9M 2023 would have been US\$24.5 million³ or 0.3% lower y-o-y.

Mr. Gerard Yuen, Chief Executive Officer of the Manager, said, “UHREIT has continued to deliver resilient performance for this quarter, with healthy leasing momentum across our portfolio. Committed occupancy at our Grocery & Necessity Properties remains high at 97.2%, supported by a diversified tenant base of which, 63.6%⁴ provide essential goods and services.”

“We are also pleased to share that construction of the new 63,000 sq ft Academy Sports + Outdoors (“**Academy Sports**”) store at Port St. Lucie is ahead of schedule. We have completed the required landlord work at the property with construction of the building being completed. Academy Sports is in the process of completing its interior build-out with the anticipation of opening the store ahead of schedule in November 2023. This new store will enhance the financial performance of the property and is also expected to generate a significant increase in foot-traffic at the property.”

¹ Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.0 years as at 30 September 2023.

² Assuming the loan extension option is fully exercised.

³ Distributable income is computed before US\$1.5 million capital reserve retention declared in 1H 2023.

⁴ Based on base rental income of Grocery & Necessity Properties for the month of September 2023.



Portfolio Review and Management

UHREIT has continued to experience healthy leasing momentum at its Grocery & Necessity Properties. Eight new and renewal leases totalling 97,098 sq ft were executed in 3Q 2023. As at 30 September 2023, Grocery & Necessity Properties' committed occupancy remained high at 97.2%. There is minimal leasing risk, with only 0.1%⁴ of the leases due to expire in 2023 and only 3.4%⁴ expiring in 2024. Furthermore, the majority of the leases are triple net with built-in rental escalations over the lease term.

The performance of UHREIT's Self-Storage Properties was also strong with the average quarterly net rental rate on an uptrend despite some normalisation in the occupancy rate. As at 30 September 2023, the occupancy for Carteret and Millburn Self-Storage was 89.2% and 92.1% respectively.

Prudent Capital Management

UHREIT has minimal near-term refinancing requirements with 93.4%² of debt maturing in November 2026 or later. For 2024, the only loan maturing is a US\$21.1 million mortgage loan. The Manager is in negotiations with both existing and new lenders to consider refinancing options. In addition, UHREIT has sufficient undrawn revolving credit facility to refinance the mortgage loan when it is due. As at 30 September 2023, 80.9% of UHREIT's total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps.

Aggregate leverage of 41.7% is slightly lower than the previous quarter. Weighted average interest rate stood at 4.04%⁵, with a weighted average debt maturity of 3.2 years², and an interest coverage ratio of 2.7 times⁶.

U.S. Market Outlook

Based on advance estimates released by the U.S. Bureau of Economic Analysis, the U.S. third quarter GDP in 2023 increased at an annualised rate of 4.9%⁷. According to the U.S. Bureau of Labor Statistics, nonfarm payroll employment increased by 150,000 in October 2023, while the unemployment rate increased to 3.9%⁸, a sign of softening in the U.S. job market.

The Consumer Price Index rose by 3.7% in September 2023, significantly lower than the peak of 9.1% in June 2022⁹. However, it is still above the Federal Reserve's targeted inflation goal of 2%.

Based on the advanced monthly sales report released by the U.S. Census Bureau, the U.S. total retail and food services sales for September 2023 was up 3.8% y-o-y¹⁰, the strongest annual gain since February 2023.

⁵ Trailing 12-month and excludes upfront debt-related transaction costs.

⁶ The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (excluding interest on lease liabilities).

⁷ U.S. Bureau of Economic Analysis, "Gross Domestic Product, Third Quarter 2023 (Advance Estimate)", 26 October 2023.

⁸ U.S. Bureau of Labor Statistics, "The Employment Situation – October 2023", 03 November 2023.

⁹ U.S. Bureau of Labor Statistics, "Consumer Price Index – September 2023", 12 October 2023.

¹⁰ U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services – September 2023", 17 October 2023.



The Strip Center Sector is seeing foot traffic hovering around pre-pandemic levels. The sector's greater emphasis on essential (e.g., groceries, drug stores, and medical services) and off-price compared to other retail formats is a highly desirable attribute in a period when consumers are diligently managing their budgets, pressured by stubbornly high interest rates¹¹.

In the Self-Storage Sector, occupancy is at pre-Covid levels (~92% on average), resulting in more modest existing customer rate increases. Meanwhile, peak leasing season in 2023 proved to be slow in light of sluggish home sale activity, which is a key driver of storage demand in the spring and summer months¹².

Looking Ahead

With a protracted high interest rate environment, heightened macroeconomic and geopolitical uncertainties from the Middle East crisis, the Manager will continue to focus its efforts on optimising the portfolio and strengthening its income streams through asset enhancement and upgrade initiatives to deliver long-term value to all unitholders.

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¹¹ Green Street, "Strip Center Sector Update", 29 August 2023.

¹² Green Street, "Self-Storage Sector Update", 01 September 2023.



To find out more about UHREIT, please visit <https://www.uhreit.com/>



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About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange on 12 March 2020, UHREIT is a Singapore real estate investment trust established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based¹³ retail properties ("**Grocery & Necessity Properties**"), and (ii) modern, climate-controlled self-storage facilities ("**Self-Storage Properties**"), located in the U.S.

The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omnichannel platforms¹⁴.

UHREIT's portfolio comprises 20 predominantly freehold Grocery & Necessity Properties and two Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with a carrying value of approximately US\$746.0 million¹⁵ and an aggregate net lettable area ("**NLA**") of approximately 3.8 million square feet.

About the Sponsors

UOB Global Capital LLC

UOB Global Capital LLC is an originator and distributor of private equity, hedge funds, fixed income and real estate products, and a global asset management subsidiary of United Overseas Bank Limited ("**UOB**"), a leading bank in Asia. UOB Global Capital LLC was founded in 1998 and has US\$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

The Hampshire Companies, LLC is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including industrial, 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 approximately US\$2.0 billion in value and totaling over 15.0 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.7 billion¹⁶. 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.

¹³ "**Grocery-anchored and necessity-based**" retail properties are assets which are anchored by non-discretionary spending businesses such as supermarkets and grocers (generally accounting for 50 to 70 per cent of the NLA), complemented by smaller inline tenants (generally each accounting for less than 5 per cent of the NLA) for lifestyle services such as hair salons, laundry and dry cleaning stores.

¹⁴ "**Omnichannel platforms**" means the utilisation of multiple distribution channels, both physical and digital to allow the retailer to be better positioned to engage with the customer. These channels include the physical store, websites, phones, e-mail offers, social media, and traditional advertisement methods (i.e. print media).

¹⁵ Based on carrying value of investment properties as at 30 September 2023.

¹⁶ As at 31 December 2022.



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