



UNITED HAMPSHIRE US REIT ACHIEVES DISTRIBUTABLE INCOME OF US\$15.2 MILLION FOR 1H 2021, 1.5% ABOVE IPO FORECAST

- ***Distribution per unit of US\$3.05 cents, 1.0% above IPO Forecast***
- ***Grocery & Necessity Properties achieve committed occupancy rate of 94.8%; long WALE of 8 years¹; strong rental collections of 99.0%²***
 - ***Grocery and Home Improvement tenants maintain strong sales***
- ***Strip centers rebound faster than malls, with foot traffic now trending 4.0% above pre-pandemic levels³***
- ***Strong leasing momentum with the execution of 21 new and renewal leases***
 - ***Low leasing risk with only 0.8% of leases expiring in 2021***
- ***Occupancies trending up for Self-Storage Properties***
 - ***Hybrid work-from-home dynamics and suburban migration continue to boost the sector***
- ***Well-spread debt maturity profile with no refinancing requirements until 2023***

SINGAPORE, 12 AUGUST 2021 – United Hampshire US REIT Management Pte. Ltd., the manager (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that its distributable income for half-year ended 30 June 2021 (“**1H 2021**”) of US\$15.2 million, was 1.5% higher than IPO Forecast (“**Forecast**”) of US\$15.0 million, well-supported by a resilient portfolio. 1H 2021 distribution per unit (“**DPU**”) was US\$3.05 cents, outperforming DPU Forecast of US\$3.02 cents by 1.0%.

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

¹ *Grocery & Necessity Properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 8 years as at 30 June 2021.*

² *Based on total base rent collected for Grocery & Necessity Properties in 1H 2021.*

³ *Green Street Retail Insights, 28 July 2021.*

Summary of Results (1 January to 30 June 2021)

US\$'000	Actual	Forecast⁴	Variance (%)
Gross Revenue	26,804	27,759	(3.4)
Net Property Income	20,472	20,584	(0.5)
Distributable Income	15,204	14,984	1.5
Distribution per Unit ⁵ (US cents)	3.05	3.02	1.0

1H 2021 gross revenue was US\$26.8 million, 3.4% lower than the Forecast, and 1H 2021 net property income (“**NPI**”) stood at US\$20.5 million, 0.5% lower than the Forecast, which was made prior to the outbreak of the COVID-19 pandemic⁶. The variance was mainly due to the impact of COVID-19 on leasing activities at the properties. The decrease was offset by lower finance costs than Forecast, higher Top-Up income attributable to Elizabeth and Perth Amboy Self-Storage, as well as the compensatory stipulated damage income of US\$0.7 million in connection with the delayed completion of construction of Perth Amboy Self-Storage.

Grocery & Necessity Properties achieved a committed occupancy rate of 94.8% as at 30 June 2021 and strong rental collections of 99.0%⁷ for 1H 2021. Occupancies for Self-Storage Properties continued to trend upwards since the gradual lifting of the lockdown guidelines from May 2020. Perth Amboy Self-Storage, which commenced leasing activities in January 2021, has almost doubled in occupancy to 25.0% as at 30 June 2021, from 12.9% as at 31 March 2021.

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “We have continued to experience resiliency for our Grocery & Necessity Properties, which are strip centers leased to cycle agnostic tenants providing essential services. The market has seen a recovery in retail foot traffic with the gradual opening of the economy. Compared to the malls, traffic at the strip centers has performed better throughout the pandemic and rebounded faster, with foot traffic now 4.0% above pre-pandemic levels⁸. Tenants continued to show their commitment to their omni-channel strategies by investing in shopping technologies and digitalisation such as cashierless checkout, digital pricing, and smart carts.

⁴ The Prospectus disclosed a profit forecast for the financial year 2021. Forecast numbers for the period for 1H 2021 were derived by pro-rating the forecast figures for the forecast period as disclosed in the Prospectus.

⁵ DPU of US3.05 cents for the period from 1 January to 30 June 2021 was calculated based on 498,500,061 units as at 30 June 2021.

⁶ Forecast from UHREIT Prospectus dated 3 March 2020. World Health Organization (WHO) announced that COVID-19 can be characterised as a pandemic on 11 March 2020.

⁷ Based on total base rent collected for Grocery & Necessity Properties in 1H 2021.

⁸ Green Street Retail Insights, 28 July 2021



Our Grocery and Home Improvement tenants have continued to maintain strong sales throughout this period; whilst Food & Beverage and Consumer Services tenants have also seen a strong improvement in performance and have formed the majority of the new and renewal leases signed during this period.”

“Self-Storage leasing activities and rental rates have been affected by the pandemic, and an anti-price gouging law introduced by the U.S. Government at the onset of the pandemic limited a landlord’s ability to assess rental rate increases on existing customers. However, occupancies have been trending upwards after COVID-19 related lockdown guidelines were loosened. We anticipate we will have opportunities to accelerate rental rate increases when these rental rate caps are lifted. The socio-economic dynamics including work-from-home trends, continued upward momentum in home ownership, accelerated suburban migration and smaller housing arrangements, will continue to boost the sector.”

Portfolio Review and Management

In 1H 2021, UHREIT experienced robust leasing momentum with the execution of 21 new and renewal leases totalling approximately 145,130 sq ft. The Grocery & Necessity portfolio features a long WALE of 8 years⁹, and with leases expiring in 2021 dropping from 2.9%¹⁰ as at 31 March 2021 to only 0.8%¹¹ as at 30 June 2021, leasing risk has been significantly reduced. As at 30 June 2021, Grocery & Necessity Properties achieved a committed occupancy of 94.8%. UHREIT will also experience organic growth as most of the leases for Grocery & Necessity Properties have built-in rental increases during the lease terms.

UHREIT’s Self-Storage Properties’ occupancies have also continued to trend up. Perth Amboy Self-Storage, which commenced leasing activities in January 2021, has seen close to a doubling in occupancy to 25.0% as at 30 June 2021, from 12.9% as at 31 March 2021. Both Carteret and Millburn Self-Storage’s occupancies have remained high at 95.8% and 94.7% as at 30 June 2021 respectively. Elizabeth Self-Storage recorded a steady occupancy growth and has an occupancy of 46.3% as at 30 June 2021.

⁹ Grocery & Necessity Properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 8 years as at 30 June 2021.

¹⁰ Based on base rental income of Grocery & Necessity Properties for the month of March 2021.

¹¹ Based on base rental income of Grocery & Necessity Properties for the month of June 2021.



Prudent Capital Management

UHREIT continues to focus on a disciplined and prudent capital management strategy. As at 30 June 2021, UHREIT maintains a conservative leverage of 36.4%, well below the aggregate leverage limit of 50.0% set by the Monetary Authority of Singapore. UHREIT also has an undrawn US\$20.0 million committed revolving credit facility.

100% of UHREIT's total debt has been hedged into fixed rates, which removes any near-term interest rate risk. The weighted average interest rate is 2.85% and interest coverage ratio stood at 6.6 times. The weighted average debt maturity is 3 years with no refinancing requirements until 2023.

U.S. Market Outlook

Based on advance estimates released by the Bureau of Economic Analysis, U.S. second quarter GDP in 2021 increased at an annualised rate of 6.5%, as compared to 6.3% in the first quarter. The increase in the second quarter was mainly driven by consumer spending¹². GDP is projected to increase by 7.0%, and unemployment rate is expected to be at 4.5% by the end of the year¹³. In a latest employment situation report published by the U.S. Bureau of Labor Statistics, it is noted that unemployment rate in July declined to 5.4%¹⁴.

Across the U.S., over 350 million doses of COVID-19 vaccinations have been administered as at 11 August 2021, with approximately 71.3% of the adult population having received at least one dose of the vaccination, and approximately 50.3% of the population is fully vaccinated¹⁵.

According to the U.S. Census Bureau, overall retail spending for 2Q 2021 and 1H 2021 increased 31.5% and 22.8% year-on-year respectively¹⁶. The National Retail Federation had revised its annual forecast for 2021, anticipating that retail sales will grow between 10.5% to 13.5% mainly due to a

¹² Bureau of Economic Analysis, 29 July 2021, Gross Domestic Product, [Second Quarter 2021 \(Advance Estimate\) and Annual Update](#).

¹³ Federal Open Market Committee, 16 June 2021, Summary of Economic Projection.

¹⁴ Bureau of Labor Statistics, 6 August 2021, [The Employment Situation – July 2021](#).

¹⁵ Centers for Disease Control and Prevention, [COVID-19 Vaccinations in the United States](#).

¹⁶ U.S. Census Bureau, Advance Monthly Sales for Retail and Food Services, June 2021, 16 July 2021.



combination of the vaccine rollout, the U.S. Government's distribution of stimulus checks and the private sector¹⁷.

The self-storage market is expected to continue its upward trend owing to businesses adopting a more flexible remote working model. Businesses will require storage facilities as they reduce their office space requirements. Families requiring additional space in the home will also look towards storage facilities to stow items and furniture that are not needed. Historically, self-storage demand and homeownership are highly correlated, suggesting the recent strong home sales will continue to drive self-storage demand.

The Manager continues to focus on enhancing asset value, achieving optimal lease and capital management, and to also actively seek investment opportunities that will deliver long-term value to Unitholders. The Manager will also place its efforts on maintaining stable occupancy rates, prioritising tenant retention, and working closely with existing tenants to navigate through this uncertain period. Notwithstanding the potential impact that the new COVID-19 variant may have on the economy, the Manager is optimistic that UHREIT's resilient Grocery & Necessity portfolio remains well-positioned to weather the challenges ahead.

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¹⁷ National Retail Federation, 9 June 2021, "[Retail sales to now exceed \\$4.44 trillion in 2021, as NRF revises annual forecast](#)".



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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-based¹⁸ retail properties (“**Grocery & Necessity Properties**”), and (ii) modern, climate-controlled self-storage facilities (“**Self-Storage Properties**”), located in the U.S.

The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omni-channel platforms¹⁹.

¹⁸ “**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.

¹⁹ “**Omni-channel platforms**” means the utilisation of multiple distribution channels, both physical and digital to allow the retailer to be better positioned to engage with the customer. These channels include the physical store, websites, phones, e-mail offers, social media, and traditional advertisement methods (i.e. print media).



UHREIT's portfolio comprises 22 predominantly freehold Grocery & Necessity Properties and Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with a total property value of approximately US\$587.1 million as at 30 June 2021 and an aggregate net lettable area ("NLA") of approximately 3.2 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\$2.88 billion in Asset Under Management ("AUM") as of 31 December 2020. It operates from offices in New York and Paris, with representation at UOB's headquarters in Singapore. In this way, the firm can conduct its activities and meet investors' needs across the Americas, Europe, the Middle East and Asia.

The Hampshire Companies, LLC

The Hampshire Companies, LLC is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including industrial, retails, self-storage, office, industrial and multifamily. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 175 properties across the U.S. with an AUM in excess of approximately US\$1.7 billion in value and totalling over 12.25 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.3 billion²⁰.

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

²⁰ As at 31 December 2020.



IMPORTANT NOTICE

Capitalised words and expressions used in this announcement shall unless otherwise defined, bear the same meanings given to them in the Prospectus. This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for the Units in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by United Hampshire US REIT, the Manager, Perpetual (Asia) Limited, as trustee of United Hampshire US REIT, the Sponsors, the Joint Bookrunners, or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The holders of Units have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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