



UNITED HAMPSHIRE US REIT ESTATE INVESTMENT TRUST
(a real estate investment trust constituted on 18 September 2019
under the laws of the Republic of Singapore)
(Managed by United Hampshire US REIT Management Pte. Ltd.)

**ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2021
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

United Hampshire US REIT Management Pte. Ltd., as manager of United Hampshire US Real Estate Investment Trust (“**UHREIT**”, and the manager of UHREIT, the “**Manager**”) would like to thank all unitholders of UHREIT (“**Unitholders**”) who have submitted their questions in advance of UHREIT’s Annual General Meeting (“**AGM**”) to be held virtually via “live audio-visual webcast and live audio-only stream” on 28 April 2021, Wednesday at 10.00 a.m.

The Manager has consolidated the questions received from the Unitholders, as well as included the questions posted by Securities Investors Association (Singapore) (“**SIAS**”). Please refer to Appendix A for the list of substantial and relevant questions and the Manager’s responses to these questions.

BY ORDER OF THE BOARD

Robert T. Schmitt

Chief Executive Officer

United Hampshire US REIT Management Pte. Ltd.

(Company Registration No. 201916768W)

As Manager of United Hampshire US Real Estate Investment Trust

27 April 2021

<p>United Overseas Bank Limited was the sole financial adviser for the initial public offering of United Hampshire US REIT (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.</p>



Appendix A

- 1. Are the occupancy rates at UHREIT's self-storage properties (especially Elizabeth Self-Storage) meeting management's expectations? While the occupancy rate at Millburn Self-Storage increased from 63.1% in 2Q to 93.4% in 4Q, the occupancy at Elizabeth Self-Storage increased from 12.4% to 36.6% over the same period. Occupancy at Carteret Self-Storage averaged 93.7% in 4Q 2020.**

While UHREIT's Self-Storage segment was initially impacted by the pandemic and shelter-in-place restrictions, its performance has improved considerably since the gradual lifting of the lockdown guidelines from May 2020 and occupancies have continued to trend upwards. As at 31 December 2020, Elizabeth Self-Storage has achieved an occupancy of 38.7%, 1.5% below the forecasted occupancy of 40.2%. In addition to traditional life changing events, the acceleration of suburban migration and the escalation of corporate work-at-home policies is expected to continue to create strong consumer demand. For 2021, the Manager will continue to focus on improving the occupancy and rental rates.

- 2. The Manager commenced leasing activities for Perth Amboy Self-Storage in January 2021 after construction was completed. The occupancy rate reached 8% as of February 2021. What is the typical gestation period to fill up a new self-storage such as Perth Amboy Self-Storage in New Jersey? Has the COVID-19 pandemic significantly changed the pace? Does management expect a shorter or a longer runway to reach the stabilised stage?**

The expected period estimated by CBRE, Inc. and Cushman & Wakefield of New Jersey LLC, the independent valuers during UHREIT's IPO, for a self-storage property to achieve stabilised Net Operating Income was three and four years respectively. Although the COVID-19 pandemic has impacted the self-storage industry in general, the Manager is pleased that since commencing operations on 19 January 2021, Perth Amboy Self-Storage has achieved an occupancy of 12.9% as at 31 March 2021.

- 3. Similarly, what is the expected time needed to backfill the existing Publix Store at St. Lucie West?**

The Manager has leased 57% of the existing Publix store to Beall's Outlet Stores and is in the process of negotiating a lease for another approximately 20% of the existing space. The Manager has received several expressions of interest for the remaining space.

- 4. Can the Manager help unitholders understand the main reasons that led to the changes in valuation?**

In deriving the 31 December 2020 valuation, the valuer has taken into consideration certain estimates including those relating to discount, terminal capitalisation and capitalisation rates, which are reflective of the current market conditions.



For certain properties, changes in the assumption on the market rates such as capitalisation, rental growth and discount rates, resulted in valuation changes for those properties.

5. Can the Manager also elaborate on the difference in the capitalisation rate for Grocery & Necessity and for Self-Storage? Once fully stabilised, what is the projected/industry capitalisation rate for the Self-Storage properties?

The investment properties were stated at fair value based on independent valuation undertaken by CBRE, Inc.

The capitalisation rates adopted reflect attributes such as the nature, location, tenure and tenancy profile of the properties together with the prevailing market condition and the outlook of the relevant sector in the similar vicinity. Reference would also be taken from comparable yields derived from comparable properties' transactions.

In the Independent Market Research by Cushman & Wakefield, the capitalisation rate cited for nationwide self-storage properties is around 6.1%, however the capitalisation rate used by CBRE, the independent valuer for UHREIT's Self-Storage properties which are located in the New York metro area, is lower due to favourable regional market conditions.

6. Has the Manager determined the optimal capital allocation between Grocery & Necessity and Self-Storage? If so, what is the optimal/targeted balance between the two?

In terms of future acquisitions, the Manager will pursue opportunities that it believes will be accretive to UHREIT's portfolio and improve returns to Unitholders relative to UHREIT's weighted average cost of capital, and opportunities for future income and capital growth. The Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile and optimise risk-adjusted returns to the Unitholders. The Manager believes the current allocation between Grocery & Necessity and Self-Storage falls within an appropriate range but depending on acquisition opportunities and market conditions, the allocation between the sectors may vary modestly.

7. Can the Manager confirm that there is no right-of-first-refusal pipeline from the sponsor?

The Hampshire Sponsor has granted a right of first refusal (the "ROFR") to UHREIT so long as:

- (i) UHREIT is listed on and quoted for on the Main Board of the SGX-ST;
- (ii) United Hampshire US REIT Management Pte. Ltd. or any of its related corporations remains the manager of UHREIT; and
- (iii) Hampshire Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of UHREIT.

For assets which are owned jointly by one or more third parties or the Hampshire Sponsor's subsidiaries or private funds which are not wholly-owned by the Hampshire Sponsor, the Hampshire Sponsor shall use its best endeavours to obtain the consent of the relevant third parties, failing which the ROFR will exclude such asset. Further details of the ROFR can be found in UHREIT's IPO prospectus.



8. How is the Manager sourcing for assets that would be accretive and complementary to the existing portfolio?

The Manager, together with the Hampshire Sponsor, has extensive experience and a strong track record in sourcing, acquiring and financing real estate assets in the US. The industry knowledge, relationships and access to market information of the management of the Manager and Hampshire Sponsor provide a competitive advantage with respect to identifying, evaluating and acquiring additional real estate assets. The Manager and Hampshire Sponsor work closely with property brokers, property developers and private owners to source for potential acquisitions. The Manager will also evaluate deals that are in the Hampshire Sponsor's properties under development.

9. What are the steps taken to enhance UHREIT's portfolio resilience amid elevated volatility across economies, industries and currencies movement?

UHREIT enjoys a long WALE of 8.2 years¹ and high Grocery & Necessity properties occupancy of 94.7% as at 31 December 2020. The Manager actively manages UHREIT's properties and during the leasing process, it also looks for potential tenants operating in resilient sectors with strong financial and business profile.

UHREIT's business is not exposed to significant currency risk as the portfolio of properties are located in the US and the cash flows from the operations of the properties are denominated in US 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 at the spot foreign exchange rate on the designated date.

¹ Computation included forward committed leases. Excluding forward committed leases, the WALE is 7.9 years as at 31 December 2020.



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