



UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST MAKES MAIDEN ACQUISITION OF TWO DOMINANT GROCERY-ANCHORED ASSETS FOR APPROXIMATELY US\$78.25 MILLION

- *Entry into Pennsylvania and Virginia, enhancing portfolio and tenant diversification, and income resilience*
- *Deepens high-quality, freehold portfolio focused on Eastern seaboard, with limited competition and high barriers to entry for new retail developments*
- *Distribution per Unit (DPU) accretive acquisition to extend the portfolio's focus on cycle agnostic tenants providing essential services*
- *Improves portfolio WALE to 8.1 years¹ and raises lease expiry profile, while maintaining Grocery & Necessity portfolio committed occupancy at 94.8%²*
- *Well-placed to tap on rebound in strip centers' foot traffic and rising U.S. consumer spending*

SINGAPORE, 5 OCTOBER 2021 – United Hampshire US REIT Management Pte. Ltd., the manager (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), is pleased to announce its maiden acquisition post IPO. UHREIT’s proposed acquisition comprises two dominant grocery-anchored freehold assets – Penrose Plaza in Philadelphia, Pennsylvania and Colonial Square, Colonial Heights, in Richmond, Virginia. This also marks UHREIT’s first entry into Pennsylvania and Virginia, extending UHREIT’s focus on the Eastern seaboard.

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 Based on executed leases of Grocery & Necessity Properties by base rental income, whether existing or committed, as at 30 September 2021.

² Based on executed leases of Grocery & Necessity Properties, whether existing or committed, as at 30 June 2021.



The total purchase price of the assets is US\$78.25 million, comprising US\$52.0 million for Penrose Plaza and US\$26.25 million for Colonial Square, 3.9% lower than the independent valuation of US\$81.45 million³.

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “We are delighted to be making our first acquisition since IPO, strategically adding two dominant grocery-anchored freehold assets to our high-quality portfolio. Both Penrose Plaza and Colonial Square are anchored by superior tenants, including Publix, one of the largest U.S. grocery chains, and ShopRite, a leading supermarket brand in the region, as well as other large home improvement and Fortune 500 discount variety stores.”

“This also signifies our first entry into Pennsylvania and Virginia, and further extends our presence in the Eastern seaboard. Additionally, both assets fit in well with our investment criteria given their strategic locations in neighbourhoods with limited competition and high barriers to entry for new retail development. Other attributes such as good access to major highways, densely populated communities and excellent visibility also add to the attractiveness of these properties. The portfolio diversity further augments UHREIT’s income visibility and resilience, backed by cycle agnostic tenants providing essential services.”

“This DPU accretive acquisition will benefit from the rising U.S. consumer spending, and a rebound in strip centers’ foot traffic, with the gradual opening of the economy. The strategic addition of these two quality assets reinforces our commitment to pursue long-term value that will support UHREIT’s growth and strengthen distributions to Unitholders.”

³ Independent valuation of US\$55.2 million as at 30 August 2021 for Penrose Plaza by CBRE, Inc. and US\$26.25 million as at 31 August 2021 for Colonial Square by Newmark Knight Frank Valuation & Advisory, LLC.



Penrose Plaza and Colonial Square are freehold properties leased to some of the largest and regionally dominant grocery chains with other successful regional junior box tenants, Fortune 500 discount variety stores, popular quick service restaurant concepts and complementary service oriented, e-commerce resistant satellite tenants. Penrose Plaza is anchored by ShopRite, a large supermarket brand comprising 321 stores in six states and the largest retailer of food in Greater Philadelphia, New Jersey and New York metropolitan area. ShopRite has signed a long, 20-year lease expiring in 2038. Colonial Square is anchored by Publix, one of the largest U.S. grocery chains with 1,272 locations in Southeastern U.S., with its lease expiring in 2031. Other major tenants include dd's DISCOUNTS (part of Ross Dress for Less group), Dollar Tree, Citi Trends, Locke Supply Co., Wells Fargo, and Dollar General. Both properties have undergone significant capital investment over the years with progressive renovations and upgrades.

Portfolio Diversification and Income Resilience

The proposed acquisition will extend UHREIT's footprint in the U.S. with the additions of Pennsylvania and Virginia, both being new locations in UHREIT's portfolio. It also reduces any one single state's contribution to the base rental income to less than 30.0%⁴, thereby reducing any concentration risk.

Post-acquisition, contribution from the portfolio's top 10 tenants will reduce from the current 66.2% to 61.0%, providing further tenant diversification and stabilising the portfolio's income. The enlarged portfolio's WALE will increase to 8.1 years¹, with only 0.9% leases due in 2021 and less than 10.0% of leases due for renewal every year from 2022 to 2025.

⁴ By base rental income of Grocery & Necessity Properties for the month of June 2021, based on existing leases as at 30 June 2021.



The proposed acquisition is DPU accretive, with UHREIT's portfolio value expected to grow 13.3% from US\$587.1 million to US\$665.4 million⁵, while UHREIT's market capitalisation will increase 9.9% from US\$332.2 million to around US\$365.2 million post-acquisition⁶.

The total acquisition cost will be financed with a combination of loan and proceeds from a proposed private placement to institutional and other investors.

U.S. Market Outlook

2021 GDP in the U.S. has recovered from the decline largely due to COVID-19 in 2Q 2020. Real GDP is at an all-time high, increasing at an annual rate of 6.6% in 2Q 2021, driven by rising consumer spending. This is expected to grow as consumer and investor confidence continue to rise⁷.

The recovering economy has had a positive impact on retail real estate in the U.S. where for the first time since the onset of the COVID-19 pandemic, an increased demand for shopping centre space is noted. Vacancy rates have dwindled and foot traffic at strip centers are trending up at 4.0% above pre-pandemic levels. Notably, the East Coast has been leading the recovery in footfall with 2.0% to 3.0% above pre-pandemic levels⁸.

Since March 2021, restaurant sales have surged to new highs. However, public concerns over the Delta variant, as well as a shortage of workers in the Food & Beverage sector may hamper sales growth. As at August 2021, there were 3.1 million fewer workers in restaurants and bars than in February 2020⁷.

⁵ As at 30 June 2021, as if the Acquisitions were completed on 30 June 2021.

⁶ Computation of market capitalisation and free float are based on: (a) 499,534,815 Units in issue as at 4 October 2021, of which 88,802,611 Units were held by the Sponsors and Manager as at 4 October 2021 (b) closing price of US\$0.665 on 4 October 2021, and (c) assumes 48.4 million New Units will be issued for the Private Placement and 1.2 million New Units issued to the Manager as payment of 100% of the acquisition fees in Units in relation to the acquisitions of Penrose Plaza and Colonial Square.

⁷ Source: Independent Market Research Report by Cushman & Wakefield.

⁸ Source: Green Street Retail Insights, 28 July 2021.



Essential retailers like grocery stores, wholesale club and home improvement outlets have fared better throughout the pandemic compared to non-essential retailers. Despite a dramatic increase in online shopping, physical stores are likely to continue to thrive as a vast majority of shoppers still prefer to shop in brick-and-mortar outlets⁷.

About the properties

Penrose Plaza, Philadelphia, Pennsylvania

Penrose Plaza is located in Philadelphia, Pennsylvania and has a NLA of approximately 258,494 sq ft. The freehold property currently has a committed occupancy rate of 94.1%⁹ and a long WALE of 9.2 years¹⁰.

The property has 27 tenants, and is anchored by ShopRite, the largest food retailer in the Greater Philadelphia, New Jersey and New York metropolitan area. Other major tenants include dd's DISCOUNTS, Dollar Tree, and Citi Trends.

Penrose Plaza's primary trade area within a five-mile radius has a population of approximately 581,400 residents and is expected to grow by 0.7% to around 585,600 residents by 2026. The trade area's stable population, coupled with the residents' mid-level spending power is a positive demographic for Penrose Plaza. The neighbourhood is densely populated with limited options, and many consumers are within walking distance of the strip center. It is also situated near major highway arteries such as I-95, I-476 and I-76.⁷

⁹ Based on executed leases of Penrose Plaza, whether existing or committed, as at 30 September 2021. As at 30 June 2021, occupancy was 90.4%.

¹⁰ Forward committed WALE based on all leases, whether existing or committed.



Colonial Square, Richmond, Virginia

Colonial Square, located in Richmond, Virginia, is a freehold property with a NLA of approximately 168,326 sq ft. Occupancy rate is currently at 99.1% with a long WALE of about 6.6 years.

The property is leased to 20 tenants and is anchored by Publix, one of the largest U.S. grocery chains with 1,272 locations in Southeastern U.S. Other major tenants include Locke Supply Co., Wells Fargo, and Dollar General.

Colonial Square's primary trade area within a five-mile radius has a population of approximately 87,400 residents and is expected to grow by 2.1% to around 89,200 by 2026. Primary demand drivers in the trade area include Virginia State University and Fort Lee, a U.S. Army training site⁷.

Colonial Square has excellent visibility and access along the main road and is conveniently located near the highways of I-95 and the I-85/I-95 interchange⁷.

The trade area benefits from above average local and regional accessibility, with strong prospects for long-term stability⁷.

*Please see **Appendix (A)** for the photos of the assets.*

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About UHREIT

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-based¹¹ retail properties ("**Grocery & Necessity Properties**"), and (ii) modern, climate-controlled self-storage facilities ("**Self-Storage Properties**"), located in the U.S.

¹¹ "**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.



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 platforms¹².

As at 30 June 2021, 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 an appraised value of approximately US\$587.1 million 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\$2.9 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.

¹² "**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).



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 12.3 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.3 billion¹³.

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.

¹³ As at 31 December 2020.



IMPORTANT NOTICE

This news release is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of UHREIT 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.

This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

This news release is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada or Japan, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless registered under the Securities Act, or except pursuant to an applicable exemption from registration. There will be no public offer of securities in the United States.

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 the Manager, Perpetual (Asia) Limited (as trustee of UHREIT) 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. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of UHREIT is not necessarily indicative of the future performance of UHREIT.

This news release has not been reviewed by the Monetary Authority of Singapore.

Appendix (A)



ShopRite, grocery-anchored tenant at Penrose Plaza, Philadelphia, Pennsylvania



Penrose Plaza, Philadelphia, Pennsylvania (aerial view)



Publix, grocery-anchored tenant at Colonial Square, Richmond, Virginia



Colonial Square, Richmond, Virginia (aerial view)