



UNITED HAMPSHIRE US REIT ACHIEVES 7.9% GROWTH IN 1Q 2022 DISTRIBUTABLE INCOME

- ***Strong performance as a result of leasing momentum at existing properties and positive contributions from newly acquired Colonial Square and Penrose Plaza***
- ***Occupancy of Grocery & Necessity Properties increases further to 96.4%¹, the highest since the initial public offering (“IPO”) and benefits from a long WALE of 7.8 years²***
- ***Significant leasing progress at Grocery & Necessity Properties with only 1.3%³ of leases expiring in 2022 and the execution of 10 new and renewal leases in 1Q 2022***
- ***Strategic, proposed divestment of two Self-Storage Properties above book value***
 - ***To unlock capital value for recycling into higher yielding Grocery & Necessity Properties***
- ***Self-Storage Properties have performed well with occupancies and net rental rates continuing to trend up***
- ***Conservative gearing of 38.9%, well below the regulatory limit of 50%***
- ***Prudent capital management with high fixed-rate debt of 79.6%⁴ and no refinancing requirements until 2023***

SINGAPORE, 12 MAY 2022 – 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 first quarter ended 31 March 2022 (“**1Q 2022**”) rose 20.0% and 13.1% y-o-y, to US\$16.2 million and US\$11.4 million respectively. Distributable income for 1Q 2022 was US\$8.1 million, 7.9% higher than the US\$7.6 million achieved in the previous corresponding period (“**1Q 2021**”). UHREIT completed its inaugural acquisitions of Colonial Square on 12 November 2021 and Penrose Plaza on 24 November 2021. These acquisitions have contributed positively to 1Q 2022 distributable income.

¹ As at 31 March 2022.

² Grocery & Necessity Properties only. Computation included forward committed leases. Excluding forward committed leases, the WALE is 7.8 years as at 31 March 2022.

³ Based on base rental income of Grocery & Necessity Properties for the month of March 2022. Leases are typically triple net with no early termination rights and majority of the leases have built-in fixed rental increases.

⁴ Includes floating-rate loans that have been swapped to fixed rate.



Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “We are pleased to report strong performance this quarter with robust leasing momentum at our existing properties as well as positive contributions from our recently acquired properties Colonial Square and Penrose Plaza. Occupancy for Grocery & Necessity Properties has increased further to 96.4%¹, the highest since IPO. Overall, a diverse cross section of tenants i.e. Consumer Services, Consumer Goods, Food & Beverage (“**F&B**”), Fitness, Discount/Outlet, form a majority of the new and renewal leases signed during this period.

Our cycle-agnostic tenants providing essential services continue to benefit from successfully adopting a wide range of omnichannel strategies, spanning curbside pickup for online/app orders, buy online pickup in store and micro-fulfilment of e-commerce orders. 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. We will continue to collaborate with our tenants to successfully leverage this renewed balance between online and physical store sales.

Our strategic proposed sale of Elizabeth and Perth Amboy Self-Storage Properties for US\$45.5 million, is 2.5% and 17.7% above its appraised value and purchase price respectively and is expected to close in 2Q 2022. This is an opportunity created by the high investment demand for best-in-class self-storage facilities, and allows the REIT to reinvest the proceeds into higher yielding stabilised Grocery & Necessity assets. We actively continue to look for suitable assets in both property segments that fit our investment criteria, focusing on strategically located assets in neighbourhoods with limited competition while tapping into positive industry dynamics and growth.”

Portfolio Review and Management

In 1Q 2022, UHREIT experienced robust leasing momentum with the execution of 10 new and renewal leases totalling approximately 79,928 sq ft. As at 31 March 2022, Grocery & Necessity Properties' occupancy reached a high of 96.4%¹, up from 95.3%⁵, with a long WALE of 7.8 years². The Grocery & Necessity portfolio features a long lease maturity profile with minimal roll-over risk as only 1.3%³ of the leases are expiring in 2022. Overall, a majority of the leases for Grocery & Necessity Properties are triple net, with tenants being responsible for their pro-rata share of operating expenses. This reduces the REIT's exposure to potential increases in energy and utility costs. Furthermore, UHREIT also benefits from organic growth from built-in rental increases throughout the lease terms.

UHREIT's Self-Storage Properties have also performed well and occupancies for these properties have continued to trend up. As at 31 March 2022, Millburn's occupancy stood at a high of 96.2% and Carteret at 92.5%. Elizabeth and Perth Amboy Self-Storage achieved occupancy of 58.0% and 47.5% respectively. Net rental rates at all four properties have continued to trend upwards.

Prudent Capital Management

UHREIT continues to focus on a disciplined and prudent capital management strategy. As at 31 March 2022, UHREIT has a conservative leverage of 38.9%, well below the aggregate leverage limit of 50% set by the Monetary Authority of Singapore. UHREIT will continue to explore refinancing its debt well ahead of their maturities, while maintaining a well-staggered debt maturity profile to minimise refinancing risk in any one year and at the same time, substantially hedging interest rate exposure.

UHREIT is well-positioned to remain resilient to the anticipated volatile market conditions resulting from increased inflation and the expected interest rate hikes. Together with its healthy cash balances, remaining undrawn committed revolving credit facility and debt headroom, UHREIT has sufficient financial flexibility to prudently pursue new acquisitions and asset enhancement initiatives.

⁵ As at 31 December 2021.

79.6%⁴ of UHREIT's total debt has been hedged into fixed rates, which removes near-term interest rate risk. The weighted average interest rate is 2.89% and interest coverage ratio stood at 6.1 times. The weighted average debt maturity is 2.3 years with no refinancing requirements until 2023.

U.S. Market Outlook

Based on advance estimates released by the Bureau of Economic Analysis, U.S. first quarter GDP in 2022 decreased at an annualised rate of 1.4%⁶. According to recent U.S. Bureau of Labor Statistics data, nonfarm payroll employment increased by 428,000 in April 2022 while unemployment rate remained largely unchanged at 3.6%⁷. Job vacancies remained high at 11.5 million in March 2022, well above new hires of 6.7 million⁸.

The Consumer Price Index (CPI) rose by 8.3% in April 2022⁹. While inflation has weighed on consumer confidence, it has not weakened consumer spending activity to date. Total sales for retail and food services in 2021 were up 19.3% from 2020, while total sales for 1Q 2022 were up 12.9% from 1Q 2021¹⁰. According to U.S. Census data, grocery monthly sales were up 8.6% in January and February, which further accelerated to a gain of 9.5% in March 2022. Foot traffic at home improvement and grocery stores continue to exceed other retail categories while demand for retail space continues to broaden into junior box and in-line tenancies comprising health and beauty, restaurants and discounters¹¹. Grocery-anchored retail transaction volume totalled \$4.1 billion in 1Q 2022, comprising approximately 22.0% of all retail transactions of \$18.6 billion, marking a 110.0% y-o-y increase in the first quarter¹².

⁶ U.S. Bureau of Economic Analysis, *Gross Domestic Product, First Quarter 2022 (Advance Estimate)*, 28 April 2022.

⁷ U.S. Bureau of Labor Statistics, *The Employment Situation – April 2022*, 6 May 2022.

⁸ U.S. Bureau of Labor Statistics, *Job Openings and Labor Turnover Summary – March 2022*, 3 May 2022.

⁹ U.S. Bureau of Labor Statistics, *Consumer Price Index – April 2022*, 11 May 2022.

¹⁰ U.S. Census Bureau, *Estimated Monthly Sales for Retail and Food Services, by Kind of Business*, 25 April 2022.

¹¹ *Green Street Strip Center Sector Update, March 16, 2022.*

¹² *Real Capital Analytics, U.S. Retail Capital Trends 1Q22.*



The self-storage sector is likely to maintain its upward trend, with transaction volume totalling \$2.7 billion in 1Q 2022, nearly 160% higher than the average first quarter period in three years prior to the pandemic¹³. UHREIT's Self-Storage occupancy rates remain at high levels due to strong demand for self-storage units.

The Manager will continue to focus its efforts on optimising UHREIT's assets and strengthening its income stream, while actively exploring investment opportunities that will deliver long-term accretive value to all unitholders.

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¹³ *Real Capital Analytics, U.S. Big Picture Capital Trends 1Q22.*

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-based¹⁴ 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 platforms¹⁵.

UHREIT’s portfolio comprises 20 predominantly freehold Grocery & Necessity Properties and four Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with property value of approximately US\$688.5 million¹⁶ and an aggregate net lettable area (“**NLA**”) of approximately 3.6 million square feet.

¹⁴ “**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.

¹⁵ “**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).

¹⁶ Based on appraised value of investment properties as at 31 December 2021.



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 2021. 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 150 properties across the U.S. with an AUM in excess of approximately US\$2.0 billion in value and totalling over 11.75 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.7 billion¹⁷.

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US\$1.27 billion (as at 31 December 2021) to focus on investment opportunities in income producing real estate assets in the U.S.

¹⁷ As at 31 December 2021.



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