



UNITED HAMPSHIRE US REIT ACHIEVES 7.6% GROWTH IN 1Q 2023 DISTRIBUTABLE INCOME

- **Gross Revenue and Net Property Income increased 11.8% and 13.5% y-o-y respectively**
- **Committed Occupancy of Grocery & Necessity Properties increased to 97.0%**
- **Long WALE of 7.4 years¹, majority of leases are triple net with built-in rental escalations**
- **Minimal leasing risk with only 2.1%² expiring in 2023 for Grocery & Necessity Properties**
- **No major refinancing requirements until November 2026, long weighted average debt maturity of 3.7 years³ and high fixed-rate debt of 80.2%⁴**
- **New 63,000 sq ft building at Port St Lucie for Academy Sports + Outdoor has commenced site work**

SINGAPORE, 12 MAY 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 first quarter ended 31 March 2023 (“**1Q 2023**”) rose 11.8% and 13.5% year-on-year (“**y-o-y**”), to US\$18.1 million and US\$12.9 million respectively. Distributable income for 1Q 2023 was US\$8.8 million, 7.6% higher than the US\$8.1 million achieved in the previous corresponding period (“**1Q 2022**”). The resilient performance of UHREIT’s existing properties, coupled with the income from its third and largest acquisition, Upland Square Shopping Center (“**Upland Square**”) in July 2022, contributed positively to 1Q 2023 distributable income.

Mr. Gerard Yuen, Chief Executive Officer of the Manager, said, “We are delighted to report a strong performance for this quarter, with robust leasing momentum at our existing properties as well as continued positive contributions from Upland Square. The committed occupancy at our Grocery & Necessity Properties has further increased to 97.0%, backed by a diversified, cycle-agnostic tenant base providing day-to-day necessity goods and services.”

“In particular, we are pleased to note that Walmart has exercised its 5-year renewal option at Hudson Valley Plaza. Walmart, one of the largest and most well-known retailers in the U.S., is our sixth largest tenant by Gross Rental Income. This latest lease extension is a strong testament to the attractiveness of UHREIT’s properties and the close relationship that we have built with our tenants, enabling them to maximize their omni-channel distribution capabilities at our open-air shopping centers.

“We are constantly exploring ways to enhance the operational performance of existing properties. As part of our asset enhancement initiatives, we have undertaken an expansion on existing excess land at our Port St Lucie property to construct a new 63,000 sq ft store, which has been pre-leased to Academy Sports + Outdoors, with a target completion and opening of the new store scheduled to occur in 2024.”

¹ Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.2 years as at 31 March 2023.

² Based on base rental income of Grocery & Necessity Properties for the month of March 2023.

³ Assuming the loan extension option is fully exercised.

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

Portfolio Review and Management

UHREIT's leasing momentum remained healthy in 1Q 2023, with the execution of seven new and renewal leases totalling 217,089 sq ft. As at 31 March 2023, Grocery & Necessity Properties' committed occupancy rate reached a high of 97.0%, up slightly from 96.9% as of 31 December 2022. The Grocery & Necessity portfolio enjoys a long WALE of 7.4 years¹ with minimal leasing risk as only 2.1%² of the leases are expiring in 2023. Furthermore, the majority of the leases for Grocery & Necessity Properties are triple net with built-in rental escalations over the lease terms.

In respect of Self-Storage Properties, the performance has remained resilient and occupancies continue to hold steady. As of 31 March 2023, the occupancy rate for Carteret and Millburn stood at 91.7% and 92.6% respectively.

Capital Management

In December 2022, UHREIT completed the refinancing of its term loans that were scheduled to mature in 2023 and 2024. As a result, UHREIT has no significant refinancing requirements until November 2026³, with only a US\$21.1 million mortgage loan due for refinancing in 2024. As at 31 March 2023, 80.2% of the REIT's total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps. Weighted average debt maturity is 3.7 years³, aggregate leverage 42.6%, and interest coverage ratio 3.1 times.

U.S. Market Outlook

Based on advance estimates released by the U.S. Bureau of Economic Analysis, U.S. first quarter GDP in 2023 increased at an annualised rate of 1.1%⁵. Nonfarm payroll employment increased by 253,000 in April 2023 while unemployment rate inched down to just 3.4%⁶. Job openings in the U.S. decreased to 9.6 million⁷ in March 2023, the lowest level in nearly two years, a sign that the U.S. labour market is cooling in face of higher interest rates. The Consumer Price Index rose by 4.9% in April 2023⁸, significantly lower than the peak of 9.1% in June 2022. In May 2023, the Federal Reserve increased interest rates by 25bps, but notably made a significant change in its forward guidance and opened the possibility of a pause in further rate increases.

While high inflation continues to impact consumer confidence, consumer spending has remained resilient to date, with total retail sales for 1Q 2023 up 5.4% y-o-y and Grocery Sales for March 2023 up 5.3% y-o-y⁹.

A recent survey by The Food Industry Association on U.S. Grocery Shopper Trends revealed that fewer grocery shoppers are cutting back on items purchased despite higher prices¹⁰. To combat inflation, grocery shoppers are visiting more stores and seeking deals to stretch their dollars, but are less likely to cut back on the number of items purchased compared to 6 months or a year ago¹⁰.

For the Self-Storage sector, following a very strong performance in 2022, recent analyst reports suggested that storage demand drivers have normalized with a return to seasonality and lower overall mobility throughout the US¹¹. However, UHREIT's Self-Storage occupancy rates remain high, owing to the undersupply of self-storage facilities in the New York Metro Area.

⁵ U.S. Bureau of Economic Analysis, *Gross Domestic Product, First Quarter 2023 (Advance Estimate)*, 27 April 2023.

⁶ U.S. Bureau of Labor Statistics, *"The Employment Situation – April 2023"*, 5 May 2023.

⁷ U.S. Bureau of Labor Statistics, *"Job Openings and Labor Turnover Summary – March 2023"*, 2 May 2023.

⁸ U.S. Bureau of Labor Statistics, *"Consumer Price Index – April 2023"*, 10 May 2023.

⁹ U.S. Census Bureau, *"Advance Monthly Sales for Retail and Food Services – March 2023"*, 14 April 2023.

¹⁰ The Food Industry Association, *"2023 U.S. Grocery Shopper Trends"*, 18 April 2023.

¹¹ Green Street, *"Self Storage Sector Update"*, 21 March 2023.

Looking Ahead

With the concerns over the slowing U.S. economy and high interest rates, the Manager will continue to focus its efforts on optimising the portfolio and strengthening its income streams through asset enhancement initiatives to deliver long-term value to all unitholders.

ENDS

Walmart at Hudson Valley Plaza, New York



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-based¹² 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 platforms¹³.

UHREIT’s portfolio comprises 21 predominantly freehold Grocery & Necessity Properties and two Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with an appraised value of approximately US\$738.7 million¹⁴ 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, retails, 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 totalling 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 billion¹⁵. 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.

¹² “**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.

¹³ “**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).

¹⁴ Based on appraised value of investment properties as at 31 December 2022.

¹⁵ As at 31 December 2022.



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