



UNITED HAMPSHIRE US REIT ACHIEVES 7.2% GROWTH OF DISTRIBUTABLE INCOME, RISING TO US\$16.3 MILLION FOR 1H 2022

- **1H 2022 Gross Revenue and Net Property Income increased 18.5% and 10.6% y-o-y, rising to US\$31.8 million and US\$22.6 million respectively**
- **Adjusted DPU¹ increased 13.4% y-o-y with positive contributions from newly acquired Colonial Square and Penrose Plaza and strong leasing momentum at existing properties**
- **Completion of 3rd DPU accretive acquisition - Upland Square on 28 July 2022**
- **High portfolio occupancy at 96.2%² with strong tenant sales and rebound in foot traffic at strip centers**
- **WALE of 8.0 years³, up from 7.8 years the previous quarter**
- **Total asset valuation increases 25.4% to US\$732.9 million⁴, up from US\$584.6 million at IPO**

SINGAPORE, 12 AUGUST 2022 – United Hampshire US REIT Management Pte. Ltd. (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that Net Property Income (“**NPI**”) for 1H 2022 was US\$22.6 million, 10.6% higher than the US\$20.5 million achieved in the previous corresponding period (“**1H 2021**”), well-supported by the contributions from the newly acquired assets, Colonial Square and Penrose Plaza. These acquisitions, which were completed on 12 November 2021 and 24 November 2021 respectively, have continued to contribute positively to 1H 2022 distributable income. 1H 2022 Distribution Per Unit (“**DPU**”) was 2.91 US cents. Adjusted DPU (excluding Top-Ups and Stipulated Damages) was 13.4% higher than 1H 2021.

Summary of UHREIT Results

	1H 2022⁵ US\$'000	1H 2021⁶ US\$'000	Variance %
Gross Revenue	31,768	26,804	18.5
Net Property Income (NPI)	22,645	20,472	10.6
Distributable Income	16,305	15,204	7.2
DPU (US cents)	2.91	3.05	(4.6)
Adjusted DPU¹ (US cents)	2.88	2.54	13.4

¹ Adjusted DPU excludes Top-Ups and Stipulated Damages.

² As at 30 June 2022. Computation included forward committed leases for Grocery and Necessity Properties.

³ Computation included forward committed leases. Excluding forward committed leases, the WALE is 8.0 years as at 30 June 2022.

⁴ Post completion of Upland Square on 28 July 2022.

⁵ For six months ended on 30 June 2022.

⁶ For six months ended on 30 June 2021.

Together with the completion of the acquisition of Upland Square Shopping Center (“**Upland Square**”) on 28 July 2022, UHREIT’s third accretive acquisition, the REIT successfully grew its total assets by 25.4% to US\$732.9 million⁴, up from US\$584.6 million at IPO.

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, “We have seen significant increases in our gross revenue, net property income and distributable income. This performance is backed by strong leasing momentum at our existing properties as well as continued contributions from our first two acquisitions – Colonial Square and Penrose Plaza.

Our latest DPU accretive acquisition of Upland Square, a freehold grocery-anchored property in Pennsylvania, further extends UHREIT’s presence in the affluent Eastern seaboard and is set to bring in positive contributions from 2H 2022. In addition to further growing UHREIT’s portfolio size, the property’s larger distributable income base substantially enhances UHREIT’s income visibility and resilience.”

Commenting on the resilience of UHREIT’s asset portfolio, Mr Schmitt added, “A majority, 67.5% of our open-air strip centers, are primarily leased to cycle-agnostic tenants providing essential services, non-discretionary goods and services to the U.S. consumers. Since early 2022, footfall at our strip centers has continued to rebound and surpass pre-pandemic levels. These tenants have also experienced robust retail sales as they continue to benefit from successfully adopting a wide range of omnichannel strategies. This includes curbside pickup for online/app orders, buy online pickup in store and micro-fulfilment of e-commerce orders.

Notwithstanding macro challenges such as inflation and recession concerns, we have observed that retail sales have continued to grow and U.S. consumers continue to spend on groceries and consumer staples. Consumption accounts for about two-thirds of the U.S. economy and grocery anchored strip centers provide direct access to goods and services that consumers require on a daily basis. While we have been seeing a pullback in non-discretionary goods such as apparel, sporting equipment and electronics, demand for necessity goods and services remains robust.”

Portfolio Review and Management

In 1H 2022, UHREIT delivered significant leasing progress with 13 new and renewal leases totalling approximately 150,012 sq ft⁷. There was minimal lease rollover of only 0.8% expiring for the balance of 2022⁸. As at 30 June 2022, portfolio occupancy remained high at 96.2%², with a long WALE of 8.0 years³. It should be noted that a majority of existing Grocery & Necessity leases have built-in rental escalations with most of the leases for Grocery and Necessity Properties being triple net, which mitigates the risks associated with higher operating expenses for UHREIT, as tenants are responsible for their pro-rata share of energy and utility cost.

UHREIT was able to reduce tenant concentration from the previous year, with contribution from the top 10 tenants decreasing from 66.3% to 60.3%⁸. At the same time, UHREIT maintained the portfolio focus on cycle-agnostic tenants providing essential services. This improvement in tenant diversification will enhance the underlying stability and resiliency of the cash flow generated by the portfolio.

⁷ Leases are typically triple net with no early termination rights and majority of the leases have built-in fixed rental increases.

⁸ Based on base rental income of Grocery & Necessity Properties for the month of June 2022.

In 1H 2022, UHREIT optimised its Self-Storage portfolio with the divestment of Elizabeth and Perth Amboy Self-Storage properties. As at 30 June 2022, the occupancy of the remaining two Self-Storage properties, Millburn and Carteret, stood at 97.5% and 94.7% respectively. Net rental rates at the two properties continued to trend upwards.

Prudent Capital Management

UHREIT continued to be disciplined and prudent with its capital management strategy. As at 30 June 2022, its leverage was 38.0%, which is well below the leverage limit of 50.0% set by the Monetary Authority of Singapore⁹. UHREIT maintained a strong interest coverage ratio of 6.0 times¹⁰ and healthy liquidity in the form of US\$17.0 million of undrawn committed revolving credit facilities. As at 30 June 2022, UHREIT's NAV per Unit was US\$0.76.

UHREIT has largely mitigated its exposure to interest rate fluctuations, with 80.5%¹¹ of its borrowings at fixed rates. While it has no debt maturing in 2022, UHREIT is already actively exploring refinancing options for debt maturing in 2023, well ahead of its maturity.

Dividend Reinvestment Plan

The Manager on 23 February 2022 announced the establishment of the Distribution Reinvestment Plan ("DRP"). The DRP will apply to the distribution for 1H 2022, whereby Unitholders may elect to receive new units in UHREIT in lieu of cash distribution or may elect to continue to receive a cash distribution on existing units held.

The DRP provides Unitholders with an opportunity to increase their unitholdings in UHREIT without incurring brokerage fees, stamp duties (if any) and other related costs. The issue of new Units in lieu of cash distributions under the DRP will also strengthen UHREIT's balance sheet, enhance its working capital reserves and improve the liquidity of the Units.

U.S. Market Outlook

Based on advance estimates released by the Bureau of Economic Analysis, U.S. second quarter GDP in 2022 decreased at an annualised rate of 0.9%¹². Meanwhile according to recent U.S. Bureau of Labor Statistics data, nonfarm payroll employment increased by 528,000 in July 2022, while unemployment rate returned to February 2020 pre-pandemic level at 3.5%¹³. Job vacancies also remained high at 10.7 million and well above the new hires rate at 6.4 million in June 2022¹⁴, indicating a continuation of the tight labour market.

The Consumer Price Index ("CPI") rose by 9.1% in June 2022¹⁵. While the high headline inflation figures dominated the news, consumers continued to spend with total sales for retail and food services in June 2022 increased 8.4%¹⁶ y-o-y. Additionally, during 1H 2022 there were 4,328 announced U.S store openings compared with 1,912 announced closures, based on report by

⁹ On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45% of the fund's deposited property but may exceed 45% (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

¹⁰ Interest coverage ratio as at 30 June 2022 was 6.0 times in accordance with the requirements under its loan facilities and 4.6 times in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

¹¹ Includes floating-rate loans that have been swapped to fixed rate.

¹² U.S. Bureau of Economic Analysis, *Gross Domestic Product, Second Quarter 2022 (Advance Estimate)*, 28 July 2022.

¹³ U.S. Bureau of Labor Statistics, *"The Employment Situation – July 2022"*, 5 August 2022.

¹⁴ U.S. Bureau of Labor Statistics, *"Job Openings and Labor Turnover Summary – June 2022"*, 2 August 2022.

¹⁵ U.S. Bureau of Labor Statistics, *"Consumer Price Index – June 2022"*, 13 July 2022.

¹⁶ U.S. Census Bureau.

Coresight¹⁷. According to U.S. Census data, June 2022's grocery monthly sales also maintained their upward trajectory, recording an 8.3%¹⁶ increase y-o-y.

The tailwinds boosting the strip center sector fundamentals, from a lack of new supply, enhanced role of physical stores for delivery logistics, to a shift towards suburban consumer spending, continue to outweigh the impact of the ongoing deceleration of the economy¹⁸.

As for the self-storage sector, tenant duration has lengthened throughout the global pandemic, with approximately 65% of customers having stayed more than a year, up from 50% the year before, which expands the pool of customers¹⁹. Current demand remains robust, though occupancy and rental rate growth is anticipated to moderate from late 2022 into 2023. With the recently optimised portfolio, UHREIT will focus on quality properties in the self-storage sector to deliver better overall portfolio return.

Looking Ahead

With the concerns over the slowing U.S. economy, UHREIT is focused on optimising its portfolio performance whilst leveraging its extensive network to selectively look for opportunities to extend its exposure to the resilient grocery and necessity sector in the affluent and populous Eastern seaboard markets.

The Manager will continue to focus on delivering long-term accretive value to Unitholders through prudent capital management and proactive portfolio optimisation.



Penrose Plaza, anchored by ShopRite, located in Philadelphia, Pennsylvania



Upland Square Shopping Center, dominant grocery-anchored freehold asset, located in Montgomery, Pennsylvania

ENDS

¹⁷ Coresight Research US Store Tracker Databank, 29 July 2022.

¹⁸ Green Street Strip Center Sector, 1 August 2022.

¹⁹ Green Street Self-Storage Sector Update, 20 May 2022.

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-based²⁰ 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 platforms²¹.

UHREIT’s portfolio comprises 21 predominantly freehold Grocery & Necessity Properties and 2 Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with property value of approximately US\$732.9 million²² and an aggregate net lettable area (“**NLA**”) of approximately 3.8 million square feet.

²⁰ “**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.

²¹ “**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).

²² Based on carrying value of investment properties as at 30 June 2022 and included Upland Square Shopping Center, which was acquired on 28 July 2022.

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, retails, 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 billion²³.

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.

²³ As at 31 December 2021.

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