UNITED-HAMPSHIRE

UNITED HAMPSHIRE US REIT

ESSENTIAL AND RESILIENT

ANNUAL REPORT 2020

CONTENTS

CORPORATE PROFILE

"ASIA'S FIRST U.S. GROCERY ANCHORED SHOPPING CENTER AND SELF-STORAGE REIT"

United Hampshire US REIT ("UHREIT" or "the REIT") is a real estate investment trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 March 2020. It was established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based retail properties ("Grocery & Necessity Properties"), and (ii) modern, climate-controlled self-storage facilities ("Self-Storage Properties"), located in the United States ("U.S.").

UHREIT's portfolio comprises 22 predominantly freehold Grocery & Necessity and Self-Storage Properties that serve the non-discretionary needs of U.S. consumers. The Properties are strategically located in the populous and affluent East Coast markets of the U.S. They have a total appraised value of approximately US$585.5 million and an aggregate net lettable area ("NLA") of approximately 3.16 million square feet.

Providing essential services and resilient to the impact of e-commerce, UHREIT's tenants include and are not limited to grocers & wholesalers, warehouse clubs, home improvement stores, discount retailers and other uses with strong omni-channel platforms.

UHREIT is managed by United Hampshire US REIT Management Pte. Ltd. ("the Manager"). The Manager is jointly owned by UOB Global Capital LLC ("UOB Sponsor"), a subsidiary of United Overseas Bank Limited ("UOB"), and Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of The Hampshire Companies, LLC ("Hampshire Sponsor"). The UOB Sponsor is an originator and distributor of private equity, hedge funds, fixed income and real estate products, while, the Hampshire Sponsor has over 60 years of experience in acquiring, developing, leasing, repositioning, managing, financing and divesting of real estate.

RELIABLE & STEADY CASH FLOW

DPU

US**4.81**

cents

1.1% above IPO Forecast[1]

1 The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast results for the period from 12 March 2020 to 31 December 2020 were derived by pro-rating the forecast figures.

ESSENTIAL TENANCIES & RESILIENT ASSETS

HIGH GROCERY & NECESSITY OCCUPANCY

94.7%

INCOME STABILITY & CYCLE-AGNOSTIC

LONG WALE

8.2

years[1]

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

FP 2020 HIGHLIGHTS

GROSS REVENUE
US$41.6 million

NET PROPERTY INCOME
US$31.1 million

DISTRIBUTABLE INCOME
US$23.8 million

DISTRIBUTION PER UNIT
US4.81 cents

APPRAISED VALUE

US$585.5 million

CONSERVATIVE GEARING

36.2%

WEIGHTED AVERAGE INTEREST RATE

2.83% per annum

INTEREST COVERAGE RATIO

6.3 times

MESSAGE TO UNITHOLDERS

Tan Tong Hai
Chairman and Independent Non-Executive Director

Robert Totten Schmitt
Chief Executive Officer

THE STABLE PERFORMANCE IS A TESTAMENT TO THE RESILIENCE OF UHREIT'S PORTFOLIO OF 18 SUBURBAN GROCERY & NECESSITY PROPERTIES AND FOUR SELF-STORAGE PROPERTIES.

Dear Unitholders,

On behalf of the Board and management, we are pleased to present United Hampshire US Real Estate Investment Trust's ("**UHREIT**") inaugural annual report.

2020 marked a significant milestone for UHREIT. With UHREIT's successful listing on the Mainboard of the Singapore Exchange ("**SGX**") on 12 March 2020, UHREIT became Asia's first U.S. grocery-anchored shopping center and self-storage REIT.

STABILITY AMIDST UNCERTAINTY

UHREIT lodged its Initial Public Offering ("**IPO**") prospectus on 25 February 2020 and by the date of listing on 12 March 2020, the COVID-19 pandemic had spread globally, with the World Health Organisation ("**WHO**") declaring a pandemic the day before, on 11 March 2020. Later in the same month, the U.S. Federal Government published shelter-in-place guidelines to help protect its population from the pandemic.

Despite the uncertainties brought on by the unprecedented global pandemic, UHREIT delivered a steady set of results for the financial period from its listing date of 12 March 2020 to 31 December 2020 ("**FP 2020**"). We are pleased that UHREIT's distribution per unit ("**DPU**") for FP 2020 stood at US4.81 cents, which was 1.1% higher than the IPO forecast[1] ("**forecast**"), with distributable income at US$23.8 million, 1.3% higher than forecast. FP 2020 gross revenue was US$41.6 million, 2.2% lower than forecast, while property expenses stood at US$11.8 million, 5.0% lower than forecast. FP 2020 net property income ("**NPI**") was US$31.1 million, 3.3% lower than the forecast.

The stable performance is a testament to the resilience of UHREIT's portfolio of 18 suburban Grocery & Necessity Properties and four Self-Storage Properties. Through adopting a proactive approach in asset management, UHREIT maintained a high portfolio occupancy rate of 94.7%[2] as at 31 December 2020. Our Grocery and Necessity Properties enjoy a long weighted average lease expiry ("**WALE**") of 8.2 years[3]. The variation in lease expiries within the initial portfolio resulted in a well spread lease expiry profile, with only 3.4% of leases expiring in 2021.

1 The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast results for the period from 12 March 2020 to 31 December 2020 were derived by pro-rating the forecast figures.
2 As at 31 December 2020, for Grocery & Necessity Properties only.
3 Computation included forward committed leases. Excluding forward committed leases, the WALE is 7.9 years as at 31 December 2020.

MESSAGE TO UNITHOLDERS

ESSENTIAL AND RESILIENT

As we look back, despite the challenges to the business landscape soon after listing, brought on by the rapidly evolving COVID-19 pandemic situation, UHREIT has remained resilient throughout this unprecedented period.

A key differentiator of our portfolio is that unlike enclosed malls, UHREIT's suburban Grocery & Necessity Properties, which are primarily located on the populous and affluent East Coast of the U.S., are single-storey, open-air strip centers, catering to daily necessities. These properties, together with the Self-Storage Properties, which are classified as commercial business, remained open throughout the pandemic.

UHREIT's portfolio remains well-positioned to navigate the disruptions as majority of its base rental income is derived from tenants conducting essential businesses[4]. Although some of the tenants who were engaged in non-essential businesses were not allowed to open during the early stage of the pandemic due to local guidelines and restrictions, it is noteworthy that as at September 2020, 100.0% of UHREIT's tenants had already resumed operations and opened for business with a modest number of tenants subject to capacity limitations.

Furthermore, our grocery and home improvement tenants continued to flourish during the COVID-19 pandemic, with key tenants including Ahold Delhaize, Lowe's, The Home Depot and Walmart recording between 8.6% to 28.6% increase in sales year-on-year in 4Q 2020[5].

During the period under review, precautionary measures were implemented in all of UHREIT's properties to ensure the safety of both shoppers and staff. This included the stepping up of efforts in cleaning and sanitising the premises, setting aside hours designated for vulnerable groups, such as seniors and pregnant shoppers, to shop away from the crowds at grocery stores, as well as installation of plastic shields and enforcing employee safe distancing measures. UHREIT had also permitted new outdoor dining areas for tenants to set up outdoor tents. This, together with large car parks with designated spots for curbside pick-up and common areas, further facilitated a conducive environment for social distancing in our properties.

The REIT Manager is also consistently engaging the tenants and have been actively supporting and providing assistance to those businesses most severely impacted by the economic downturn caused by COVID-19. In FP 2020, we granted US$0.6 million of rent relief and US$1.0 million of rent deferral. With the relaxation of restrictions and guidelines, rental collections have improved from over 80.0% in June 2020 to 98.9%[6] in 4Q 2020.

The REIT Manager also supports its tenants in adopting the omni-channel strategy which leverages both online and offline presence to sell and deliver products. Physical stores are at the core of the retailers' omni-channel strategy and remain as the distribution hub where shoppers can choose their fresh produce in-store, as well as pickup their online orders. Other initiatives also included designating selected parking spaces at the properties for curbside pick-up, which enabled tenants to fulfill their orders at lower costs and faster delivery speed.

Although initially affected by the pandemic and shelter-in-place restrictions, UHREIT's Self-Storage segment's performance has improved significantly since the gradual lifting of lockdown guidelines from May 2020. Millburn Self-Storage and Elizabeth Self-Storage recorded significant occupancy growth from 2Q through 4Q, increasing from an average of 63.1% and 12.4% to 93.4% and 36.6%[7], respectively. Carteret Self-Storage's occupancy remains consistently high since June 2020 and stands at an average occupancy of 93.7%[7] in 4Q 2020. The construction of Perth Amboy Self-Storage has been completed and leasing activities have commenced in January 2021. After approximately a month since opening, occupancy reached 8.0% as of February 2021.

As for the Publix Store at St. Lucie West Expansion, Florida, construction commenced in May 2020 for this new 20-year lease. The construction was completed slightly ahead of schedule in March 2021and the newly completed store was turned over to Publix. The Manager has also secured a new lease with Beall's Outlet Stores, with a tenure of

4 Based on the definition of "Essential Retail Businesses" by the State of New Jersey, source: https://covid19.nj.gov/faqs/nj-information/reopening-guidance-and-restrictions/what-rules-or-safety-guidelines-are-in-place-for-reopened-businesses-are-any-businesses-closed
5 Extracted from respective companies' latest results releases.
6 Based on total base rent collected for Grocery & Necessity Properties in 4Q 2020.
7 Based on the average of the last day of each month during the respective quarters.

seven years, which will occupy 57% of the existing space that Publix will vacate upon its relocation to the new store. Discussions with prospective tenants are also underway for the leasing of the remaining space.

PRUDENT CAPITAL MANAGEMENT

UHREIT adopts a prudent and disciplined capital management strategy. As at 31 December 2020, UHREIT's gross borrowings totalled US$219.1 million, while aggregate leverage stood conservatively at 36.2%, well below the regulatory limit of 50.0%.

With the U.S. Federal Reserve's interest rate cuts in March 2020, UHREIT entered into interest rate swaps in the same month to remove near-term interest rate risk and provide cash flow certainty. The reduction in our average all-in effective interest rate has improved our cashflow in FP 2020 and will continue to bring positive impact for Projection Year 2021[8]. As at 31 December 2020, UHREIT has a weighted average interest rate of 2.83% and interest coverage ratio of 6.3 times.

With its prudent capital management strategy, UHREIT has achieved a 100.0% fixed rate debt and has no refinancing requirements until 2023.

LOOKING AHEAD

Moving forward, the evolving macro-economic conditions brought on by the COVID-19 pandemic will continue to weigh on business sentiments, but we remain cautiously optimistic on the outlook for 2021 as the global economy continues to gradually recover from the impact of the pandemic through ongoing vaccination campaigns.

In the U.S., the economy is expected to experience a gradual recovery, with GDP growth of between 4.0% and 5.2% in the first half of 2021[9], as the U.S. government continues its efforts to cushion the impact of the pandemic with a series of stimulus packages and a concerted vaccination campaign. As at 15 March 2021, over 100 million doses of the COVID-19 vaccine have been administered in the U.S.[10].

With the stimulus packages in place, together with extra unemployment insurance benefits that have boosted household incomes as well as reduced opportunities to make purchases, consumer savings have increased over the past year. In addition, the low interest rates and consumer debt levels will also be positive for consumer spending in 2021 and 2022[9].

Amidst the COVID-19 pandemic, UHREIT has also observed the rising outflow of population from urban to suburban areas, accelerating the growth trend in suburban demography which started in the mid-2010s. With increasing population and median income in the suburban areas which UHREIT primarily operates in, we believe UHREIT's properties will continue to deliver stable performance. Furthermore, due to organisations adopting work-from-home arrangements for their employees, homeowners continue to adapt their homes to serve new purposes such as work, school and leisure. We believe this will shed a positive light on UHREIT's Self-Storage Properties as homeowners seek to repurpose, reorganise and declutter existing spaces within their homes.

We remain firmly focused on realising sustainable organic growth in gross revenue and NPI through a favourable lease structure with our tenants. The current arrangements are almost all "triple net" leases, with tenants responsible for their pro-rata share of all real estate taxes, building insurance, property expenses, and common area operating costs. We also prioritise building strong ties with our tenants through active communications, allowing us to keep abreast of their requirements to maintain high retention rates and identify opportunities for property asset enhancement initiatives to drive organic growth.

While we continue to operate our business with tenacity, we remain on the lookout for strategic acquisitions that are accretive to DPU to bring greater value to our Unitholders. With UHREIT's defensive and resilient portfolio, a focused strategy and a compelling value proposition, we remain well-positioned to navigate through the economic backdrop.

IN APPRECIATION

In closing, we would like to take this opportunity to express our appreciation and gratitude to Unitholders for your valuable support during this period of uncertainty, as well as the counsel from our Board of Directors and dedication and hard work of our management team and staff as we continue to strive for excellence.

Also, we would like to thank our sponsors, partners, tenants and shoppers as we look forward to the year ahead with their continued support. As we forge ahead, we remain committed to increasing our Unitholder value through stable and growing distributions and achieving long-term growth.

Yours sincerely,

Tan Tong Hai
Chairman and Independent Non-Executive Director

Robert Totten Schmitt
Chief Executive Officer

8 Projection Year 2021 refers to the financial year from 1 January 2021 to 31 December 2021.
9 Cushman & Wakefield Research.
10 Bloomberg, 15 March 2021, COVID-19 Tracker.

KEY EVENTS

2020

MARCH

UHREIT, Asia's First U.S. Grocery-Anchored Shopping Center and Self-Storage REIT was listed on SGX-ST on 12 March 2020

MAY

Commenced construction of St. Lucie West Expansion in May 2020

AUGUST

Announced maiden 1H 2020 results on 12 August 2020, inaugural DPU achieved IPO forecast of US1.78 cents

SEPTEMBER

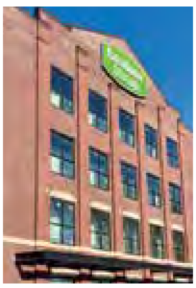
Participated in REITs Symposium, jointly organized by ShareInvestor and REITAS

NOVEMBER

Announced 3Q 2020 Operational Updates on 12 November 2020, Distributable Income was 0.5% higher than IPO forecast

2021

JANUARY



Construction for Perth Amboy Self-Storage was completed and leasing activities commenced in January 2021

FEBRUARY

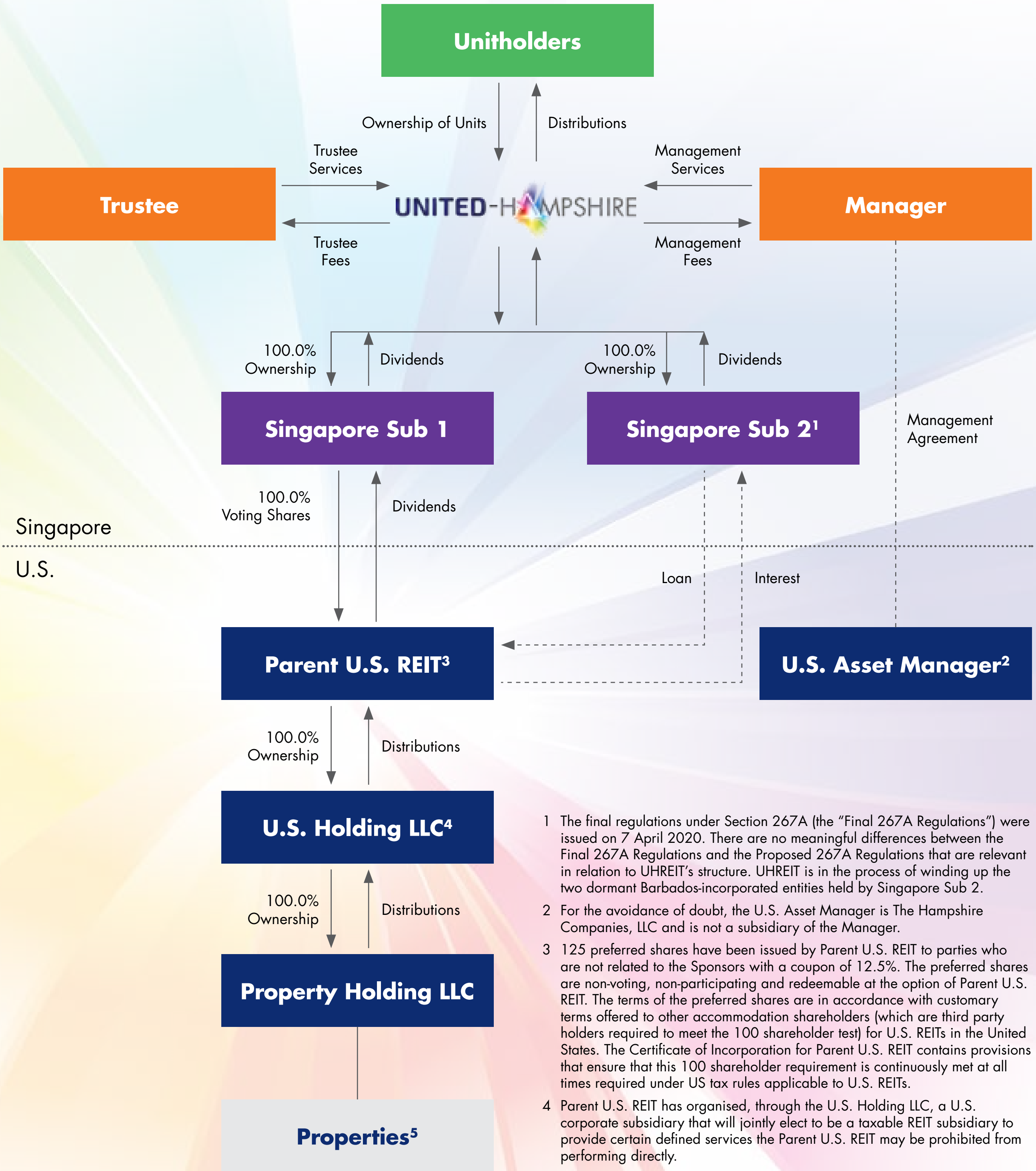
Announced 2H 2020 results on 26 February 2021, DPU was US3.03 cents, 1.1% above IPO forecast

MARCH

The construction of St. Lucie West Expansion was completed slightly ahead of schedule in March 2021and the newly completed store was turned over to Publix Super Markets.

TRUST AND TAX STRUCTURE

The following diagram illustrates the relationship, among others, between UHREIT, the Manager, the Trustee, the U.S. Asset Manager and the Unitholders as at 31 December 2020:



1 The final regulations under Section 267A (the "Final 267A Regulations") were issued on 7 April 2020. There are no meaningful differences between the Final 267A Regulations and the Proposed 267A Regulations that are relevant in relation to UHREIT's structure. UHREIT is in the process of winding up the two dormant Barbados-incorporated entities held by Singapore Sub 2.

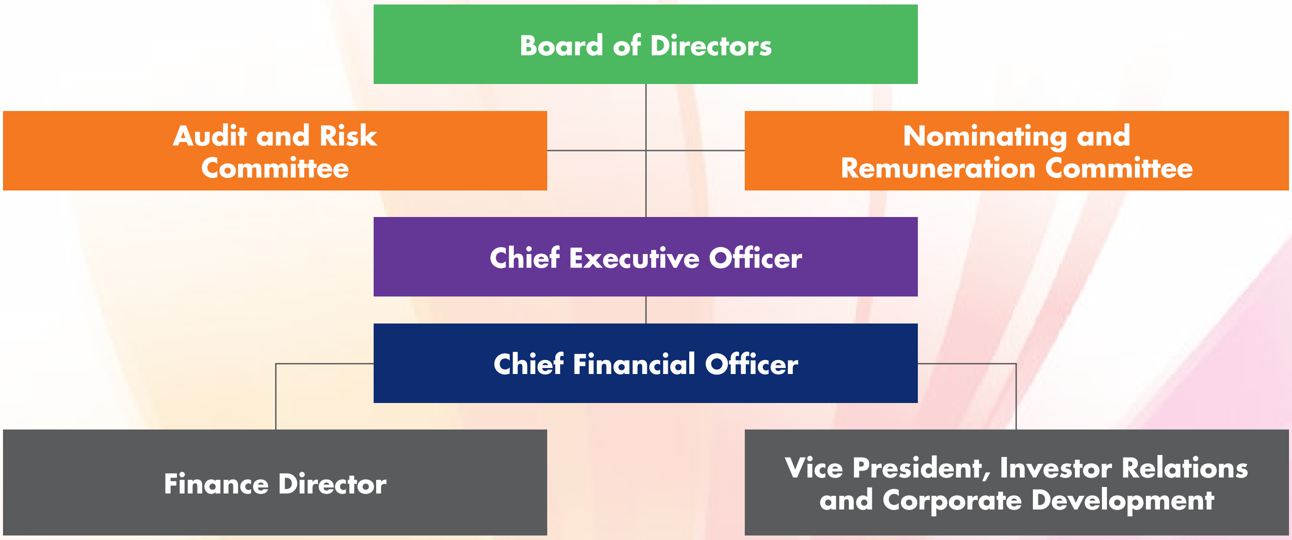
2 For the avoidance of doubt, the U.S. Asset Manager is The Hampshire Companies, LLC and is not a subsidiary of the Manager.

3 125 preferred shares have been issued by Parent U.S. REIT to parties who are not related to the Sponsors with a coupon of 12.5%. The preferred shares are non-voting, non-participating and redeemable at the option of Parent U.S. REIT. The terms of the preferred shares are in accordance with customary terms offered to other accommodation shareholders (which are third party holders required to meet the 100 shareholder test) for U.S. REITs in the United States. The Certificate of Incorporation for Parent U.S. REIT contains provisions that ensure that this 100 shareholder requirement is continuously met at all times required under US tax rules applicable to U.S. REITs.

4 Parent U.S. REIT has organised, through the U.S. Holding LLC, a U.S. corporate subsidiary that will jointly elect to be a taxable REIT subsidiary to provide certain defined services the Parent U.S. REIT may be prohibited from performing directly.

5 Each Property is held by one U.S. limited liability company.

ORGANISATION STRUCTURE



THE SPONSORS AND THE MANAGER

THE SPONSORS

The Sponsors of UHREIT are UOB Global Capital LLC and The Hampshire Companies, LLC.

UOB Global Capital LLC ("UOB Sponsor")
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$2.88 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.

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.

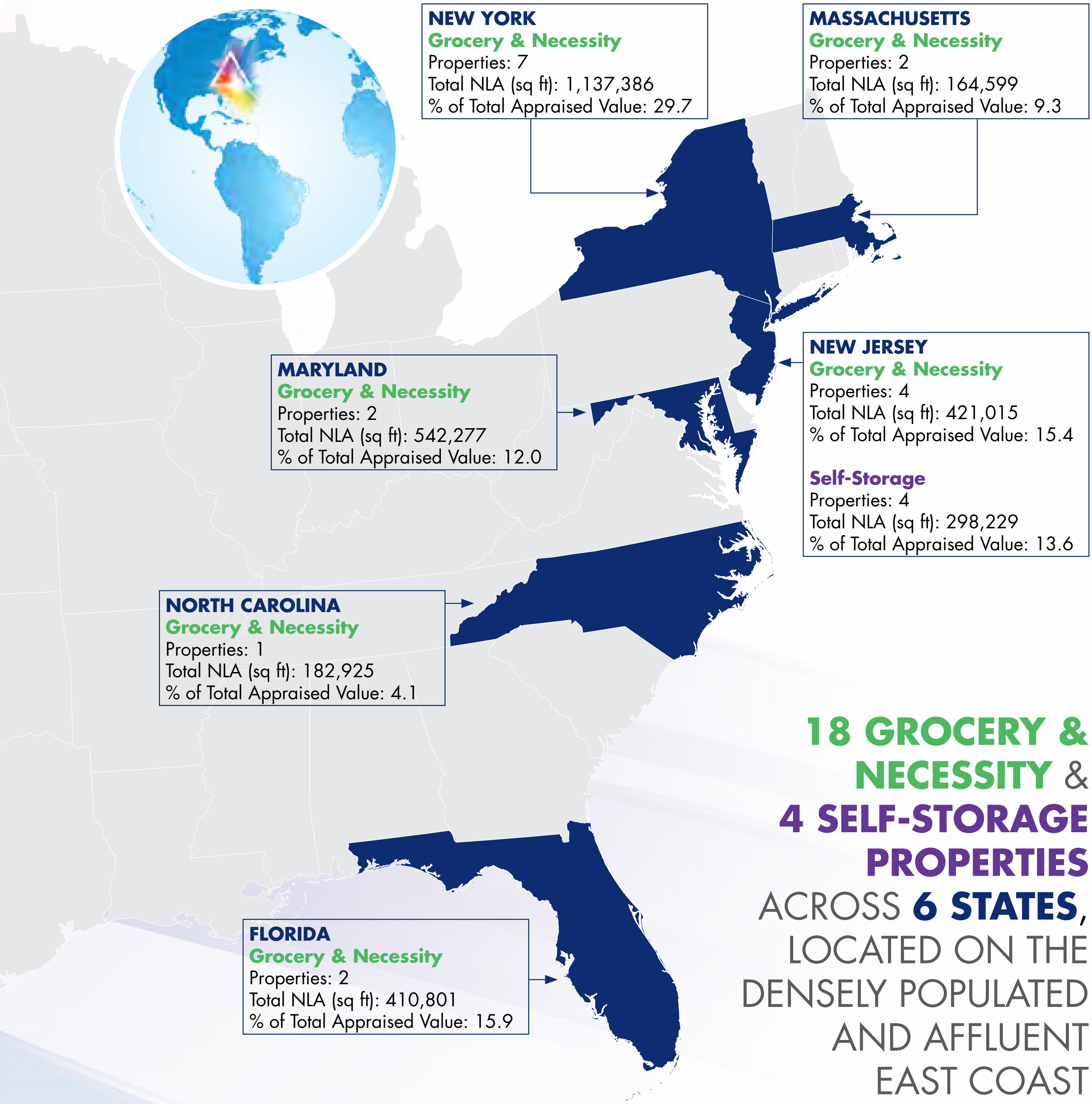
The Hampshire Companies, LLC ("Hampshire Sponsor")
The Hampshire Companies, LLC is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including retail, 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 US$1.7 billion in value and totalling over 12.25 million square feet[1]. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.3 billion[1].

THE MANAGER

United Hampshire US REIT Management Pte. Ltd. is the Manager of UHREIT. The Manager is jointly owned by UOB Sponsor and Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of the Hampshire Sponsor. The Manager is able to harness synergies and draw competencies from the two best-in-class management platforms of its Sponsors.

1 As at 31 December 2020.

OUR PRESENCE



18 GROCERY & NECESSITY & **4 SELF-STORAGE PROPERTIES** ACROSS **6 STATES**, LOCATED ON THE DENSELY POPULATED AND AFFLUENT EAST COAST

BOARD OF DIRECTORS

Tan Tong Hai, 58

Chairman and Independent Non-Executive Director

Date of First Appointment as a Director

21 February 2020

Date of First Appointment as a Chairman

21 February 2020

Length of Service as a Director (as at 31 December 2020)

10 months

Board Committees Served On

- Chairman of the Nominating and Remuneration Committee
- Member of the Audit and Risk Committee

Present Directorship in other Listed Company

- Taiwan Mobile Co. Ltd

Present Principal Commitments

- Super Sea Cable Networks Pte. Ltd. (Director)
- Seax Global Pte. Ltd. (Director)
- Nanyang Polytechnic (Chairman of Board of Governors)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

- Starhub Cable Vision Ltd (Director)
- Starhub Internet Pte Ltd (Director)
- Starhub Ltd. (Director)
- Starhub Shop Pte Ltd (Director)
- Starhub Mobile Pte Ltd (Director)
- Starhub Online Pte. Ltd. (Director)
- EDC@SCCCI Pte. Ltd. (Director)

Academic and Professional Qualification

- Bachelor of Electrical Engineering (Hons), National University of Singapore

Award

- The Public Service Medal, 2020

Background and Working Experience

Mr Tan is the Director of SEAX Global Pte Ltd, a telecommunication company which provides regional connectivity solutions within Indonesia, Malaysia and Singapore. Mr Tan is also the Director of Super Sea Cable Networks Pte Ltd, a wholly-owned subsidiary of SEAX Global Pte Ltd.

Prior to this, Mr Tan held the position of the President and Chief Executive Officer ("CEO") of StarHub Ltd from March 2013 to May 2018, and the position of Chief Operating Officer of StarHub Ltd from January 2009 to February 2013.

From August 2005 to December 2008, Mr Tan was with SCS Computer Systems Pte Ltd (f.k.a. Singapore Computer System Ltd) as the President and CEO. From March 2001 to August 2005, Mr Tan was with Pacific Internet (S) Pte Ltd as the President and CEO.

James Ernest Edwin Hanson II, 62

Non-Independent Non-Executive Director

Date of First Appointment as a Director

24 May 2019

Length of Service as a Director (as at 31 December 2020)

1 year and 7 months

Board Committee Served On

- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies

- Lakeland Bancorp, Inc. (Director)
- Lakeland Bank, Inc. (Director)

Present Principal Commitments

- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)
- United Hampshire US Parent REIT, Inc. (Director)
- Anderson Fund VII, LLC (Director)
- Owl Creek Capital Corp. (Director)
- The Hampshire Companies, LLC (Director)
- Hampshire Partners REIT VIII, Inc (Director)
- Hampshire Partners II, LLC (Director)
- Sonehan, LLC (Director)
- JDJ Associates (Director)
- Hanson Family LP (Director)
- FIMCO LLC (Director)
- CIMCO Fourteen LLC (Director)
- Hampshire Destination Properties LLC (Director)
- NJ Division of Investments, State Investment Council (Council Member)
- Palisades Interstate Park Commission (Commissioner)

Past Directorship or Principal Commitment held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

Nil

Academic and Professional Qualifications

- Bachelor of Arts, Hope College
- Juris Doctor Degree, Vermont Law School

Background and Working Experience

Mr Hanson is the President and Chief Executive Officer of The Hampshire Companies, LLC, a vertically integrated real estate development and operating platform. As at 31 December 2020, The Hampshire Companies, LLC owns and operates a diversified portfolio of 175 properties across the U.S. with an AUM in excess of US$1.7 billion. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.3 billion. Mr Hanson oversees the operation and investment activities of The Hampshire Companies and its Funds and has over 35 years of real estate investment management and operational experience. Prior to this, he was the President of The Hampshire Companies, LLC from September 2001 to December 2003.

BOARD OF DIRECTORS

David Tuvia Goss, 72

Non-Independent Non-Executive Director

Date of First Appointment as a Director

6 June 2019

Length of Service as a Director (as at 31 December 2020)

1 year and 6 months

Board Committee Served On

- Member of the Nominating and Remuneration Committee

Present Directorship in other Listed Company

Nil

Present Principal Commitments

- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)
- United Hampshire US Parent REIT, Inc. (Director)
- UOB Capital Partners LLC (Director)
- UOB Global Capital Private Limited (Director)
- UOB Global Capital (Dublin) Ltd. (Director)
- UOB Global Strategies Funds PLC (Director)
- UOB Portfolio Advisors Pan Asia Select Fund GP, Ltd. (Director)
- UOB Global Capital LLC (Director)
- Asia Select Management Ltd. (Director)
- ACIF GP Ltd. (Director)

Past Directorship or Principal Commitment held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

- U.S. RE Fund Offshore Feeder 1, Ltd (Director)

Academic and Professional Qualifications

- Bachelor of Arts in Law and Economics and a Bachelor of Laws, University of Witwatersrand Johannesburg

Background and Working Experience

Mr Goss is the Managing Director of UOB Global Capital LLC since September 1998. Prior to co-founding UOB Global Capital LLC in 1998, Mr Goss was President and CEO of AIG Asset Management Services ("AIG") in New York from March 1995, with global responsibility for AIG's third-party asset management activities. Before joining AIG, he was Global Marketing Director for Equitilink, an Australian independent asset management company, from September 1986. Before joining Equitilink, he was an executive with overall management responsibilities at Bingo Cash and Carry, a wholesale distributor, from April 1982. Before Bingo Cash and Carry, he was a sales and marketing executive at Reinhold Brothers, a diamond dealer, from March 1978. Prior to Reinhold Brothers, he was a Partner at the law firm Harry Goss Attorneys from December 1972.

Wee Teng Wen, 40

Non-Independent Non-Executive Director

Date of First Appointment as a Director

21 February 2020

Length of Service as a Director (as at 31 December 2020)

10 months

Board Committee Served On

Nil

Present Directorship in other Listed Company

Nil

Present Principal Commitments

- The Lo and Behold Group Pte. Ltd. (Director)
- The White Rabbit Pte. Ltd. (Director)
- Over Easy Pte. Ltd. (Director)
- Tanjong Beach Club Pte. Ltd. (Director)
- For the Love of Laundry Pte. Ltd. (Director)
- TWTC Pte. Ltd. (Director)
- Extra Virgin Pizza Pte. Ltd. (Director)
- MS15 Pte. Ltd. (Director)
- Loof Pte. Ltd. (Director)
- Cecil Street Pte. Ltd. (Director)
- Lo and Behold Hotels Pte. Ltd. (Director)
- Odette Restaurant Pte. Ltd. (Director)
- Members Only Hospitality Pte. Ltd. (Director)
- Esora Pte. Ltd. (Director)
- Horse Devours Pte. Ltd. (Director)
- Akronym Pte. Ltd. (Director)
- Behold Julien Pte. Ltd. (Director)
- Grain Holdings Pte. Ltd. (Director)
- Claudine Pte. Ltd. (Director)
- Clink Clink Pte. Ltd. (Director)
- W2HS (Director)
- Great Racer Trading Limited (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

- Grain Pte Ltd (Director)
- Capitol Coffee Pte. Ltd. (company has been struck-off) (Director)

Academic and Professional Qualification

- Bachelor of Science in Economics, University of Pennsylvania, U.S.A.

Award

- Outstanding Tourism Entrepreneur (Singapore Tourism Board)

Background and Working Experience

Mr Wee is the Managing Director of The Lo and Behold Group Pte Ltd, a Singapore-based hospitality group, since June 2007. From January 2006 to January 2008, Mr Wee was based in Boston and held the position of Management Consultant at Monitor Group, a multinational strategy consulting practice.

BOARD OF DIRECTORS

Chua Teck Huat Bill, 68

Independent Non-Executive Director

Date of First Appointment as a Director

21 February 2020

Length of Service as a Director (as at 31 December 2020)

10 months

Board Committees Served On

- Chairman of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorship in other Listed Company

Nil

Present Principal Commitments

- Sunseap Group Pte. Ltd. (Director)
- Citibank Singapore Limited (Director)
- Green Sands Equity, Inc (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

- ST Engineering Electronics Ltd (Director)
- ST Engineering Land Systems Ltd (Director)
- Defence Science and Technology Agency (Director)

Academic and Professional Qualifications

- Bachelor of Arts and Bachelor of Engineering (Hons), University of Newcastle, Australia

Awards

- The Public Service Star, 2012
- The Public Service Medal, 2004

Background and Working Experience

Mr Chua is a Managing Partner of Green Sands Equity Inc, a provider of financial advisory services, since March 2017.

From May 2011 to November 2014, Mr Chua was the Managing Director and Head of Global Financial Institutions Group of United Overseas Bank Limited. Prior to which he was the Executive Vice President and Chief Operating Officer of Global Markets and Investment Management from January 2009, the Executive Vice President of Delivery Channels and Operations from May 2005 and the Executive Vice President of Operations from January 2002. Mr Chua was the Executive Vice President of the Operations Division of Overseas Union Bank Limited (which was acquired by UOB) from August 2001, and the Senior Vice President and Head of the Operations Division from August 2000. From June 1980 to July 2000, Mr Chua was with Citibank N.A. ("Citibank"), where he held various senior management roles. His last held position in 2000 was Director, Head of Franchise Development, and was responsible for the evaluation of the credit worthiness of Citibank's institutional and corporate clients. He was also formerly a Director, Head of the Public Sector Unit, to manage Citibank's banking relationships and servicing requirements of the Singapore Government and Temasek-linked entities from 1998 to 1999.

Jaelle Ang Ker Tjia, 40

Independent Non-Executive Director

Date of First Appointment as a Director

21 February 2020

Length of Service as a Director (as at 31 December 2020)

10 months

Board Committees Served On

- Member of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorship in other Listed Company

- Country Group Development PCL (Director)

Present Principal Commitments

- Indigo Paradigm 13 Pte. Ltd. (Director)
- Sky Pacific Pte. Ltd. (Director)
- Playeum Ltd. (Director)
- The Great Room Pte. Ltd. (Director)
- The George Offices Pte. Ltd. (Director)
- The Great Room CT Pte. Ltd. (Director)
- The Great Room RH Pte. Ltd. (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2018 to 31 December 2020)

- Manufactory Pte. Ltd. (company has been struck-off) (Director)
- TGR Centennial Pte. Ltd. (company has been struck-off) (Director)

Academic and Professional Qualifications

- Bachelor of Architecture, University College London
- Master of Business Administration, Imperial College London

Background and Working Experience

Ms Ang is the Co-Founder and CEO of The Great Room, a coworking space inspired by hospitality, since January 2016.

From October 2009 to January 2016, Ms Ang was the Head of Development of Country Group Development PCL. From February to August 2009, Ms Ang was with Credit Suisse as the Assistant Vice-President of Business Development, prior to which, Ms Ang was with Citi Private Bank as an Associate of Strategy, Mergers and Acquisition (International) from June 2006 to February 2009.

THE MANAGER

Robert Totten Schmitt
Chief Executive Officer

Mr Schmitt was appointed as the Chief Executive Officer of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Mr Schmitt works closely with the Board to determine the strategy for UHREIT. He is also responsible for planning the future strategic development of UHREIT, the overall day-to-day management and operations, as well as working closely with the investment, asset management, financial and compliance personnel to meet the strategic, investment and operational objectives of UHREIT.

Mr Schmitt has around 30 years of experience in the real estate industry spanning across property management, asset management, property financing, leasing and deal structuring. Prior to joining the Manager, he was a Principal and Fund Manager of The Hampshire Companies. Prior to joining The Hampshire Companies in 1995, Mr Schmitt was with Legg Mason Real Estate Advisors and Amerada Hess Corporation.

Mr Schmitt holds a Bachelor of Science in Civil and Environmental Engineering from Clarkson University and an MBA in Finance from Boston University. He is also a Member of the Board of Trustees of Homeless Solutions, Inc., a not-for-profit organization providing shelter, housing and counselling for the homeless throughout Morris County, New Jersey ("NJ"). Mr Schmitt is a member of the National Association of Industrial Properties, NJ Chapter and a LEED Associate as certified by the US Green Building Council and holds a CSM designation from the International Council of Shopping Centers.

Gerard Yuen Wei Yi
Chief Financial Officer

Mr Yuen was appointed as the Chief Financial Officer of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Mr Yuen works with the CEO and other members of the management team to formulate strategic plans for UHREIT. He is responsible for applying the appropriate capital management strategy, overseeing tax and treasury matters, as well as finance and accounting matters, and is involved in the implementation of UHREIT's short and medium-term business plans, fund management activities and financial condition.

Mr Yuen has more than 20 years of experience in investment banking, finance and the public sector. Prior to joining the Manager, Mr Yuen was a Managing Director with Nomura Singapore Limited. Before that, he was with Deutsche Bank AG, Singapore Branch where he held a variety of positions within the Global Banking and Global Markets Division.

Mr Yuen started his career with the Ministry of Finance, Singapore.

Mr Yuen graduated with First Class Honours, Bachelor of Arts, Philosophy, Politics and Economics from St Edmund Hall, University of Oxford, and a Master of Science, Economics for Development from St Edmund Hall, University of Oxford.

Yap Soh Cheng
Finance Director

Ms Yap was appointed as the Finance Director of the Manager prior to the listing of UHREIT on 12 March 2020 and played a pivotal role in its successful listing.

Ms Yap is responsible for the finances of UHREIT, including focusing, monitoring and reporting on the financial performance of UHREIT. She is also responsible for the preparation of the statutory accounts, co-ordination with external auditors, managing tax affairs and treasury matters, and preparation of performance reports for management, investors and regulators. Ms Yap also develops and maintains appropriate policies, procedures and processes for finance and other operational areas to ensure appropriate internal controls are in place.

Ms Yap has more than 16 years of experience in a wide spectrum of financial and accounting function, including financial strategic planning, corporate finance, treasury, group consolidation, management and financial reporting, budgeting and compliance matters, as well as auditing function. Prior to joining the Manager, she was the Financial Controller of CashShield Pte Ltd and Leader Energy Pte Ltd, and was a Finance Director with Heptagon Micro Optics Pte Ltd.

Early in her career, Ms Yap was an external auditor with PricewaterhouseCoopers LLP, Ernst & Young LLP and Chio Lim & Associates LLP.

Ms Yap graduated with an Advanced Diploma in Commerce (Financial Accounting) and a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College, Malaysia. She is a Chartered Accountant (Singapore) and member of the Institute of Singapore Chartered Accountants and affiliate member of the Association of Chartered Certified Accountants.

Leng Tong Yan
Vice President, Investor Relations & Corporate Development

Ms Leng is responsible for managing investor communication through various communication channels, ensuring timely and clear disclosure of information, as well as facilitating two-way communication with the investment community.

Ms Leng has more than 14 years of experience in investor relations, external and internal audit. Prior to joining the Manager, she was the Senior Manager of Investor Relations of Elite Commercial REIT, where she led the investor relations function and was instrumental in its listing on SGX-ST. Prior to that, she was with the CapitaLand Group where she helmed the Investor Relations function for Ascott Residence Trust and CapitaLand China Trust.

Prior to that, Ms Leng held various external and internal audit roles with CapitaLand Group and KPMG LLP.

Ms Leng holds a Bachelor of Accountancy from Nanyang Technological University, Singapore and is a Chartered Accountant (Singapore).

U.S. ASSET MANAGER

Derek Gardella
Portfolio Manager

Mr Gardella is the Portfolio Manager of The Hampshire Companies, LLC ("The Hampshire Companies") and was deeply involved in UHREIT's IPO. He works closely with The Manager on corporate strategy and planning initiatives in addition to overseeing the strategic execution of the portfolio management and asset management activities of UHREIT.

Mr Gardella has approximately 18 years of real estate experience and over 20 years of professional experience. He joined The Hampshire Companies in 2011 and has held a diverse range of positions within The Hampshire Companies. Mr Gardella was a Portfolio Manager for Core-Plus and Value-Add Closed-End Institutional Real Estate Funds, and also previously served as a Director of Acquisitions and Financing where he managed a team in structuring and negotiating acquisitions and financings for a variety of property types. Prior to joining The Hampshire Companies, he spent majority of his career with JPMorgan where he held a variety of roles in the Investment Management and Investment Banking divisions.

Mr Gardella holds a Bachelor of Science Degree from Fairfield University with a Dual Major in Finance and Information Systems, as well as a Master of Science Degree in Real Estate from New York University. He is a member of the International Council of Shopping Centers and National Association of Office and Industrial Properties, New Jersey Chapter. Mr Gardella is also a member of the Adjunct faculty at New York University where he teaches courses focused on real estate.

Stephanie Barrett
Manager of Asset Services

Ms Barrett is the Manager of Asset Services for The Hampshire Companies where she is responsible for maximizing and protecting value for the UHREIT's portfolio. Ms Barrett oversees the property-level financial performance, day-to-day leasing and operations of individual assets and guides property managers and leasing agents to execute the annual business plans.

Ms Barrett has over 15 years of experience in asset management, underwriting, property management as well as valuation for retail, office, multi-family and industrial properties. Prior to joining The Hampshire Companies in 2018, Ms Barrett held a variety of roles in various real estate and professional services companies. She was an Underwriter with Countrywide Capital Markets, Property Manager with CB Richard Ellis, Inc., Valuation Associate with Deloitte & Touche and most recently as an Asset Manager with New York Life Real Estate Investors.

Ms Barrett holds a Bachelor of Arts Degree in Marketing from The College of New Jersey and a Master of Science Degree with an emphasis in Real Estate Finance and Investment from New York University.

Daniel Casey
Senior REIT Analyst

Mr Casey is the Senior REIT Analyst of The Hampshire Companies and his responsibilities include sourcing for acquisition opportunities, underwriting, due diligence and managing the valuation process. He is also involved in developing the property and portfolio-level analytical tools.

Mr Casey joined The Hampshire Companies in 2017 and completed the three-year Analyst Program. In his prior role at The Hampshire Companies, Mr Casey was responsible for the fund modeling for Core-Plus Real Estate Funds and underwriting for retail, industrial and self-storage properties.

Mr Casey has over three years of experience in the real estate industry and holds a Bachelor of Science Degree in Business Management from Babson College.

Lesli Skirbe
Asset Administrator

Ms Skirbe is the Asset Administrator of The Hampshire Companies. She is responsible for overseeing the day-to-day administrative function which includes handling of leasing documents, calendar management, document maintenance, as well as overseeing special projects while supporting Mr Schmitt and the management team of the Manager.

Ms Skirbe has more than eight years of experience in the real estate industry and over 10 years of administrative experience. Prior to her current role, she was a Fund Administrator of The Hampshire Companies and prior to that, she was a Mortgage Account Executive responsible for generating monthly mortgage sales and overseeing the loan process. Ms. Skirbe graduated from Berkeley College of Business.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

This review is for the financial period from Listing Date to 31 December 2020 ("Financial Period 2020 or FP 2020").

OVERALL REVIEW

	FP 2020 12 March 2020 to 31 December 2020		
	Actual[1] US$'000	Forecast[1,2] US$'000	+/(-) %
Consolidated Statement of Comprehensive Income			
Gross revenue	41,617	42,558	(2.2%)
Property expenses	(11,820)	(12,441)	(5.0%)
Other income	1,278	2,031	(37.1%)
Net Property Income	**31,075**	**32,148**	**(3.3%)**
Manager's base fee	(2,382)	(2,353)	1.3%
Manager's performance fee	(52)	–	100%
Trustee's fee	(113)	(106)	6.6%
Other trust expenses	(1,422)	(1,062)	33.8%
Finance income	3	21	(85.7%)
Finance costs	(5,594)	(7,472)	(25.1%)
Net income before tax and fair value change in investment properties and derivatives	**21,515**	**21,176**	**1.6%**
Fair value change in investment properties	(14,301)	(5,988)[3]	n.m.[4]
Fair value change on financial derivatives	(2,117)	–	n.m.[4]
Net income before tax	**5,097**	**15,188**	**(66.4%)**
Tax expense	(489)	(2,381)	(79.5%)
Net income after tax	**4,608**	**12,807**	**n.m.[4]**
Net income attributable to Unitholders	**4,663**	**12,663**	**n.m.[4]**
Net Income available for distribution to Unitholders	**23,826**	**23,516**	**1.3%**
DPU (US cents)	**4.81**	**4.76**	**1.1%**

1 UHREIT was a dormant private trust up to 11 March 2020. Therefore, the actual income derived from the properties for the current period was from 12 March 2020 to 31 December 2020.
2 The Prospectus disclosed a 10-month profit forecast for the period from 1 March 2020 to 31 December 2020. Forecast results for the period from 12 March 2020 to 31 December 2020 were derived by pro-rating the forecast figures.
3 Includes fair value change arising from the acquisition cost of US$4,334,000 recognised on Listing Date, that was not subjected to pro-rating.
4 n.m.: not meaningful.

GROSS REVENUE

Gross revenue of US$41.6 million was 2.2% or US$0.9 million lower than forecast largely due to weaker gross revenue contribution from Self-Storage Properties, due to a deceleration in leasing activities at the onset of COVID-19 and the delay in the opening of the Perth Amboy Self-Storage.

NET PROPERTY INCOME ("NPI")

Overall, NPI of US$31.1 million was 3.3% or US$1.1 million lower than forecast largely due to US$0.4 million lower NPI from Self-Storage Properties, due to a deceleration in leasing activities at the onset of COVID-19 and the delay in the opening of the Perth Amboy Self-Storage, as well as US$0.8 million lower net property income due to the reclassification of the Perth Amboy Top-Up from other income to distribution adjustment as a result of the delay in completion of construction. The latter does not have an impact on income available for distribution to Unitholders.

NET INCOME

Manager's base fee of US$2.4 million was 1.3% higher than forecast as income available for distribution to Unitholders was higher than forecast. Manager's base fee is 10.0% of income available for distribution to Unitholders (calculated before accounting for the Manager's base fee).

The Manager's performance fee is based on 25% of the excess of actual DPU for FP 2020 over the forecasted DPU for the forecast period from 12 March 2020 to 31 December 2020 (calculated before accounting for the performance fee, but after accounting for the base fee in the financial period) multiplied by the weighted average number of Units in issue for such financial period.

Other trust expenses of US$1.4 million was 33.8% or US$0.4 million higher than forecast due to higher professional and legal fees incurred as a result of rent relief negotiations.

Finance costs of US$5.6 million were 25.1% or US$1.9 million lower than forecast. This was largely a result of favorable floating-to-fixed interest rate swap rates secured for the TL1 and TL2 term loans.

The fair value loss of US$14.3 million on investment properties is attributable to the items below.

	US$'000
Net fair value loss pursuant to year end appraisal review	7,761
Net effect of properties acquisition costs	4,198
Net fair value loss from right-of-use asset[1]	614
Net effect of amortisation and straight-lining[2]	1,728
	14,301

It was largely due to the acquisition cost of the properties at IPO as well as a net fair value loss pursuant to the reporting period end appraisal review whereby the appraiser has taken into consideration certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are reflective of the current market conditions.

The REIT obtains independent appraisals on an annual basis and the investment properties are carried at fair value based on 31 December 2020 appraisals.

Fair value on financial derivatives resulted in a loss of US$2.1 million as interest rates decreased from the date interest rate swaps were entered. The forecast did not assume any changes in interest rates. This is a non-cash item and therefore does not affect income available for distribution to Unitholders.

Due to the net effects of the above, net income after tax attributable to Unitholders was US$4.7 million. After adjusting for distribution adjustments, the overall net income available for distribution to Unitholders was US$23.8 million which is 1.3% higher than forecast.

NET ASSET VALUE ("NAV") PER UNIT

As at 31 December 2020, NAV per Unit was US$0.75. Excluding the DPU declared for the Financial Period, the adjusted NAV per Unit was US$0.72.

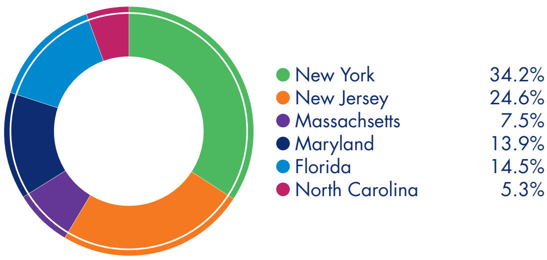
1 Pursuant to the recognition of right-of-use asset relating to lease obligation of Wallington ShopRite.
2 Arising from accounting for rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flow is included in the carrying value of the investment property and subsequently adjusted to reflect fair value change in investment properties recognised in profit or loss.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

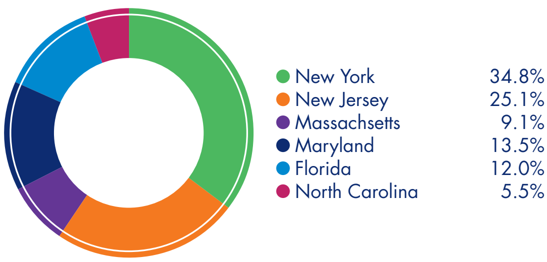
Gross Revenue by Segment

NPI by Segment[1]

Gross Revenue by Location



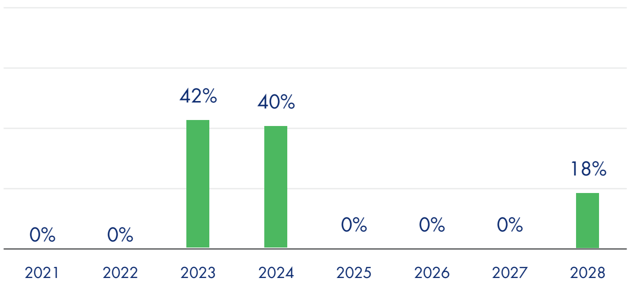
NPI by Location[1]



PROACTIVE AND PRUDENT CAPITAL MANAGEMENT

Key Financial Indicators	
Gross Borrowings	US$219.1 million
Undrawn Revolving Credit Facilities	US$20.0 million
Aggregate Leverage	36.2%
Weighted Average Interest Cost	2.83% p.a.
Weighted Average Debt Maturity	3.48 years
Interest Coverage Ratio	6.3 times
Unencumbered Properties as % of Total Portfolio	78.0%

Debt Maturity Profile (%)



STABLE GEARING AND WELL-SPREAD DEBT MATURITY PROFILE

As at 31 December 2020, the total gross outstanding gross borrowings of UHREIT was US$219.1 million with an aggregate leverage of 36.2%. To mitigate interest rate risk exposures, 100.0% of the floating rate gross borrowings has been hedged into fixed rates. The debt maturity profile was also well-staggered over eight years with no refinancing requirements until 2023, thus mitigating near-term liquidity and funding cost risks. UHREIT uses derivative financial instruments to hedge its interest rate exposure.

1 NPI excludes Elizabeth Self-Storage Top-Up.

CASH FLOWS AND LIQUIDITY

As at 31 December 2020, UHREIT's cash and cash equivalents were US$13.0 million. Net cash generated from operating activities for the Financial Period was US$25.8 million, mainly from cash received from NPI. Net cash used in investing activities for the Financial Period amounted to US$458.3 million. This included mainly net cash of US$450.4 million deployed for the acquisition of the IPO portfolio properties, including related assets and liabilities.

Net cash generated from financing activities amounted to US$445.5 million. This mainly comprised of US$303.3 million proceeds raised from IPO, net of transaction costs and rollover investors' consideration and US$156.1 million of debt financing obtained from external banks, net of transaction costs.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING ("IPO")

The following table sets out the use of IPO proceed is in accordance to the intended sources and applications of the total proceeds from the issuance of units and the borrowings.

	Amount allocated US$'000	Amount utilised US$'000	Balance US$'000
Acquisition of properties	582,490	582,874	(384)
Transaction costs	26,764	23,993	2,771
Working capital[1]	4,993	–	4,993
	614,247	606,867	7,380

CAPITAL MANAGEMENT

The Manager manages the capital of the Group to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of debt and net assets attributable to Unitholders, and to ensure that all other externally imposed capital requirements are complied with.

The capital structure of the Group consists of debts, which include bank borrowings and net assets attributable to Unitholders comprising issued and issuable units, and reserves. Effective 16 April 2020, the Trust and the Group are required to maintain aggregate leverage not exceeding 50% of the total asset value of the Group in accordance with the Code on Collective Investment Schemes ("CIS" Code) issued by the Monetary Authority of Singapore ("MAS"). A breach will result in a non-compliance to the regulation.

FINANCIAL AND TAX RISK MANAGEMENT

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects of changes in the financial markets on the financial performance of the Group. Risk management is carried out by the Group under internal management policies. The management of the Group identifies, evaluates and manages financial risks and

1 Working capital use relates mainly to cover certain capital expenditure and other general and administrative expenses.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

provides guidelines for overall risk management, covering specific areas, such as mitigating interest rate risks, credit risk, liquidity risks and foreign currency exchange risks.

The Group entered into interest rate swaps to manage its exposure to interest rate movements on certain of its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates. The Group holds the interest rate swaps to provide fixed rate funding up to the maturity of the loans.

A subsidiary group of UHREIT has elected to be taxed as a Real Estate Investment Trust for U.S. Federal income tax purposes, this is subject to meeting certain qualification conditions over its income, asset, distribution and shareholders' test. The Group is in compliance with the relevant qualification test for the period ended 31 December 2020 to qualify as a Real Estate Investment Trust for U.S. Federal income tax purposes.

UPDATE ON TOP-UP AGREEMENT

St. Lucie West Top-Up Agreement

This is in relation to the asset enhancement works for St. Lucie West Expansion which was scheduled to be completed by the end of Q1 2021. Upon completion, St Lucie West Expansion will be occupied by the existing anchor tenant of St. Lucie West, Publix Super Markets, Inc. ("Publix"). Publix currently occupies one of the existing buildings at St. Lucie West (the "Existing Publix Store") which will be backfilled with new tenants once Publix

occupies the St. Lucie West Expansion. As a result, the increased cash flows of St. Lucie West attributed to the new tenants will not commence until after the completion of the St. Lucie West Expansion and after the Existing Publix Store is backfilled with the new tenants.

A top-up arrangement was put in place to mitigate the lower rental income resulting from the construction of the St. Lucie West Expansion and the estimated time required to backfill the Existing Publix Store vacated by Publix, where a total of US$1,798,000 income top-up will be disbursed to UHREIT during the period from the Listing Date to 31 October 2021. During the financial period ended 31 December 2020, UHREIT has recognised a top-up income of US$1,061,000 in income available for distribution, the remaining top-up income of US$737,000 will be recognised in financial year 2021. This has been presented as other receivable as UHREIT has an unconditional right to receive such Top-Ups over the relevant period.

As at 31 December 2020, The Manager has secured a new lease to backfill 57% of the Existing Publix Store and it is working closely with potential tenants to backfill the remaining space within the Existing Publix Store. Subsequent to FP 2020, the St. Lucie West Expansion has since completed construction and received its certificate of occupancy, slightly ahead of schedule.

Elizabeth Top-Up Agreement

Elizabeth Self-Storage was completed in January 2020 and is in the process of leasing-up. A top-up arrangement was put in place since the Net Operating Income at the time of acquisition was not yet at a level comparable with those of more mature or stabilised properties as at the Listing Date. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Elizabeth Self-Storage for a period of up to 4 years from the date of acquisition, where UHREIT will be entitled to receive the income top-up based on the difference between the Net Operating Income and the Stabilised Net Operating Income of US$1,313,048 per annum, up to an aggregate amount of US$2,524,356.

UHREIT has recognised a top-up income of US$1,278,000 in other income during the financial period ended 31 December 2020. As at 31 December 2020, Elizabeth Self-Storage has achieved an occupancy of 38.7%, 1.5% below the forecasted occupancy of 40.2%. As the occupancy continues to trend upwards since the gradual lifting of lockdown measures in May 2020, the Manager is working actively to optimise the performance of Elizabeth Self-Storage.

Perth Amboy Top-Up Agreement

At the time of acquisition, Perth Amboy Self-Storage was under construction, with a target completion of construction in Q2 2020. A top-up arrangement was put in place since it would take time for the Net Operating Income to rise to a level in line with those of more mature or stabilised properties. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Perth Amboy Self-Storage for a period of up to 4 years from the date of acquisition, where UHREIT will be entitled to receive the income top-up based on the difference between the Net Operating Income and Stabilised Net Operating Income of US$1,157,575 per annum, up to an aggregate amount of US$2,198,123.

As there was a delay in the opening of Perth Amboy Self-Storage due to the delay in completion of construction, UHREIT has recognised a top-up income of US$931,000 in income available for distribution during the financial period ended 31 December 2020.

Pursuant to the Sale and Purchase Agreement for Perth Amboy Self-Storage, the Perth Amboy Vendor was obligated to oversee, supervise and complete development and construction, at its sole cost and expense, of the property in accordance with the plans and specifications for the Perth Amboy Self-Storage. Accordingly, the Perth Amboy Vendor is responsible for, and shall pay, all costs to complete the project and otherwise perform its obligations, including, without limitation, all project costs and cost-overruns as the same become due and payable, with completion of the construction not later than 15 June 2020. In the event of a delay in completion of construction beyond 15 June 2020, UHREIT is entitled to seek compensatory stipulated damages for such delay.

Perth Amboy obtained its Temporary Occupancy Permit on 19 January 2021 and business has commenced since then. As of February 2021, Perth Amboy has achieved an occupancy of 8% in approximately one month since opening. UHREIT is in the process of seeking for compensatory stipulated damages attributable to the delay in completion of construction. Subsequent to financial period ended 31 December 2020, UHREIT has received US$344,000 as a partial payment of the compensatory stipulated damages and this would be recognised as other income in financial year 2021. The Manager is in the process of negotiating with the Perth Amboy Vendor for payment of the balance of the compensatory stipulated damages.

UPDATE ON EARN-OUT AGREEMENT

The initial purchase consideration of Carteret Self-Storage and Millburn Self-Storage by UHREIT was US$17.3 million and US$22.2 million (the "Initial Purchase Consideration"), respectively, which are equal to the valuation of Carteret Self-Storage and Millburn Self-Storage (as at 30 September 2019), respectively.

The Trustee, the Manager and the Hampshire Sponsor have entered into earn-out agreements pursuant to which an additional purchase consideration of US$200,000 the "Carteret Earn-out Amount") would be payable if the net operating income ("NOI") of Carteret Self-Storage is at least US$954,117 for any 12 months period (the "Carteret Target NOI") on or before 30 June 2021, and US$500,000 (the "Millburn Earn-out Amount"), if the NOI of Millburn Self-Storage is at least US$1,145,703 for any 12 months period (the "Millburn Target NOI") on or before 30 April 2022, respectively.

As at 31 December 2020, the Group has not recognised a contingent consideration payable of US$700,000, considering that it is not probable for Carteret Self-Storage and Millburn Self-Storage to meet the Carteret Target NOI and Millburn Target NOI on or before 30 June 2021 and 30 April 2022, respectively, based on the recent business forecast.

ACCOUNTING POLICY

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. UHREIT's significant policies are discussed in more detail in the notes to the financial statements.

OPERATIONS REVIEW

PORTFOLIO SUMMARY

UHREIT's portfolio (the "Portfolio") consists of 22 assets comprising Grocery & Necessity and Self-Storage properties located across six states, focused on the populous and affluent East Coast markets of the U.S. The aggregate NLA of of the Portfolio is approximately 3.16 million sq ft, comprising 18 Grocery & Necessity and four Self-Storage Properties.

PORTFOLIO VALUATION

An independent valuer, CBRE, Inc. was appointed by the Trustee of UHREIT. The total appraised value of the portfolio is US$585.5 million as at 31 December 2020, representing a 0.2% increase from 30 September 2019 (IPO Portfolio valuation date).

VALUATION

	31 December 2020 (US$'000)	30 September 2019 (IPO Valuation Date) (US$'000)	Change (%)
Garden City Square – BJ's Wholesale Club	45,900	47,900	(4.2%)
Garden City Square – LA Fitness	21,100	21,700	(2.8%)
Albany ShopRite – Supermarket	22,850	22,850	–
Albany ShopRite – Gas Station	4,050	4,150	(2.4%)
Price Chopper Plaza	21,700	20,050	8.2%
Wallkill Price Chopper	13,200	13,600	(2.9%)
Hudson Valley Plaza	45,300	46,050	(1.6%)
Wallington ShopRite	16,300	15,900	2.5%
Stop & Shop Plaza	28,300	29,300	(3.4%)
Towne Crossing	12,900	13,425	(3.9%)
Lawnside Commons	32,800	32,700	0.3%
St. Lucie West	83,550	76,100	9.8%
Big Pine Center	9,200	9,150	0.5%
Arundel Plaza	45,500	45,300	0.4%
Parkway Crossing	24,600	26,625	(7.6%)
BJ's Quincy	34,500	33,575	2.8%
Fairhaven Plaza	19,800	18,500	7.0%
Lynncroft Center	24,200	24,950	(3.0%)
Carteret Self-Storage	17,000	17,300	(1.7%)
Millburn Self-Storage	21,200	22,200	(4.5%)
Elizabeth Self-Storage	22,200	23,924	(7.2%)
Perth Amboy Self-Storage	19,300	19,300	–
Total	**585,450**	**584,549**	**0.2%**
Grocery & Necessity Properties	505,750	501,825	0.8%
Self-Storage Properties	79,700	82,724	(3.7%)
Total	**585,450**	**584,549**	**0.2%**

GROCERY & NECESSITY PROPERTIES

Within UHREIT's Portfolio, there are 18 Grocery & Necessity Properties ("Grocery & Necessity Portfolio"). The Grocery & Necessity Portfolio forms 86.4% of UHREIT's Portfolio by asset value and have a total NLA of 2.86 million sq ft.

UHREIT's Grocery & Necessity Properties are equipped with large car parks and common areas. The single-storey, open-air centers not only provide a conducive environment for social distancing, they also facilitate in-store and curbside pickup which are part of the omni-channel strategy adopted by many tenants and have become even more relevant in the current environment.

During the period under review, precautionary measures were implemented to ensure the safety of both shoppers and staff. This included stepping up of efforts in cleaning and sanitising the premises, setting aside hours designated for vulnerable groups, such as seniors and pregnant shoppers, to shop away from the crowds. Other safety measures included the installation of plastic shields and enforcing employee safe distancing measures.

STABLE CASH FLOW FROM LONG LEASES AND HIGH OCCUPANCY

The Grocery & Necessity Portfolio enjoys a high occupancy rate of 94.7% as at 31 December 2020. It also benefits from a long weighted average lease to expiry ("WALE") of 8.2 years by Gross Rental Income ("GRI"), including forward committed leases. Excluding forward committed leases, the WALE is 7.9 years by GRI with only 3.4% of GRI expiring in 2021. Further, the leases are almost all "triple net" leases, with tenants responsible for their pro-rata share of all real estate taxes, building insurance, property expenses and common area operating expenses.

OCCUPANCY BY NLA (%)

As at 31 December 2020	%
Garden City Square – BJ's Wholesale Club	100.0%
Garden City Square – LA Fitness	100.0%
Albany ShopRite – Supermarket	100.0%
Albany ShopRite – Gas Station	100.0%
Price Chopper Plaza	100.0%
Wallkill Price Chopper	90.0%
Hudson Valley Plaza	84.4%
Wallington ShopRite	100.0%
Stop & Shop Plaza	100.0%
Towne Crossing	100.0%
Lawnside Commons	100.0%
St. Lucie West	96.1%
Big Pine Center	90.7%
Arundel Plaza	99.4%
Parkway Crossing	99.1%
BJ's Quincy	100.0%
Fairhaven Plaza	94.0%
Lynncroft Center	95.7%
Total	**94.7%**

The majority of the leases benefit from rental increases during the lease terms and/or renewal options with built-in rental increases.

In 2020, 25 leases with approximately 319,000 sq ft, representing 11.4% of the total NLA of the Grocery & Necessity Portfolio, were executed and this comprises new leases, early extensions, lease renewals from expiring leases and lease renewals in exchange for temporary rent relief[1].

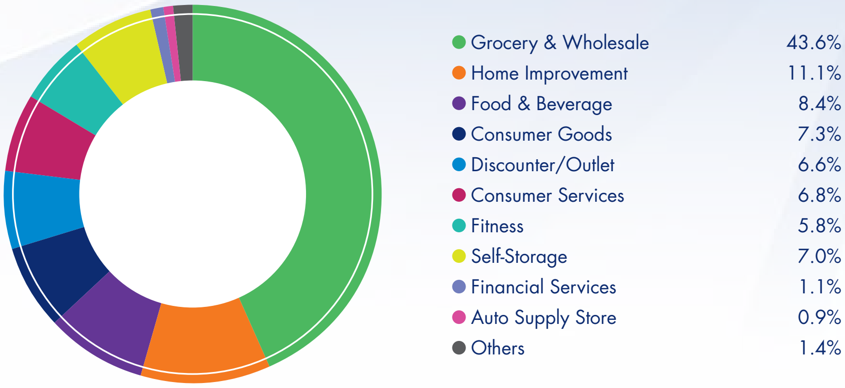
For new leases executed in 2020, the WALE based on the date of commencement of the leases is 13.5 years by GRI and accounts for 2.8% of the total GRI.

1 Four leases with approximately 99,000 sq ft were executed prior to UHREIT's listing on 12 March 2020.

OPERATIONS REVIEW

Portfolio Lease Expiry Profile (%)
(as at 31 December 2020)

Trade Sector Mix
(By GRI[1])



TRADE SECTOR MIX

The Grocery & Necessity Properties have leases where tenant's rents are fixed pursuant to the leases, and income that comes from a well-diversified tenant mix comprising supermarkets, home improvement stores, warehouse clubs, restaurants and other necessity retailers that serve the U.S. consumer. A majority of the tenants have adopted omni-channel strategies where the physical stores are an important element of the shopping experience and provide optionality for the consumers to receive their merchandise. Examples of omni-channel shopping options include in-store shopping and BOPIS (Buy Online and Pickup In Store). The convenience of the physical store creates the opportunity for orders to be fulfilled within the same-day and for shoppers to pick-up their goods in stores or at the curbside, where the merchandise is brought to the shoppers' cars. Additionally, there are also third-party shopping services available to help consumers to make purchases at their local stores and deliver their orders within two hours.

UHREIT has collaborated with tenants to address their needs at various properties during COVID-19 which included allowing restaurant tenants at certain properties to create outdoor dining areas in the parking lots. The new initiatives implemented allowed for safe-distancing to protect the health of patrons during the COVID-19 pandemic while enabling tenants to continue their business activities in the best alternative way possible.

UHREIT has a total of 158 tenants as at 31 December 2020. All the properties in the portfolio remained open during the lockdown as a majority (over 70%) of the tenants are providing essential good and services[2].

1 Based on base rental income of Grocery & Necessity Properties for the month of December 2020.
2 Based on the definition of "Essential Retail Businesses" by the State of New Jersey, source: https://covid19.nj.gov/faqs/nj-information/reopening-guidance-and-restrictions/what-rules-or-safety-guidelines-are-in-place-for-reopened-businesses-are-any-businesses-closed

TOP 10 TENANTS

Focused on the leading anchors in growing sectors and tenants with strong underlying financial and operating performance, our top 10 tenants included some of the largest grocers, wholesalers, home improvement retailers, and discounters in the U.S.

(% OF GRI)

	Tenant	Trade Sector	% GRI[1]
1	BJ's Wholesale Club Holdings, Inc	Grocery and Wholesale	13.5%
2	Wakefern Food Corporation / Inserra Supermarkets	Grocery and Wholesale	12.2%
3	Ahold Delhaize / Stop & Shop	Grocery and Wholesale	10.4%
4	Lowe's Companies, Inc	Home Improvement	6.8%
5	Walmart Inc. / Sam's Club	Grocery and Wholesale	5.7%
6	LA Fitness	Fitness	5.5%
7	Home Depot USA, Inc	Home Improvement	4.8%
8	Price Chopper Supermarkets	Grocery and Wholesale	4.0%
9	PetSmart, Inc	Consumer Goods	1.9%
10	Burlington Stores, Inc	Discounter/Outlet	1.9%
Total			**66.7%**

SELF-STORAGE PROPERTIES

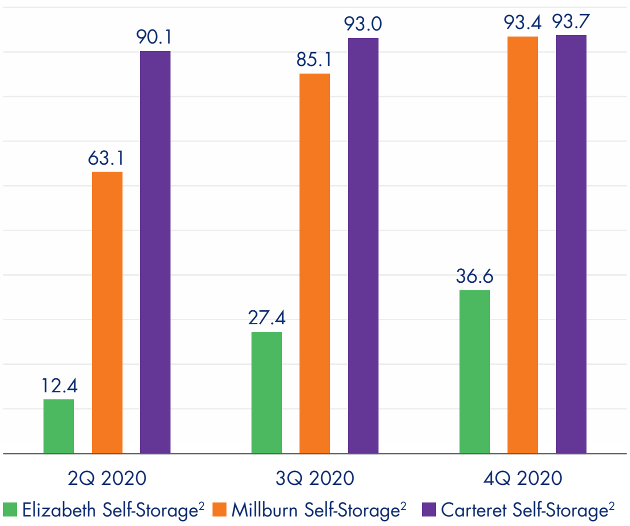
Within UHREIT's Portfolio, there are four Self-Storage Properties ("Self-Storage Portfolio"), namely Carteret Self-Storage ("Carteret"), Millburn Self-Storage ("Millburn"), Elizabeth Self-Storage ("Elizabeth") and Perth Amboy Self-Storage ("Perth Amboy"). The Self-Storage Portfolio forms 13.6% of UHREIT's Portfolio by total appraised value and has a total NLA of 0.3 million sq ft.

UHREIT's Self-Storage Portfolio is located in New Jersey, which is one of the most densely populated areas of the country. Carteret and Millburn have achieved occupancy levels in excess of 90% while Elizabeth and Perth Amboy are newly constructed facilities in the process of leasing-up. The construction of Perth Amboy has been completed and leasing activities have commenced. Both Elizabeth and Perth Amboy have top-up arrangements in place.

The Self-Storage Portfolio is managed by Extra Space Storage, Inc. ("Extra Space Storage"), which is one of the largest owner-operators and managers of self-storage properties in the U.S. Extra Space Storage is a public-listed third party.

Since IPO, the Self-Storage Portfolio has experienced a significant increase in property occupancies and rental rates have trended upwards as well.

Self-Storage Property Occupancy
(%)



1 Based on base rental income of Grocery & Necessity Properties for the month of December 2020.
2 Occupancies are computed based on the average of the last day of each month during the quarter.

OPERATIONS REVIEW

DEVELOPMENT INITIATIVES

Two construction projects in the portfolio have been underway since the IPO.

At The Shoppes at St. Lucie West, Florida, a new building for Publix Super Markets, Inc. ("Publix") commenced construction in May 2020. The construction was completed slightly ahead of schedule and certificate of occupancy was received in March 2021. Publix will be moving from its current store of 48,800 sq ft to the newly completed store of around 55,000 sq ft. This construction project has created a productive use out of an undeveloped land parcel within the premises of St. Lucie West and created the opportunity for Publix to expand its services and product offering to its customers. Additional amenities at this new store include a drive-through lane for the pharmacy.

The Manager has pre-leased the existing store occupied by Publix to Beall's Outlet Stores ("Beall's"). Beall's will take up approximately 57% of the area with a long lease tenure of seven years and discussions with prospective tenants are underway for the leasing of the remaining space.

There is a top-up arrangement in place for St. Lucie West.

Perth Amboy Self-Storage was under construction at the time of acquisition. The construction was completed and leasing activities commenced in January 2021. After approximately a month since opening, Perth Amboy

Self-Storage achieved an occupancy of 8.0% as of February 2021. Please refer to the Self-Storage section on page 37 for details.

UHREIT is focused on sustainability initiatives that will benefit the environment and the portfolio. UHREIT is in the planning stages with a solar provider to install solar panels on the roofs of Carteret, Millburn and Perth Amboy in 2021. These Self-Storage properties may potentially benefit from reduced electricity costs as a result of this arrangement.

The Manager will continue its strategy of actively managing UHREIT's portfolio by focusing on opportunities to further enhance the assets.

PROPERTY SUMMARY

Name	Location	NLA (31 Dec 2020) (sq ft)	Land Tenure
Garden City Square – BJ's Wholesale Club	711 Stewart Avenue, Garden City, Nassau County, New York 11530	121,000	Freehold
Garden City Square – LA Fitness	711 Stewart Avenue, Garden City, Nassau County, New York 11530	55,000	Freehold
Albany ShopRite – Supermarket	709 Central Avenue, Albany, Albany County, New York 12206	65,000	Freehold
Albany ShopRite – Gas Station	651 Central Avenue, Albany, Albany County, New York 12206	917	Freehold
Price Chopper Plaza	142-146 State Route 94, Warwick, New York 10990	84,295	Freehold
Wallkill Price Chopper	505-511 Schutt Road, Middletown, Orange County, New York 10940	137,795	Freehold
Hudson Valley Plaza	401 Frank Stottile Boulevard, Kingston, Ulster County, New York 12401	673,379	Freehold
Wallington ShopRite	375 Paterson Avenue, Wallington, Bergen County, New Jersey 07057	94,027	2040[3]
Stop & Shop Plaza	581 Stelton Road, Piscataway, Middlesex County, New Jersey 08854	84,167	Freehold
Towne Crossing	2703 Burlington-Mount Holly Road, Burlington, Burlington County, New Jersey 08016	91,745	Freehold
Lawnside Commons	310 North White Horse Pike, Lawnside, Camden County, New Jersey 08045	151,076	Freehold
St. Lucie West	1315-1497 St. Lucie West Blvd, Port St. Lucie, St. Lucie County, Florida 34986	262,686 *(without New Publix Store)* 317,651 *(with New Publix Store)*	Freehold
Big Pine Center	251 Key Deer Boulevard, Big Pine Key, Monroe County, Florida 33043	93,150	Freehold
Arundel Plaza	6604-6654 Ritchie Highway, Glen Burnie, Anne Arundel County, Maryland 21061	282,035	Freehold
Parkway Crossing	2301-2535 Cleanleigh Drive, Parkville, Baltimore County, Maryland 21234	260,242	Freehold
BJ's Quincy	200 Crown Colony Drive, Quincy, Norfolk County, Massachusetts 02169	84,360	Freehold
Fairhaven Plaza	221 Huttleston Avenue, Fairhaven, Bristol County, Massachusetts 02719	80,239	Freehold
Lynncroft Center	3120-3160 Evans Street, Greenville, Pitt County, North Carolina 27834	182,925	Freehold
Carteret Self-Storage	6640 Industrial Highway, Carteret, Middlesex County, New Jersey 07008	74,075	Freehold
Millburn Self-Storage	30 Bleeker Street, Millburn, Essex County, New Jersey 07041	80,918	Freehold
Elizabeth Self-Storage	1189 Magnolia Avenue, Elizabeth, Union County, New Jersey 07201	74,258	Freehold
Perth Amboy Self-Storage	900 State Street, Perth Amboy, Middlesex County, New Jersey 08861	68,978	Freehold

N.M. Not meaningful

1 The purchase consideration of Wallkill Price Chopper excluded the related adjustment attributable to minority interests of 3.0%, or US$0.3 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$13.6 million.

2 The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,379 sf minus the non-functional static space of 67,616 sf.

3 The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two 10-year renewal options that would take the term through 24 June 2060.

Market Valuation (31 Dec 2020) (US$'000)	Purchase Price (US$ Million)	Acquisition Date	Occupancy Rate (31 Dec 2020)	No of Tenants	Major Tenants
45,900	47.9	12 Mar 2020	100.0%	1	BJ's Wholesale Club
21,100	21.7	12 Mar 2020	100.0%	1	LA Fitness
22,850	22.9	12 Mar 2020	100.0%	1	ShopRite
4,050	4.2	12 Mar 2020	100.0%	1	ShopRite
21,700	20.0	12 Mar 2020	100.0%	8	Price Chopper Supermarkets
13,200	13.3[1]	12 Mar 2020	90.0%	7	Price Chopper Supermarkets
45,300	46.0	12 Mar 2020	84.4%[2]	8	Walmart, Lowe's, Sam's Club, PetSmart
16,300	15.9	12 Mar 2020	100.0%	1	ShopRite
28,300	29.3	12 Mar 2020	100.0%	5	Stop & Shop
12,900	13.4	12 Mar 2020	100.0%	7	Dick's Sporting Goods
32,800	32.4[4]	12 Mar 2020	100.0%	5	Home Depot, PetSmart
83,550	76.1	12 Mar 2020	96.1%	40	Publix, LA Fitness, Burlington, HomeGoods
9,200	9.2	12 Mar 2020	90.7%	16	Winn-Dixie, Beall's Outlet Store
45,500	45.3	12 Mar 2020	99.4%	14	Lowe's, Giant Food
24,600	25.2[5]	12 Mar 2020	99.1%	23	ShopRite, Home Depot
34,500	33.6	12 Mar 2020	100.0%	1	BJ's Wholesale Club
19,800	18.5	12 Mar 2020	94.0%	4	Stop & Shop
24,200	24.9	12 Mar 2020	95.7%	15	Best Buy, Ross, Bed Bath & Beyond, Ulta, Marshalls, Michaels
17,000	17.3	12 Mar 2020	94.2%	N.M.	–
21,200	22.2	12 Mar 2020	91.2%	N.M.	–
22,200	23.9	12 Mar 2020	37.7%	N.M.	–
19,300	19.3	12 Mar 2020	–[6]	N.M.	–

4 The purchase consideration of Lawnside Commons excluded the related adjustment attributable to minority interest of 1.0%, or US$0.3 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$32.7 million.
5 The purchase consideration of Parkway Crossing excluded the related adjustment attributable to minority interests of 10.0%, or US$1.4 million that was held by the non-controlling interest party. On a 100% basis, the purchase consideration was US$26.6 million.
6 The construction of Perth Amboy Self-Storage has been completed and leasing activities have commenced. As of February 2021, occupancy was 8.0%.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

GARDEN CITY SQUARE – BJ'S WHOLESALE CLUB

711 Stewart Avenue, Garden City, Nassau County, NY 11530

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**121,000**
Valuation (US$'000)	**45,900**
WALE by GRI (years)	**11.9**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

Garden City Square – BJ's Wholesale Club is a single-storey wholesale club and part of Garden City Square, a retail/ medical office condominium complex located in the Town of Hempstead, Nassau County, New York. The neighbourhood contains a mix of office buildings, retail stores, light industrial uses, recreational uses and the Nassau Community College campus. Garden City Square – BJ's Wholesale Club is situated just south of the Roosevelt Field Mall and has easy access to Ring Road, a public/private roadway running around the perimeter of the mall's property, thus benefiting from access to the mall. Both bus and rail services are available around Garden City Square – BJ's Wholesale Club, while major roadways are accessible via the Meadowbrook Parkway and Northern Parkway.

GARDEN CITY SQUARE – LA FITNESS

711 Stewart Avenue, Garden City, Nassau County, NY 11530

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**55,000**
Valuation (US$'000)	**21,100**
WALE by GRI (years)	**9.5**
Number of Tenants	**1**
Sole Tenant	**LA Fitness**
Property Manager	**The Hampshire Companies, LLC**

Garden City Square – LA Fitness is a two-storey health fitness facility which is part of Garden City Square, a retail/ medical office condominium complex located in the Town of Hempstead, Nassau County, New York. The neighbourhood contains a mix of office buildings, retail stores, light industrial uses, recreational uses and the Nassau Community College campus. Garden City Square – LA Fitness is situated just south of the Roosevelt Field Mall and has easy access to Ring Road, a public/private roadway running around the perimeter of the mall's property, thus benefiting from access to the mall. Both bus and rail services are available around Garden City Square, while major roadways are accessible via the Meadowbrook Parkway and Northern Parkway.

ALBANY SHOPRITE – SUPERMARKET

709 Central Avenue, Albany, Albany County, NY 12206

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**65,000**
Valuation (US$'000)	**22,850**
WALE by GRI (years)	**11.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

Albany ShopRite – Supermarket is a single-storey free-standing Grocery & Necessity Property situated along a main commercial corridor in the City of Albany, Albany County, New York. It is located on Central Avenue and Wakefern Food Corp. is the sole tenant. The Property is 0.4 miles from Interstate 90, a regional thoroughfare. Within the neighbourhood, there are several retail tenants as well as single and multi-family residential, industrial and office properties.

ALBANY SHOPRITE – GAS STATION

651 Central Avenue, Albany, Albany County, NY 12206

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**917**
Valuation (US$'000)	**4,050**
WALE by GRI (years)	**11.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

Albany ShopRite – Gas Station is a single-storey gas station with eight double sided gas pumps and a convenience store. Wakefern Food Corp. is the sole tenant and the Property was renovated in 2012. Albany ShopRite – Gas Station is located along a main commercial corridor of the neighbourhood in the City of Albany, Albany County, New York. The Property is 0.4 miles from Interstate 90, a regional thoroughfare. Within the neighbourhood, there are several retail tenants as well as single and multi-family residential, industrial and office properties.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

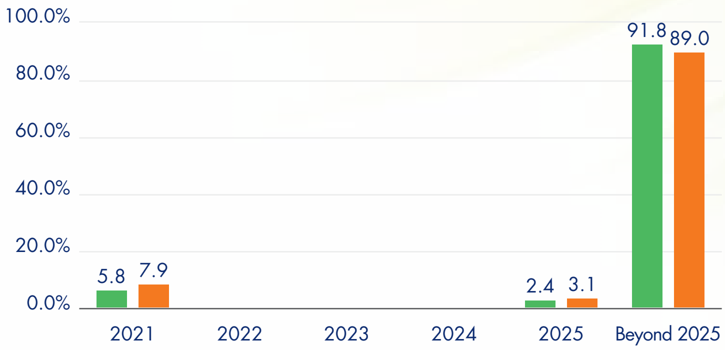
Price Chopper Plaza is a Grocery & Necessity Property situated on State Route 94 in the Town of Warwick, Orange County, New York. The Property is anchored by Price Chopper Supermarkets and contains five single-storey buildings. The area surrounding Price Chopper Plaza is considered rural in character. State Route 94 (17A) is the primary thoroughfare and is supplemented by several secondary roadways.

PRICE CHOPPER PLAZA

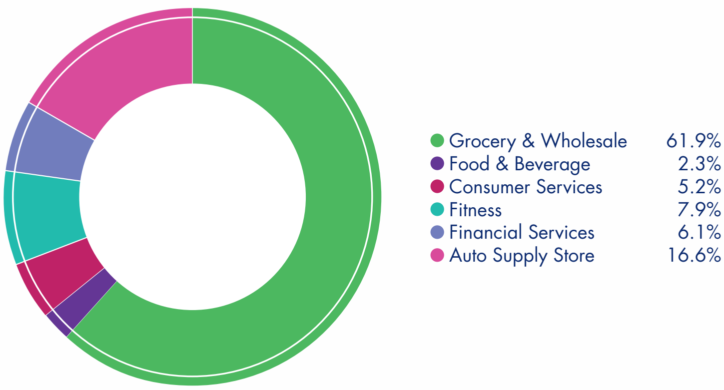
142-146 State Route 94, Warwick, NY 10990

Land Tenure	**Freehold**
Occupancy	**100%**
NLA (sq ft)	**84,295**
Valuation (US$'000)	**21,700**
WALE by GRI (years)	**11.8**
Number of Tenants	**8**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

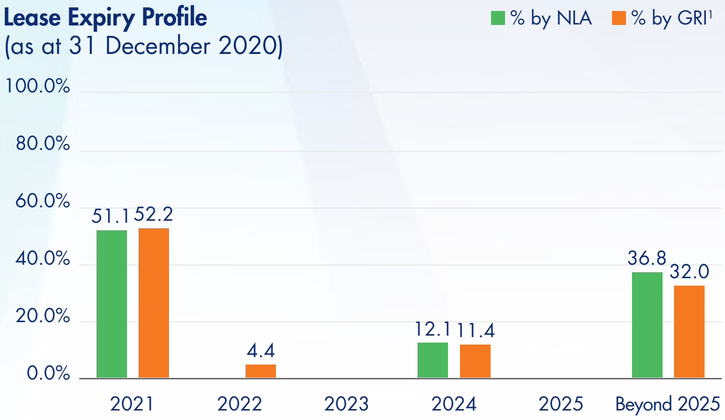
Wallkill Price Chopper is a single-storey Grocery & Necessity Property located in the Town of Wallkill, Orange County, New York. Price Chopper Supermarkets anchors the Property which is surrounded by other retail uses including Dunning Farms Shopping Center and Orange Plaza. Wallkill Price Chopper is situated near the intersection of State Route 17 and Interstate 84, both of which are major highways providing local access. Regional access is also provided by Interstate 87, which offers direct access to New York City, Albany and nearby major parkways serving New York and New Jersey.

WALLKILL PRICE CHOPPER

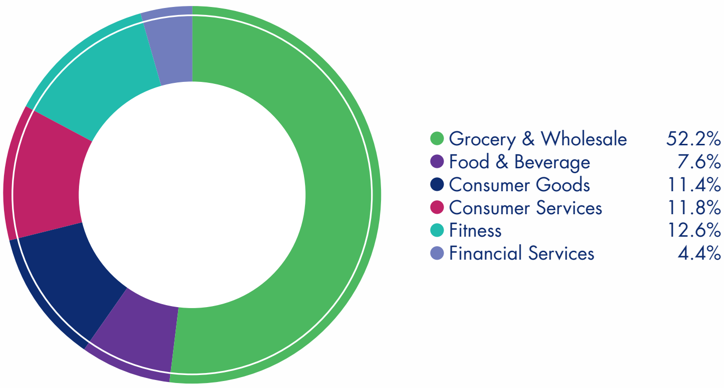
505 - 511 Schutt Road, Middletown, Orange County, NY 10940

Land Tenure	**Freehold**
Occupancy	**90.0%**
NLA (sq ft)	**137,795**
Valuation (US$'000)	**13,200**
WALE by GRI (years)	**4.0**
Number of Tenants	**7**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

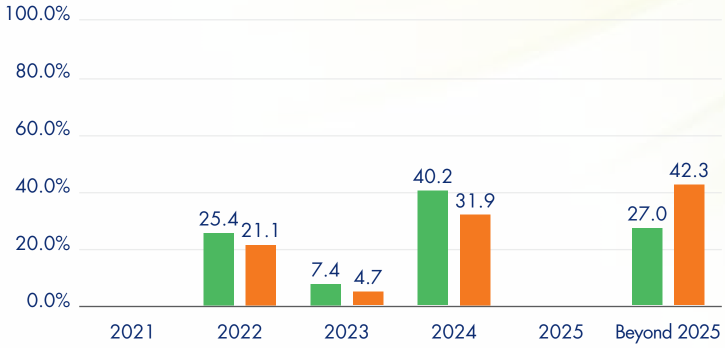
Hudson Valley Plaza is a regional center which was developed between 1996 and 1998. The Property is located in the Town of Ulster, Ulster County, New York and comprises five buildings. Walmart, Lowe's Home Center and Sam's Club are the anchor tenants of the Property. Hudson Valley Plaza is surrounded by retail and residential uses and is located less than two miles from I-87, I-587, Route 32 and Route 9W.

HUDSON VALLEY PLAZA

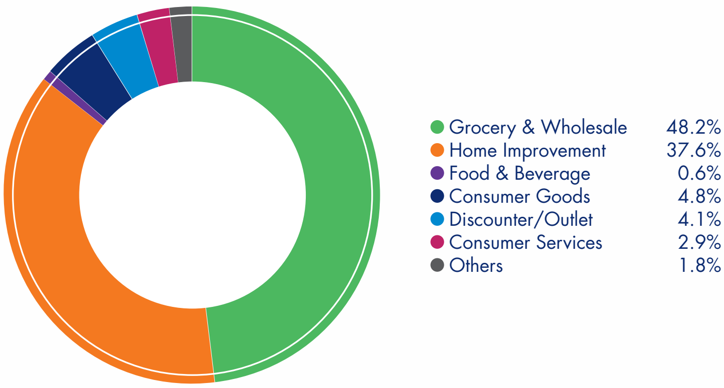
401 Frank Stottile Boulevard, Kingston, Ulster County, NY 12401

Land Tenure	**Freehold**
Occupancy	**84.4%**[1]
NLA (sq ft)	**673,379**
Valuation (US$'000)	**45,300**
WALE by GRI (years)	**4.8**
Number of Tenants	**8**
Key Tenants	**Walmart, Lowe's, Sam's Club, PetSmart**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[2])



1 The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,379 sf minus the non-functional static space of 67,616 sf.
2 Based on base rental income for the month of December 2020.

WALLINGTON SHOPRITE

375 Paterson Avenue, Wallington, Bergen County, NJ 07057

Land Tenure	**Leasehold (expiring in 2040 with two consecutive 10-year extensions after 2040)**
Occupancy	**100.0%**
NLA (sq ft)	**94,027**
Valuation (US$'000)	**16,300**
WALE by GRI (years)	**19.5**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

Wallington ShopRite is a single-storey Grocery & Necessity Property in the Borough of Wallington, Bergen County, New Jersey. The Property is surrounded by residential and retail uses and is accessible from State Routes 3, 17 and 46. There is also an accessible public transport network of buses and trains provided by New Jersey Transit.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

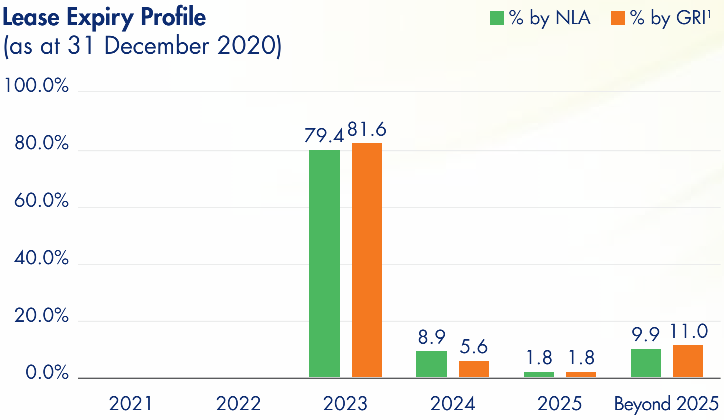
Stop & Shop Plaza is a Grocery & Necessity Property located in Piscataway Township, Middlesex County, New Jersey. Anchored by Stop & Shop Supermarket, the Property comprises three single-storey buildings. The surrounding area contains residential, industrial, retail and office uses. The neighbourhood is accessible via Interstate 287, which is south of Stop & Shop Plaza.

STOP & SHOP PLAZA

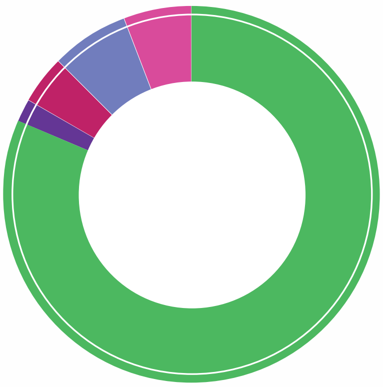
581 Stelton Road, Piscataway, Middlesex County, NJ 08854

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,167**
Valuation (US$'000)	**28,300**
WALE by GRI (years)	**3.6**
Number of Tenants	**5**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



Grocery & Wholesale	81.6%
Food & Beverage	1.8%
Consumer Services	4.1%
Financial Services	6.9%
Auto Supply Store	5.6%

1 Based on base rental income for the month of December 2020.

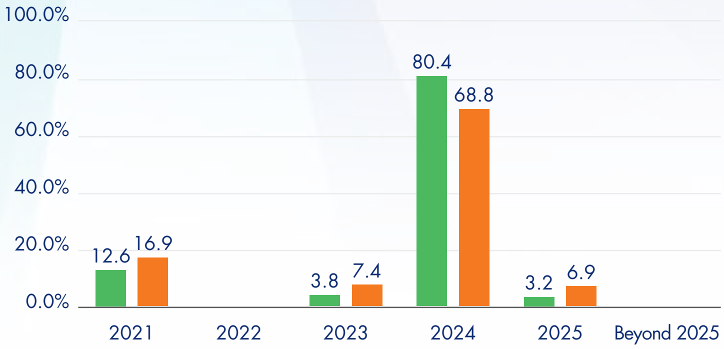
TOWNE CROSSING

2703 Burlington-Mount Holly Road, Burlington, Burlington County, NJ 08016

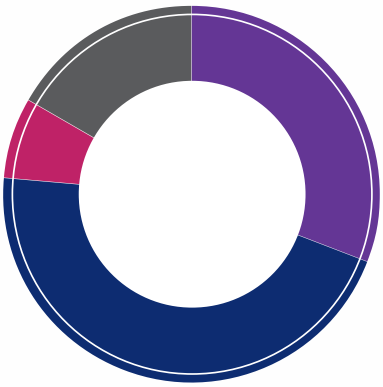
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**91,745**
Valuation (US$'000)	**12,900**
WALE by GRI (years)	**3.0**
Number of Tenants	**7**
Key Tenant	**Dick's Sporting Goods**
Property Manager	**The Hampshire Companies, LLC**

Towne Crossing is a Grocery & Necessity Property that is part of a larger shopping center made up of five single-storey buildings located in Burlington Township, Burlington County, New Jersey. The Property is anchored by Dick's Sporting Goods and is shadow anchored by Home Depot, Target and Kohls. Towne Crossing is situated in close proximity to Route 130, Interstate 295 and the New Jersey Turnpike, a system of controlled-access highways in New Jersey. The area immediately surrounding the Property comprises retail and residential uses.

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



Food & Beverage	31.1%
Consumer Goods	45.4%
Consumer Services	6.9%
Others	16.6%

1 Based on base rental income for the month of December 2020.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

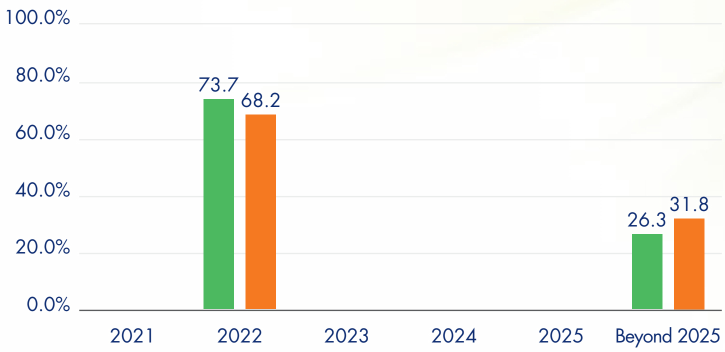
Lawnside Commons is a one-storey Grocery & Necessity Property located along White House Pike in Lawnside, Camden Country, New Jersey. The Property is anchored by Home Depot which occupies 111,300 sq ft. The Property contains four other tenants including PetSmart, Inc, Wendy's International, LLC, Sleepy's Mattress Firm and T-Mobile. United Hampshire US REIT holds a 99.0% equity interest in Lawnside Commons with the remaining interest held by an unrelated third party.

LAWNSIDE COMMONS

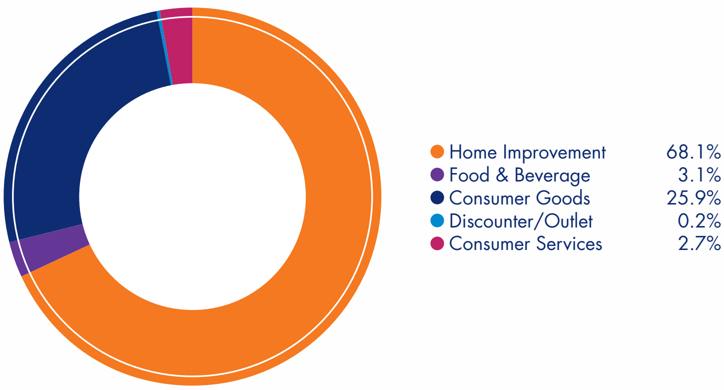
310 North White Horse Pike, Lawnside, Camden County, NJ 08045

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**151,076**
Valuation (US$'000)	**32,800**
WALE by GRI (years)	**4.3**
Number of Tenants	**5**
Key Tenants	**Home Depot, PetSmart**
Property Manager	**MCB Property Management, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

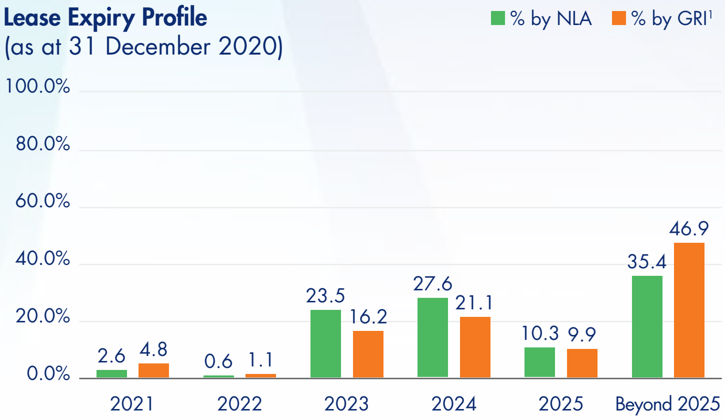
St. Lucie West is a Grocery & Necessity Property located in the City of Port St. Lucie, St. Lucie County, Florida. St. Lucie West currently consists of six single-storey buildings, and is anchored by Publix, Burlington Coat Factory, LA Fitness and HomeGoods. A new building for Publix Super Markets commenced construction in May 2020 and was completed slightly ahead of schedule in March 2021. St. Lucie West is primarily surrounded by single-family residential uses and is near the master-planned community of Tradition, which consists of charter schools, shops, offices, a 300-bed hospital and approximately 3,000 residences. Regional access is provided by Interstate 95, U.S. Highway 1 and the Florida Turnpike.

ST. LUCIE WEST

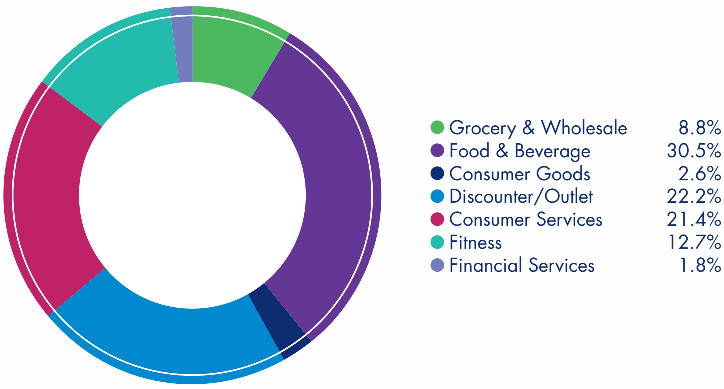
1315 – 1497 St. Lucie West Blvd, Port St. Lucie, St. Lucie County, FL 34986

Land Tenure	**Freehold**
Occupancy	**96.1%**
NLA (sq ft)	**262,686 (without New Publix Store)** **317,651 (with New Publix Store)**
Valuation (US$'000)	**83,550**
WALE by GRI (years)	**5.3**
Number of Tenants	**40**
Key Tenants	**Publix, LA Fitness, Burlington, HomeGoods**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

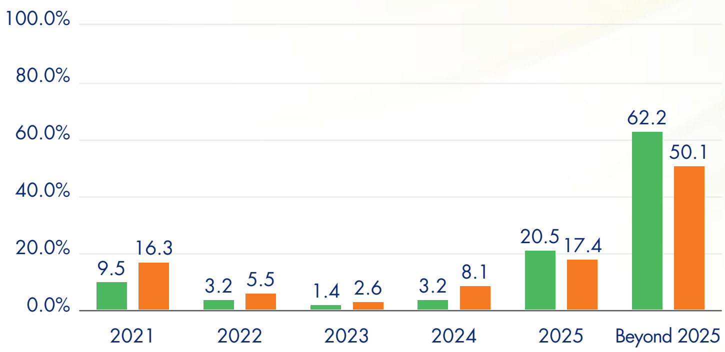
Big Pine Center is a Grocery & Necessity Property in Monroe County, Florida that was renovated in 2018. The Property comprises three single-storey buildings and is anchored by Winn Dixie and Beall's Outlet Stores. Big Pine Center is surrounded by residential uses with commercial and retail uses along the Overseas Highway, a major highway in the Florida Keys. The residential and retail properties in the area were impacted during Hurricane Irma in September 2017, but the rebuilding and renovating process has been ongoing. While local area accessibility is provided by Big Pine Center's frontage along County Road, the only artery for regional access is Overseas Highway.

BIG PINE CENTER

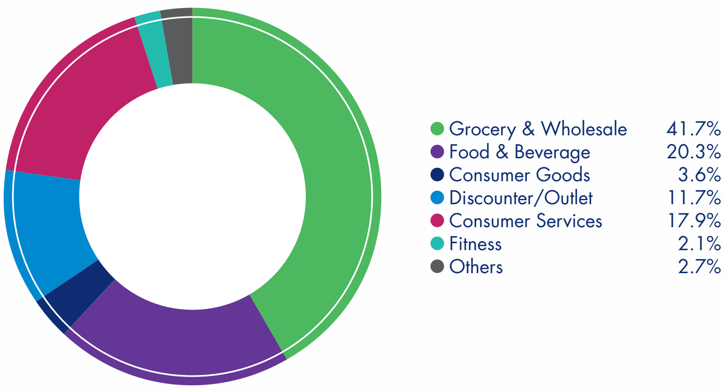
251 Key Deer Boulevard, Big Pine Key, Monroe County, FL 33043

Land Tenure	**Freehold**
Occupancy	**90.7%**
NLA (sq ft)	**93,150**
Valuation (US$'000)	**9,200**
WALE by GRI (years)	**5.3**
Number of Tenants	**16**
Key Tenants	**Winn-Dixie, Beall's Outlet Store**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

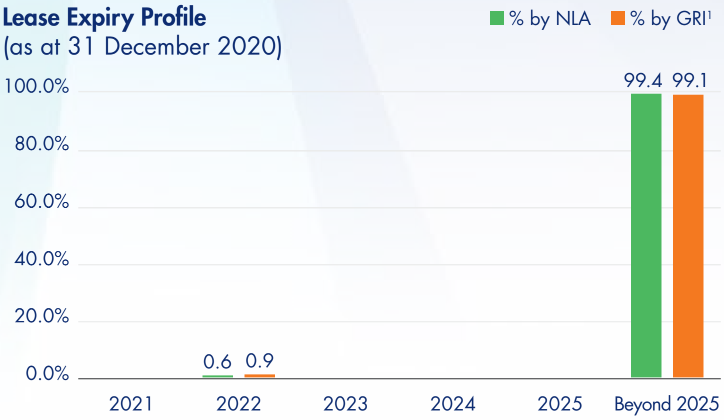
ARUNDEL PLAZA

6604-6654 Ritchie Highway, Glen Burnie, Anne Arundel County, MD 21061

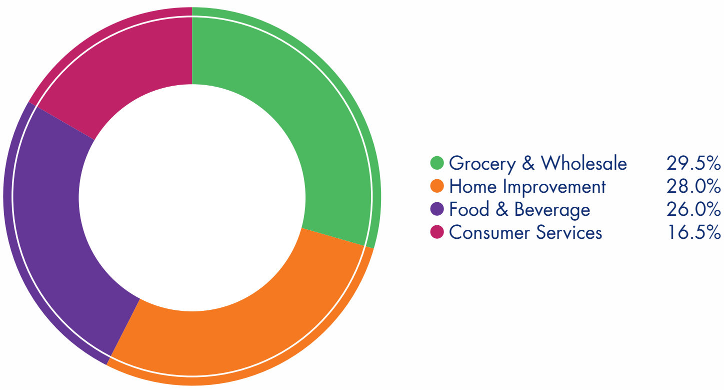
Land Tenure	**Freehold**
Occupancy	**99.4%**
NLA (sq ft)	**282,035**
Valuation (US$'000)	**45,500**
WALE by GRI (years)	**10.7**
Number of Tenants	**14**
Key Tenants	**Lowe's, Giant Food**
Property Manager	**MCB Property Management, LLC**

Arundel Plaza is a Grocery & Necessity Property which was built in 1966 and renovated in 2018. It is located within a well-established suburban community with a stable population and household base of above average household income. Arundel Plaza is anchored by a freestanding Lowe's Home Improvement store on a ground lease since 1998 and a Giant Food store on a lease since 1966. The Giant store was redeveloped and reopened in 2018, with adjacent inline retail space leased by six tenants. There are also four outparcel buildings fronting Richie Highway leased by seven tenants. Arundel Plaza is easily accessed from surrounding communities and employment centers, with Governor Ritchie Highway, Maryland Route 10 and Crain Highway being the local arteries nearby. Public bus service is provided within the local area, and the closest Maryland Area Regional Commuter rail station (BWI Airport) is located about two miles southwest of Arundel Plaza, and the closest light rail stop (Linthicum station) is located about two miles west of Arundel Plaza.

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

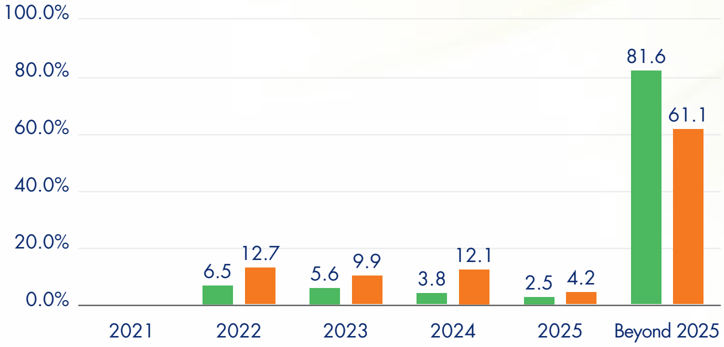
Parkway Crossing is a Grocery & Necessity Property located in Parkville, Baltimore County, Maryland. It is anchored by Home Depot, Shop Rite, and Big Lots. Parkway Crossing is surrounded by a mix of residential uses. It is located near Morgan State University and Towson, and is also approximately five miles north of Baltimore's Central Business District. Access throughout the local area is provided by primary and secondary thoroughfares and Maryland Transit Administration buses. The closest light rail station, Riderwood Station, is located about four miles northwest of Parkway Crossing. Regional access is provided by major roadways, including Interstates 83, 95 and 695.

PARKWAY CROSSING

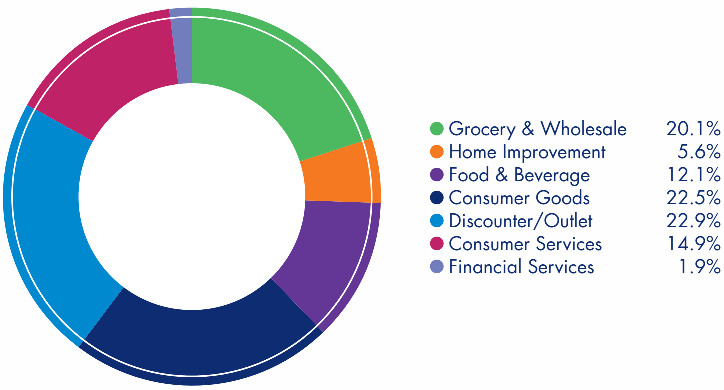
2301 – 2535 Cleanleigh Drive, Parkville, Baltimore County, MD 21234

Land Tenure	**Freehold**
Occupancy	**99.1%**
NLA (sq ft)	**260,242**
Valuation (US$'000)	**24,600**
WALE by GRI (years)	**6.7**
Number of Tenants	**23**
Key Tenants	**ShopRite, Home Depot**
Property Manager	**MCB Property Management, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

BJ'S QUINCY

200 Crown Colony Drive, Quincy, Norfolk County, MA 02169

Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,360**
Valuation (US$'000)	**34,500**
WALE by GRI (years)	**9.3**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

BJ's Quincy is a single-storey free-standing wholesale club located in Quincy, Norfolk County, Massachusetts and is immediately surrounded by office buildings and apartments. The Property was built in 2009 and has been leased to BJ's Wholesale Club since 2010 on a lease with a 20-year term. It is located in close proximity to multiple highways and public transportation including the Massachusetts Bay Transportation Authority Quincy Adams Station.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

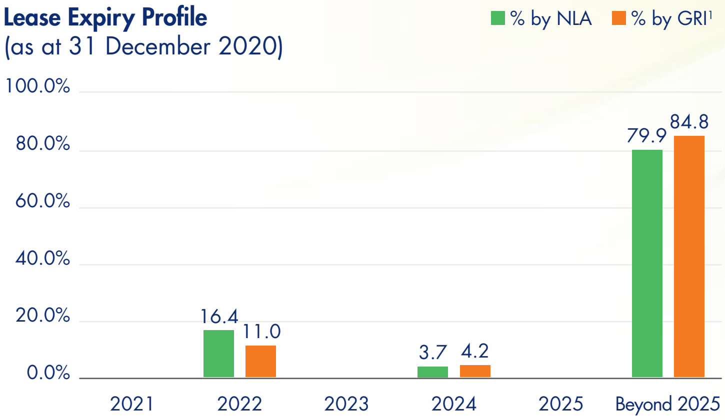
Fairhaven Plaza is a one-storey Grocery & Necessity Property located along Huttleston Avenue in Fairhaven, Bristol County, Massachusetts. The Property is anchored by Stop & Shop and other tenants include a hardware store and pizza restaurant. Fairhaven Plaza is immediately surrounded retail uses which include Fairhaven Commons and Ocean State Job Lot Plaza. The neighbourhood is accessible via Interstate 195, providing access to Routes 6 and 240.

FAIRHAVEN PLAZA

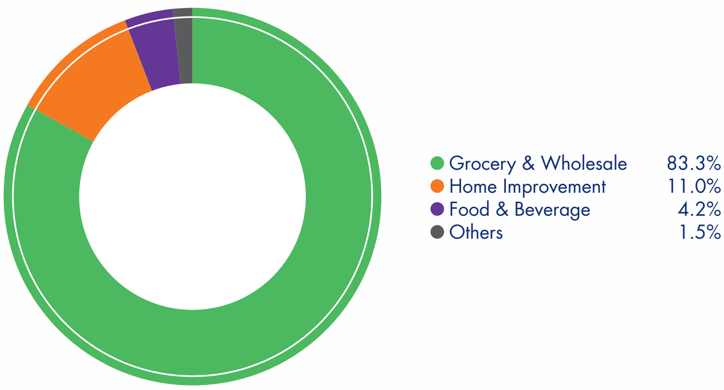
221 Huttleston Avenue, Fairhaven, Bristol County, MA 02719

Land Tenure	**Freehold**
Occupancy	**94.0%**
NLA (sq ft)	**80,239**
Valuation (US$'000)	**19,800**
WALE by GRI (years)	**7.9**
Number of Tenants	**4**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

Lease Expiry Profile
(as at 31 December 2020)



Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

LYNNCROFT CENTER

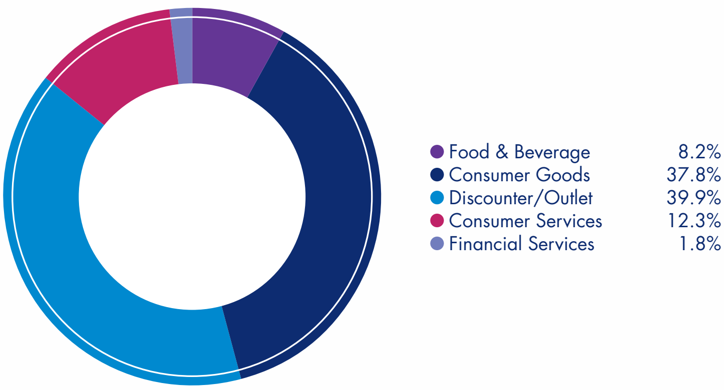
3120 – 3160 Evans Street, Greenville, Pitt County, NC 27834

Land Tenure	**Freehold**
Occupancy	**95.7%**
NLA (sq ft)	**182,925**
Valuation (US$'000)	**24,200**
WALE by GRI (years)	**4.1**
Number of Tenants	**15**
Key Tenants	**Best Buy, Ross, Bed Bath & Beyond, Ulta, Marshalls, Michaels**
Property Manager	**MCB Property Management, LLC**

Lynncroft Center is a Grocery & Necessity Property located along Evans Street in Greenville, Pitt County, North Carolina. It consists of six single-storey buildings and is anchored by Marshalls, Michaels, Best Buy, Ross and Bed Bath & Beyond. Lynncroft Center is surrounded by shopping centers, single-family residences and office buildings. The U.S. Highway 264 By-Pass, which is five miles northwest of Lynncroft Center, provides regional access to the town of Wilson, the town of Raleigh, the town of Washington and Interstate 95. While bus service is available from the Greenville Bus System and has various routes around Lynncroft Center, transportation around the neighbourhood is primarily by way of private automobiles.

Lease Expiry Profile
(as at 31 December 2020)

Trade Sector Breakdown
(By GRI[1])



1 Based on base rental income for the month of December 2020.

PROPERTY SUMMARY

SELF-STORAGE PROPERTIES

CARTERET SELF-STORAGE

6640 Industrial Highway, Carteret, Middlesex County, NJ 07008

Land Tenure	**Freehold**
Occupancy	**94.2%**
NLA (sq ft)	**74,075**
Valuation (US$'000)	**17,000**
Property Manager	**Extra Space Storage Inc.**

Carteret Self-Storage is a self-storage facility developed in 2017 and managed by Extra Space Storage. It consists of one four-storey building and three smaller corrugated steel single-storey buildings. The facility's amenities include surveillance cameras, individual unit locks, climate control units, keypad entry, on-site management and an office with a small retail area. Carteret Self-Storage is located in Carteret, New Jersey with the Arthur Kill waterway to the east, Linden to the north, Avenel to the west and Port Reading to the south. The area is accessible from U.S.-1 and 9 and Roosevelt Avenue, and primarily via Exit 12 of the New Jersey Turnpike, a system of controlled-access highways in New Jersey. Carteret Self-Storage is also approximately 15 minutes away from Newark Liberty International Airport, and is located near Newark and Manhattan's Central business districts.

MILLBURN SELF-STORAGE

30 Bleeker Street, Millburn, Essex County, NJ 07041

Land Tenure	**Freehold**
Occupancy	**91.2%**
NLA (sq ft)	**80,918**
Valuation (US$'000)	**21,200**
Property Manager	**Extra Space Storage Inc.**

Millburn Self-Storage is a three-storey self-storage facility constructed in 2018 and managed by Extra Space Storage. It is located along the south side of Bleeker Street in Millburn, New Jersey and is immediately surrounded by a mix of light industrial facilities and office buildings. There is an accessible public transportation network near Millburn Self-Storage, providing both local and regional accessibility. The facility is highly visible from Route 78, a highway connecting to the New Jersey Turnpike, which is a system of controlled-access highways providing direct access to New York City and Philadelphia. Within the Property, there is adequate surface parking, including reserved handicap spaces. The security system consists of a secured and covered loading area, electronic access control, security cameras and monitoring, motion-sensor lighting and a comprehensive sprinkler system.

ELIZABETH SELF-STORAGE

1189 Magnolia Avenue, Elizabeth, Union County, NJ 07201

Land Tenure	**Freehold**
Occupancy	**37.7%**
NLA (sq ft)	**74,258**
Valuation (US$'000)	**22,200**
Property Manager	**Extra Space Storage Inc.**

Elizabeth Self-Storage is a converted warehouse that was reconfigured and completed in January 2020 into a three-storey self-storage facility with one smaller corrugated steel single-storey building. The Property is located in Elizabeth, New Jersey and is surrounded by residential, retail and industrial developments. Elizabeth Self-Storage is operated by Extra Space Storage. Elizabeth Self-Storage's amenities include surveillance cameras, individual unit locks, climate control units, keypad entry, on-site management and a small office with retail. There is accessible transportation from the major highways of Northern New Jersey, including Routes 1 and 9, as well as the New Jersey Turnpike, which is a system of controlled-access highways in New Jersey. Public transportation is also made available via the NJ Transit bus and train lines through two stations in the City of Elizabeth.

PERTH AMBOY SELF-STORAGE

900 State Street, Perth Amboy, Middlesex County, NJ 08861

Land Tenure	**Freehold**
NLA (sq ft)	**68,978**
Valuation (US$'000)	**19,300**
Property Manager	**Extra Space Storage Inc.**

Perth Amboy Self-Storage is a new self-storage facility located in Perth Amboy, New Jersey. The construction of the Property has been completed and leasing activities commenced in January 2021. Perth Amboy Self-Storage is managed by Extra Space Storage and is surrounded by a mix of commercial, industrial and residential developments. Facility amenities include surveillance cameras, individual unit locks, climate control units, keypad entry, on-site management and a small office with retail. Regional access to Perth Amboy Self-Storage comes by way of major highways such as US 9, the Garden State Parkway (a limited-access toll road) and SR-440. NJ Transit also provides both train and bus services in the area, allowing for access to New York City.

INDEPENDENT MARKET RESEARCH

BY CUSHMAN & WAKEFIELD
FEBRUARY 2021

EXECUTIVE SUMMARY

Key Findings & General Conclusions

U.S. Economy

- **Strong Economic Rebound Expected** – The U.S. economy rebounded at its fastest pace ever in the third quarter of 2020 as the country began to recover from the various impacts of the pandemic.

- **Strong GDP Growth Projected** – For the first half of 2021, GDP figures are expected to grow anywhere from 4% to 5.2%.

- **Consumer Confidence Rising** – Consumer and investor confidence will continue rising, which should stimulate consumer spending as well as encourage businesses to remain open instead of closing permanently.

Grocery-Anchored & Necessity Retail

- **Grocery is Pandemic Superstar** – The grocery sector was the winner during the pandemic in addition to other retailers including Walmart, BJ's Wholesale, Target, Home Depot and Lowe's.

- **Essential Retailers Perform Well** – Essential retailers like grocery stores, wholesale club/membership-based warehouse clubs, discount/dollar stores, and home improvement/ furnishings have performed better throughout the pandemic compared to non-essential retailers.

- **Grocery Stores Have Minimal Exposure to eCommerce** – Major grocery chains are already utilizing store and warehouse space at the rear of the store as micro-fulfillment centers to keep up with demand, sometimes expanding into adjacent vacant space in a shopping center.

- **Physical Stores Still Thriving** – Roughly 90% of online grocery shoppers expect to continue shopping online, but 87% of shoppers intend to remain loyal to their preferred brick-and-mortar grocer. The physical store is still thriving, especially given that 80% of shopping still occurs in a physical store - and many alternatives to in-store shopping still depend heavily on the continued existence of the physical store.

- **Grocery Delivery Services are Here to Stay** – Grocery delivery services are here to stay and will work in concert with, rather than in competition against, the physical store.

- **Curbside Pick-up Is No Longer an Optional Convenience** – For households that buy groceries online, curbside pick-up plays an increasingly essential role in meeting their needs. Curbside pick-up is no longer an optional convenience - they are a critical driver of sales that will remain a relevant, profitable channel for brick-and-mortar retailers.

- **Use of BOPIS Nearly Double in 5 Years** – Use of BOPIS services nearly doubled between 2015 and 2020 in rural and suburban areas, and more than doubled in urban areas (37% to 83%). Demographics that also showed increase use for these services include Millennials (34% to 85%) and people with children (48% to 88%).

- **Ability to Peruse Inventory Crucial to Grocery Store's Appeal** – Convenience still depends on the physical store's availability to consumers, and the ability to peruse inventory and explore is crucial to the grocery store's enduring appeal.

- **Restaurants Adapt Quickly to Serve Customers** – Restaurants that were already well-equipped for take-out and delivery, such as QSRs with drive-thru and smaller restaurants with established take-out/delivery bases, had an advantage during the pandemic. Those that operated their own delivery services, like pizza chains, were also able to adapt quickly.

Self-Storage Sector Trends

- **The Five D's are Primary Drivers of Self-Storage Demand** – The primary drivers of residential self-storage demand are often referred to as the Five D's and include Death, Divorce, Downsizing, Dislocation and Decluttering.

- **Renters Are Top Targets for Self-Storage Developers** – Renters move more often than homeowners, with

24.5% of renters having lived somewhere else in the past year. The potential to capture more renter households is one reason developers have historically flocked to dense urban and suburban areas to build new storage facilities.

- **COVID Has Fundamentally Shifted & Expanded Demand Drivers** – Migration from dense, urban areas to suburban and exurban areas has become a noticeable and verifiable trend.

- **"Remote Working" Expected to Enhance Self-Storage Demand** – With work-from-home and remote working trends becoming entrenched in corporate America, employees now have additional flexibility on when and where to work, motivating many to move, seeking cheaper rents and more space, which has energized suburban markets.

- **Revenue Down Due to Lost Late Fees and Leniency on Non-Payments** – As of third quarter 2020, revenue was down among REIT operators by an estimated 1.0% on average due to decreased collection of late fees and administrative charges. Many operators reported year-over-year reductions in these line items resulting from state of emergency orders prohibiting late fees in certain markets, as well as reduced auction volume resulting from more leniency with non-payment and late fees early in the pandemic.

- **Physical Occupancy Reached 93.0% in 2020 Despite Disruption** – Physical occupancy reached highs of up to 93.0% during 2020 before closing the year at 92.0%. These occupancy levels remain very healthy and in line with the strong levels posted in the mid-2000's.

- **Northeast Performs Well** – The Northeast has performed well over the past year. Asking rental rates are up 4.2% despite being relatively flat nationally. While occupancy has remained flat and concessions have increased, rent per available square foot has increased by 3.3%.

- **New York Metro Area Sees 2.5% Rent Growth** – Self-storage has performed relatively well at the metro level also. The New York-Newark-Jersey City metropolitan area, where the four self-storage assets are located posted a year-over-year increase in median asking rental rates of more than 2.5%[1], despite physical occupancy that has remained relatively flat.

STATE OF THE U.S. ECONOMY & CONSUMER

U.S. Economy and Macroeconomic Trends

The U.S. economy rebounded at its fastest pace ever in the third quarter of 2020 as the country began to recover from the various impacts of the pandemic. GDP expanded at a 33.4% annualized pace during the third quarter, bolstered by a surge in business and residential investment along with stronger consumer activity. Economic conditions should improve throughout the rest of 2021. Most expect a GDP recovery in the second half of 2021, which is about six to nine months sooner than most had assumed in mid-2020. For the first half 2021, GDP figures are expected to grow anywhere from 4% to 5.2%[2]. PNC Financial Services predicts that real GDP should increase more than 3% from the fourth quarter of 2020 to the fourth quarter of 2021 and should return to its pre-pandemic peak by the end of 2021[3].

Unemployment should fall slightly in 2021 and decline at a faster pace in 2022 as the economy continues to improve. The Federal Open Market Committee is expected to keep the federal funds rate in its current near-zero range until at least 2024 to support a strong labor market recovery[3].

The success of COVID-19 vaccine rollouts should be a primary driver of GDP growth during the recovery. As additional vaccines are approved over the coming months, the pace of vaccinations should accelerate. Additionally, the combination of better weather in the spring allows for safer outdoor activities and increasing vaccinations should result in big gains in consumer and recreation spending, anticipated to begin in the second quarter. Consumer and investor confidence should continue rising, which should stimulate consumer spending as well as encourage businesses to remain open instead of closing permanently[3].

1 Median asking rental rates per square foot based on asking rent for 100 sq. ft ground level, non-climate-controlled unit.
2 Cushman & Wakefield Research survey
3 PNC Financial Services, National Economic Outlook (January 2021)

INDEPENDENT MARKET RESEARCH

As of February 2021, cases were falling sharply across the U.S. and vaccines were being administered at a rate of nearly 1.5M per day, well above the goal of 1M per day. The improving virus situation has allowed some states to roll back restrictions on activity. As cases continue to fall, more restrictions should be lifted as well.

Rapid distribution of a vaccine and a faster end to the pandemic would support long-run U.S. economic growth. The main concern was that the pandemic would force massive, costly structural changes throughout the economy as some business models became unsustainable, in industries like restaurants, entertainment, and air travel.[4] These risks have been mitigated due to the vaccine rollout, and further lessened by materially improved chances for future stimulus measures that aim to boost consumer spending.

Consumer Spending Trends

The U.S. economy is projected to stabilize in the spring, potentially attributable to vaccine roll-out[5] and anticipated stimulus programs. Retail sales fell only 0.7% in December from November and are still well above their lows in the early spring. In fact, retail sales in December 2020 increased 6.3% from December 2019 (prior to the onset of the pandemic).[6]

With support from the federal government, consumers should be able to maintain their spending over the next few months. Aid to small and medium-sized businesses could allow more firms to remain open until enough Americans are vaccinated that the pandemic begins to recede. With vaccine distribution and stimulus, economic growth should regain momentum by the middle of 2021.[7]

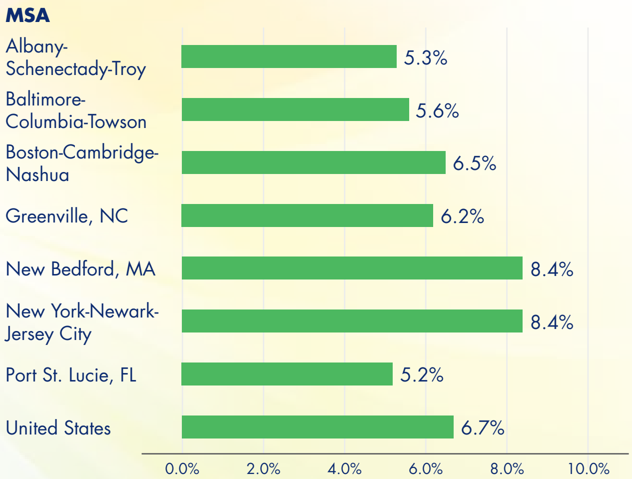
Unemployment Trends

Unemployment continues to decline, reaching 6.7% in December 2020 and to 6.3% in January 2021.[8] Outside of leisure/hospitality services, most industries added jobs at a healthy pace in December, and recent job losses have been almost entirely confined to the restaurant industry.[9]

Most other industries (professional/business services, construction, and retail) added jobs in December, indicating that the underlying fundamentals of the job market remain stable.

Retail added 135,000 jobs in December 2020, with nearly half of that growth in general merchandise stores such as warehouse clubs and supercenters (+61,000). Job gains also occurred in non-store retailers (+4,800), car dealers (+9,900), health and personal care stores (+10,700), and food and beverage stores (+8,900).[10] Retail lost 38,000 jobs in January 2021, but these losses were partially offset by gains in food and beverage stores (+15,000), clothing and accessories stores (+15,000), and health/personal care stores (+14,000).[11] Employment in retail is still lower than it was prior to the pandemic but is adding back jobs at a healthy pace, especially in essential retail categories.

DECEMBER 2020 UNEMPLOYMENT RATES IN MSA'S WITH UNITED HAMPSHIRE REIT ASSETS



Source: Bureau of Labor Statistics; some properties are not located within an MSA

4 PNC Financial Services, National Economic Outlook (December 2020)
5 PNC Financial Services, Economic Report (November 12, 2020)
6 U.S. Census Release CB21-05, Advance Monthly Sales for Retail and Food Services, December 2020 (January 15, 2021)
7 PNC Financial Services, Economic Report (December 22, 2020)
8 US Bureau of Labor Statistics ("BLS")
9 PNC Financial Services, National Economic Outlook (January 2021)
10 BLS, News Release: The Employment Situation (January 2021); figures for the December 2020 release were updated in the January 2021 release, reflecting 14,000 more jobs added between November and December than previously reported. December data is still preliminary according to BLS. These are the seasonally adjusted numbers of employees on payrolls.
11 BLS, News Release: The Employment Situation (January 2021); December 2020 and January 2021 employment figures are still considered preliminary according to the BLS.

Stimulus Measures

Stimulus payments and extra unemployment insurance benefits have boosted[12] and should continue to boost household incomes. Personal savings rates increased throughout 2020; consumers saved money[13] thanks to earlier stimulus efforts and reduced opportunities to make purchases. Extremely low interest rates, pent-up demand, and very low consumer debt levels would also be big positives for consumer spending in 2021 and 2022.[14]

An additional $1.9 trillion in stimulus passed. This stimulus should help small businesses re-employ staff.[15] If there is further stimulus under the Biden administration, economic growth would strengthen, and the unemployment rate would fall more quickly over the next couple of years.[14]

COVID OUTLOOK & IMPACT

COVID Status & Vaccine Rollout

The strong performance of grocery/necessity retail and self-storage provide several bright spots in the economy as several sectors such as leisure/hospitality remain challenged due to COVID.

Prior to the current market disruption brought on by the COVID-19 pandemic ("COVID"), the U.S. economy had officially begun its eleventh consecutive year of growth in the second half of 2019: a new record for the longest economic expansion in history. Economic growth beat market expectations during the fourth quarter of 2019, and the unemployment rate hit a 50-year low at 3.5%. In March 2020, circumstances changed drastically with the rapid spread of COVID-19 that resulted in mandates that forced people around the globe to start quarantining and practicing social distancing. These mandates led to most non-essential businesses closing, either temporarily or permanently, causing significant disruption and pushing the U.S. economy, as well as most other world economies, into a deep recession.

Initially, economists expected the U.S. economy to return to growth during the second half of the year. However, after closure mandates and relative containment of the virus in the second and third quarters of 2020, COVID continued to spread, ultimately escalating to record levels as the U.S. entered the fall and winter months. Many businesses that reopened over the late spring and summer were forced to shut down once again or drastically change the way they operated and functioned.

As COVID levels reached all-time highs in the fourth quarter of 2020, a vaccine became available and rollout was planned. While economic recovery timing remains uncertain, most experts now project a U-shaped recovery, and that the economy will continue to improve, depending largely on the path of the coronavirus and its new variants, as well as the speed of the vaccine rollout. Once the vaccine is widely available and administered on a large scale, the recovery is likely to be strong as the economy reopens in phases that will vary from state-to-state as well as between various business sectors. A full recovery is expected by the end of 2021 or by early 2022. However, if the virus and/or its variants continue to linger, economic recovery will likely be much more modest and subdued, and the full recovery time prolonged.

Unlike the stock market, the commercial real estate sector is often slower moving, and leasing fundamentals do not swing wildly from day-to-day. While COVID is having a sustained and material impact on the broader economy, it is expected to have ongoing ripple effects on property markets as well. Thus far, certain property types have been more heavily impacted than others, while cap rates and price growth remain relatively flat across the board. While investment activity picked up significantly in the third quarter, loan defaults are on the rise and more properties are requiring special servicers to work out these issues. Most local and regional banks handle their own loan workouts or conduct special servicing in-house, granting relief or modifications to borrowers and strategizing to maximize the recovery from defaulted loans.

12 National Bureau of Economic Research, "Income and Poverty in the COVID-19 Pandemic" (August 2020; working paper 27729)
13 Personal saving as a percentage of disposable personal income ("DPI"), frequently referred to as "the personal saving rate" ("PSR"), is calculated as the ratio of personal saving to DPI. Personal saving is equal to personal income minus personal outlays and personal taxes; it may generally be viewed as the portion of personal income that is used either to provide funds to capital markets or to invest in real assets such as residences. According to the U.S. Bureau of Economic Analysis (via the Federal Reserve Bank of St. Louis), the PSR spiked in April 2020 at 33.7, and has declined steadily before increasing slightly in December 2020 to 13.7.
14 PNC Financial Services, National Economic Outlook (January 2021)
15 Bank of America Global Research; Global Macro Snapshot by Ethan Harris, Head of Global Economics (February 5, 2021)

INDEPENDENT MARKET RESEARCH

Essential Businesses

As part of a stay-at-home order due to the onset of the COVID-19 pandemic, state governors defined either essential businesses (businesses that must remain open) or nonessential businesses (businesses that must close).

The exact definitions of essential and nonessential businesses varied from state to state. Definitions of nonessential and essential businesses differ across the country and state responses to the pandemic were varied. Many states, however, used a baseline provided by CISA (Cybersecurity and Infrastructure Act, passed in 2018).

In late March 2020, CISA defined the following as essential critical infrastructure sectors: chemical, commercial facilities, communications, critical manufacturing, dams, defense industrial bases, emergency services, energy, financial services, food and agriculture, government facilities, healthcare and public health, information technology, nuclear reactors, materials, and waste, transportation systems sector, and waste and wastewater systems.

This assessment of essential and nonessential businesses defined non-essential businesses as recreational businesses, such as salons, casinos, and restaurants. Essential businesses such as grocery stores and home improvement stores were able to remain open. The western and northeastern regions were impacted early on[16] and therefore had stricter "shelter-in-place" lockdowns[17] ordered, leading to closures of non-essential businesses that resulted in permanent closures of restaurants, salons, and other goods/service providers that did not sell necessities. After the New York City metro and other major northeastern markets had reduced infection rates, restaurants began opening for take-out, delivery and outdoor dining where the risk of transmission was lower.[18]

Self-storage properties, which operate without requiring face-to-face interaction and can be accessed without employee assistance, were also deemed essential businesses. Self-storage became critical as housing was disrupted for millions of Americans, such as college students suddenly forced off-campus during the spring semester.

GROCERY & NECESSITY RETAIL

Essential / Defensive / Pandemic Resistant Businesses

Essential retailers like grocery stores, wholesale club/membership-based warehouse clubs, discount/dollar stores, and home improvement/furnishings have performed better throughout the pandemic compared to non-essential retailers.

Retailers providing essential goods that already had a strong eCommerce presence or that had mastered BOPIS infrastructure performed particularly well, with notable increases in sales gains over the last year (e.g., Michaels,[19] Lowe's, Williams Sonoma, Walmart, Home Depot, Publix, BJ's Wholesale and Sam's Club).

Necessity-based retail and grocery or home improvement-anchored neighborhood centers are expected to remain the investment of choice.[20] For shopping centers, having a grocery or home improvement store as an anchor tenant has served as a lifeline for landlords collecting rent and adjacent tenants. Between 40% and 60% of the entire U.S. population can access a grocery store during their commute to work without having to go more than 3 minutes out of their way[21], and adjacent tenants benefit from their proximity to this essential retail category.

16 The COVID tracking project at The Atlantic shows a spike that was mostly confined to the northeastern region of the United States in April 2020 (nearly 400 daily new cases per million residents as a 7-day moving average per thousand persons) and then decreasing significantly by June, at which point the southern region of the United States began to experience a surge of cases that mirrored the trajectory and duration of the northeast's first wave. As of February 2021, cases are falling sharply across the country and vaccines are being administered at a rate of nearly 1.5M per day, well above the goal of 1M per day. The improving virus situation has allowed some states to rollback restrictions on activity. If cases continue to fall, then we should see more restrictions lifted.

17 A shelter-in-place order is an official order, issued during an emergency, that directs people to stay in the indoor place or building that they already occupy and not to leave unless absolutely necessary.

18 As of February 2021, restaurants in New Jersey have reopened for dine-in service with capacity limits. Restaurants in New York City are closed to indoor dining. Outdoor dining, take out, and delivery are still permitted. (Source: Kaiser Family Foundation)

19 Michaels saw an 11.1% increase during Q2 2020 and a 353% increase in eCommerce sales; the retailer launched a new incentive program for loyal customers and offering curbside pickup at their stores. They adapted quickly to the shift in shopping behavior and also successfully capitalized on increased interest in do-it-yourself projects as lockdowns began and continued.

20 Consumer spending has diverted from travel, entertainment, and restaurants to home improvement stores, grocery stores and exercise equipment; investor demand has increased correspondingly, with nationally recognized grocers and home improvement stores seeing the most interest from institutional buyers.

21 According to Scott Galloway at New York University's Stern School of Business

When mandated social distancing started to help slow the spread of the virus, spending habits changed. Starting in March 2020, consumer demand switched—almost dollar for dollar—from restaurants and bars to food and beverage stores.[22] Throughout the pandemic on both a national and state-by-state basis, eCommerce sales for essential categories like food/groceries, warehouse clubs/department stores, and building materials/gardening supplies experienced increases year-over-year for nearly every month of 2020, with spikes occurring after the onset of lockdowns. But digital channels and eCommerce will not replace bricks and mortar retail, and consumers are eager to return to in-person shopping.

Malls vs. Shopping Centers

Shopping centers are unenclosed, open-air spaces that are easier to navigate, with a tenant base that is more relevant to the everyday needs of consumers. The essential retail composition of the UHREIT's shopping center assets is reflected in the assets' high occupancy levels, as essential retailers have not been forced to vacate/close. In many cases, these tenants are expanding throughout the country and opening new stores, whereas tenants commonly found in enclosed malls such as department stores are shrinking their store footprints and operations.

Malls are shopping destinations rather than centers of convenience, with hundreds of tenants but few if any essential retailers. Neighborhood, community and power shopping centers have a convenience component lacking in malls and serve smaller trade areas of 3 to 10 miles, while regional and super-regional enclosed malls rely on much larger trade areas of 10+ miles.

During periods of market disruption, consumers would not drive 10+ miles for non-essential goods from a mall, and certainly not for essential goods that are available from a neighborhood shopping center less than 5 miles away. The convenience and essential business composition of neighborhood and community shopping centers allow consumers to buy essentials and non-essentials within just a few miles of home, saving time and mitigating risk during the pandemic.

Retail sales at large discount stores (warehouse clubs and superstores like BJ's Wholesale, Walmart, and Sam's Club) have more than tripled while sales at traditional department stores (which do not sell essential goods like groceries and household basics, and in which the UHREIT has no exposure) have declined.[23]

MALL AND SHOPPING CENTER TYPES

	Neighborhood Center	Community Center	Power Center	Mall
Typical building size and site area	30,000 to 150,000 square feet of GLA on 3 to 5 acres	100,000 to 350,000 square feet of GLA on 10 to 40 acres	250,000 to 600,000 square feet of GLA on 25 to 80 acres	400,000 to 1,000,000+ square feet of GLA on 40 to 120 acres
Building layout	Unenclosed	Unenclosed	Unenclosed	Enclosed
Anchor/tenant alignment	One or more anchor tenants, including a supermarket/grocery store	Two or more anchors, such as a discount retailer, supermarket, drug store, home imp.	Tenants are category-dominant anchors with at least 3 anchors (home imp., discount dept. store, warehouse club)	Two to three (or more) department store anchors
Anchor tenant ratio	30% – 50%	60% – 80%	70% – 90%	50% – 70%
Primary trade area served	3 miles	3 to 6 miles	5 to 10 miles	5 to 25 miles

Source: C&W V&A

22 Federal Reserve Bank of St. Louis; "Consumer Spending and the COVID-19 Pandemic" (January 4, 2021)
23 Superstores like Walmart remained open for the duration of lockdowns, providing daily essentials for households; Walmart accounted for 31% of the online grocery market in the U.S. in 2019; 90% of U.S. consumers live within 10 miles of a Walmart store.

INDEPENDENT MARKET RESEARCH

Physical Store Remains Epicenter of Consumer's Shopping Experience

Retailers like Stop & Shop, Lowe's, Ross Dress for Less, and Walmart are hiring and/or have announced plans to open more locations. Value-oriented retailers were in the strongest positions before the pandemic and have performed incredibly well. Even Ross Dress for Less, which has no eCommerce platform, has thrived, with plans to open dozens more stores.

Retailers with the lowest risk of vacating space include off-price and resale apparel, dollar stores, convenience stores, grocery and warehouse stores, hardware and home improvement stores, and mass merchandisers/superstores, which dominate the UHREIT portfolio. Sectors at greatest risk include apparel, bookstores, luxury retail, health clubs/fitness, restaurants, and theaters. Automotive parts and services stores, banks, dry cleaners, health and beauty, pet supplies, restaurants and sporting goods stores have some risk, but some of these tenant types have performed better than initially expected. Year-over-year sales for sporting goods/hobby materials stores and automotive parts and services stores began increasing in the second half of 2020.

Grocery stores have minimal exposure to eCommerce. Major grocery chains are already utilizing store and warehouse space at the rear of the store as micro-fulfillment centers to keep up with demand, sometimes expanding into adjacent vacant space in a shopping center.

The shift to online food services has happened incrementally; while online grocery demand grew by 20% in 2019, it still accounted for only 2.3% of all grocery sales.[24] Online demand for groceries spiked in April 2020[25] but have since leveled out with milder year-over-year increases, signaling a return to normalcy and in-person shopping. Retailers cannot afford to deliver everything, groceries are already low-margin products that cannot absorb additional costs to get products from sellers to consumers, and consumers are eager to return to stores for most of their shopping as soon as it is safe to do so. Most consumers prefer to have direct control over what they buy when it comes to food, especially perishable food.[26]

ONLINE GROCERY SHOPPING DEMAND IN 2020 YEAR-OVER-YEAR GROWTH

Source: Digital Commerce 360

24 Cushman and Wakefield COVID-19 Retail Impacts; data from Statista, IGD, eMarketer (September 18, 2020)
25 eMarketer
26 A survey of 544 online shoppers conducted by Digital Commerce 360 and Bizrate Insights in May 2020 showed that 65% of shoppers prefer seeing and selecting products at the store. 36% enjoy the experience of grocery shopping, and a small handful (11%) like to interact with people at the store.

The real estate model for grocery delivery is the exact opposite of mass market eCommerce. Grocery stores are typically located in densely populated trade areas, while last-mile distribution centers for eCommerce are located in industrially-oriented areas that do not have capacity for the amount of vehicle traffic/circulation required for a grocery store, and are not located in dense trade areas. Warehouses are not located in areas that are convenient for customers who want to utilize BOPIS or curbside services; and the physical retail store is the dominant source of consumer goods.

eCommerce giant Amazon recognized that it could not use their existing distribution chain for the grocery division, opting instead for smaller fulfillment centers in proximity to consumers. For these reasons, most grocery chains that have pursued eCommerce have opted to use the grocery store itself as a fulfillment center. Most online grocery sales have been driven by this model with major chains generally opting to utilize portions of their existing stores as "micro-fulfillment centers" or partnering with third-party delivery services.

OMNICHANNEL AND THE IMPORTANCE OF THE PHYSICAL STORE

Omnichannel

Most shoppers are omnichannel-oriented because they are convenience-focused. Customers want the option to buy online, do curbside pick-up, or pick-up in-store.[27] 78% of online shoppers use at least one omnichannel service, demonstrating the integral and complementary role it plays in the success of physical stores.[28]

Retailers are most successful when they implement an omnichannel strategy with consistent pricing across in-person and digital platforms.[29] Roughly 90% of online grocery shoppers expect to continue shopping online, but 87% of shoppers intend to remain loyal to their preferred brick-and-mortar grocer[30]. The physical store is still thriving, especially given that 80% of shopping still occurs in a physical store[30] – and many alternatives to in-store shopping still depend heavily on the continued existence of the physical store. Even with the convenience of omnichannel options, more than 80% of online customers utilize both brick-and-mortar and online shopping channels.[30]

In-Store Shopping

Shopping in a physical store has advantages over eCommerce on a structural level as well. The pandemic stressed grocery inventories[31], and the immediacy and variety of needs (along with the rapid and outsized demand for food and household goods as lockdowns began) presented additional challenges that physical stores were and still are better equipped to solve.

Grocery delivery services are here to stay and will work in concert with, rather than in competition against, the physical store. Grocery stores have proven resilient and benefit heavily from third-party delivery services like Instacart. Consumers enjoy shopping for and picking out their own groceries and produce and want to retain a degree of control over what goes into their cart – including the option to make last-minute purchases, and having the autonomy to select replacements for out-of-stock items.[32]

Curbside Pick-up

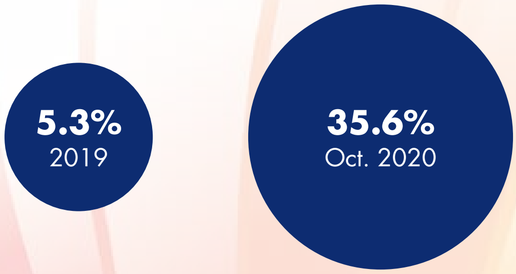
For households that buy groceries online, curbside pick-up plays an increasingly essential role in meeting their needs. Curbside pick-up is no longer an optional convenience – it is a critical driver of sales that should remain a relevant, profitable channel for brick-and-mortar retailers.

Even as stores reopen, some consumers may remain nervous and unready to return to previous shopping patterns. Some will have become accustomed to the

27 Retail chains often have the highest penetration for omnichannel service compared to other merchant types (e.g., catalog/call centers, web-only stores, consumer brand manufacturers). In-store inventory lookup is one of many omnichannel services that retailers may offer shoppers, and is often the first step in BOPIS, the hallmark omnichannel service that retailers use to connect their digital and physical stores.
28 Omnichannel capabilities also create additional revenue opportunities for retailers. A survey of 1,000 online shoppers conducted by Digital Commerce 360 and Bizrate Insights in February 2020 showed that 21% of shoppers made an additional purchase when completing a BOPIS transaction and 15% did so when making an online return in-store.
29 *Ibid*; 74% of shoppers expect prices to be consistent whether shopping online or in-person.
30 Digital Commerce 360; *US eCommerce Market Report*; data as of November 2020
31 Digital Commerce 360; *Online Food Report*; data as of August 2020
32 A survey of 544 online shoppers conducted by Digital Commerce 360 and Bizrate Insights in May 2020 showed that 65% of shoppers prefer seeing and selecting products at the store.

INDEPENDENT MARKET RESEARCH

GROWTH IN CURBSIDE PICKUP
Share of Top 1,000 retailers with stores offering pickup



Source: Digital Commerce 360

convenience and continue orienting their lifestyle and behavior around the ability to shop from home for essentials. What started off as a safety consideration has become an enduring convenience for consumers.[33]

Curbside pick-up favors retail with direct access to parking lots, such as power centers and grocery-anchored shopping centers. Dick's Sporting Goods launched curbside pick-up early in the pandemic and found that 75% of its online orders in Q2 were fulfilled by stores (either shipped to a customer from their nearest store to increase shipping speed, or picked up curbside, rather than shipped from a warehouse).[34]

BOPIS (Buy Online, Pick-up in Store)

Large brick-and-mortar retailers like Walmart, Target, Best Buy and Dick's Sporting Goods all cite BOPIS as a game-changer that continues driving robust sales throughout the pandemic.

Use of BOPIS services nearly doubled between 2015 and 2020 in rural and suburban areas, and more than doubled in urban areas (37% to 83%). Demographics that also showed increase use for these services include Millennials (34% to 85%) and people with children (48% to 88%).[35]

BOPIS and curbside pick-up also provide consumers the opportunity to pick up the bulk of their items and then go into the store and grab items at the last minute. Convenience still depends on the physical store's availability to consumers, and the ability to peruse inventory and explore is crucial to the grocery store's enduring appeal.[36]

Third-Party Shopping Services

From areas as simple as contactless payment to more complex experiential forms of virtual reality and artificial intelligence, customers want their shopping experience to be efficient, easy and enjoyable. Frictionless shopping and payment with easy-to-use apps, the convenience of curbside or in-store pick-up, combined with constantly evolving tech-oriented/smart features will enhance the process and drive customer retention and reliance on these services.

Retailers that sharpen their delivery slot management, micro-fulfillment, quick turnaround for curbside service, integrated offerings from adjacent quick service restaurants and pharmacies and even cooking classes could have a strong competitive edge in the future.

eCommerce for groceries is still in its infancy and will not be a one-size fits all solution; much depends on local trade area density. Automated fulfillment for groceries, the most centralized operating model, requires heavy capital investment. Centralized and micro-fulfillment center margins assume that a center is working at full capacity, and if successfully executed and managed can transform profitability – especially if costs are passed onto consumers, and consumers are able and willing to bear them.[37]

33 On July 1, 2020, Stop & Shop announced they would add 50 pickup locations by the end of 2020. At the time, they offered pickup service at 212 stores. Walmart temporarily expanded its ship-from-store service for orders placed online to include 2,500 stores in order to meet heightened demand; they also launched express delivery in the U.S., providing customers the option to have their orders delivered in under 2 hours.
34 Curbside pickup helped Dick's Sporting Goods deliver a record Q2. In Q3, even after Dick's Sporting Goods reopened its stores to in-store shoppers, curbside continued to thrive. Even retailers that offered curbside pick-up prior to the pandemic saw growth in 2020. Home Depot reported that curbside pick-up orders grew by triple digits in 3Q 2020.
35 Source: KRS Consumer Insights
36 BOPIS is also particularly useful for shoppers who do not want packages left on their front doorstep and can be stolen while at work/school. It also saves shoppers and retailers the cost of shipping a product over a short distance.
37 Shoppers are sensitive to prices. A survey of 544 online shoppers conducted by Digital Commerce 360 and Bizrate Insights in May 2020 indicated that shoppers react poorly to high delivery charges and mark-ups on items compared to in-store prices. 23% chose not to utilize a grocery delivery service because delivery charges were too high; 14% were deterred by online prices being higher than they were in-store. Shoppers also dislike dealing with substitutions and limited online selections that might otherwise be available inside the physical store.

Resilience of Grocery & Necessity Properties Throughout Pandemic

The UHREIT portfolio is dominated by essential retailers with limited exposure to the more challenged retail categories such as fitness clubs. Despite the challenges faced by mom-and-pop retailers who often comprise the inline tenant base of these shopping centers, many have survived by pivoting to their own delivery or curbside service models.

In the face of eCommerce sales surging, brick-and-mortar stores and certain retail categories have continued performing well and even expanded, including sporting goods, home improvement, and grocers. Discount retailers like Dollar General, Dollar Tree, TJ Maxx, and Ross Dress for Less as well as general merchandisers like Target and Walmart benefited from the increasingly bargain-conscious nature of consumers.

Warehouse clubs like BJ's and Sam's Club and superstores like Walmart have the advantage of trafficking heavily in everyday essentials as well as groceries, home goods, and other consumer staples. Consumers increasingly prefer to accomplish all or most of their shopping in one or two trips that cover their merchandise needs.

GROCERY/NECESSITY ANCHORED SHOPPING CENTERS ARE WINNING

Tenancy Strength

Supermarkets/grocery stores, home improvement stores, and wholesale clubs have performed extraordinarily well throughout the pandemic. Many shoppers often make purchases for food and household goods in bulk at wholesale/warehouse clubs, and then purchase smaller, niche items at a grocery store in the same shopping center or nearby.

For those in the grocery business, store performance has perhaps never been better. Grocery store sales saw significant year-over-year gains in 2020, as more meals were prepared at home due to increased telecommuting and school closures. These consumer behaviors were well-supported by curbside pickup, BOPIS, and third-party grocery delivery services.

Tenancy Challenges

Restaurants: Restaurants that were already well-equipped for take-out and delivery, such as quick service/fast food restaurants with drive-thru and restaurants with established take-out/delivery bases, had the greatest advantage. Those that operated their own delivery services, like pizza chains, were also able to adapt quickly.

- For restaurants that were not prepared for this disruption, especially fine-dining establishments, third-party delivery apps presented problems. Additional fees and surcharges that can drive transaction costs as high as 30% per sale for restaurants and aren't sustainable even in the short-term for a business with already tight margins.

- Despite headwinds, this sector shows potential for opportunities down the line. Commissary kitchens, also known as "ghost kitchens," are brick-and-mortar spaces that caterers, bakers, food trucks and emerging concepts use and function as a sort of co-working space for restaurants without storefronts. Virtually every restaurant has been forced to become a ghost kitchen during the pandemic and which could significantly impact this model. The path of digital disruption in retail naturally evolved towards omnichannel with both physical and digital concepts realizing the benefits of having both channels as opposed to just one or the other. As an emerging model, it was perfectly positioned to meet the pandemic. By 2022, there could be 1,000 ghost kitchens throughout the country.[38]

- Food halls should be another winner in the restaurant sector and may even help offset the vacancies left behind by non-essential big box retailers. The diversity of labor, efficiency of space usage, and lower barrier to entry (restauranteurs can open for generally 10% of the cost of a freestanding restaurant) insulated this restaurant model from market shocks that more severely impact freestanding models.

Fitness Clubs/Gyms: Many gym chains successfully pivoted to online fitness classes and memberships in order to maintain their revenue stream, but this is a temporary solution. Most consumers do not have the disposable income or physical space for comprehensive home gyms and are eager to return to a dedicated space outside their homes.

38 Source: CB Insights

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- One of the paradoxes of the pandemic's impact on gyms is that it is a quasi-essential, health-oriented tenant that could not be utilized. Consumers increasingly value health, and consumer surveys indicate that members are returning to gyms as they reopen. Health clubs are also eCommerce resistant and experiential retail whose service-oriented model makes its real estate essential to operations. Crunch Fitness, a low-cost and budget-friendly provider, is in growth mode and has potential to absorb customers as weaker operators permanently close.[39]

- Fitness centers were among the first and hardest-hit retail properties to suffer from efforts to curb the pandemic, with at least six companies filing for bankruptcy protection[40] after local governments shut down gyms and clubs. As of December 31, 2020, roughly 17% of health clubs have permanently closed in the U.S., with as many as 25% projected to close.[41]

- Americans are devoting more of their funds to healthcare, housing, and recreation, and less to apparel, furnishings, and other retail goods. The wellness trend has been intensified by the pandemic and health club usage is expected to increase post-pandemic.

DEMAND DRIVERS AND OUTLOOK

Suburban Migration Trends and Suburban Growth Data

The suburbs that Millennials are drawn to provide urban features, high walkability, food options, amenities and entertainment venues, transit access, and proximity to employment centers. Young home buyers care more about convenience and proximity than their older colleagues, which has impacted their willingness to spend hours of their day commuting.

Millennials entering prime family-formation years were already increasingly likely to move to the suburbs as the baby boomer generation began downsizing. Annual population growth rates in the suburbs have been stronger in the suburbs since 2016, and from 2018 to 2019 the majority of U.S. markets had stronger population growth in the suburbs.

Trade Areas / Regions Where Assets are Located – Data and Key Highlights

Stabilized grocery-anchored centers in the trade areas/regions where these open-air retail assets are located serve affluent communities. Below are tables showing the year-over-year retail sales by category in New York and New Jersey, demonstrating the resilience of home improvement and grocery/food-related tenants where most of UHREIT's assets are located.[42]

Occupancy and Rental Growth Trends

Essential and non-essential retail tenants have benefited from being located within a grocery-anchored shopping center, as reflected by the high occupancy levels of shopping centers in the UHREIT portfolio.[43] Additionally, non-grocery-anchored centers with essential retailers such as Lowe's and Home Depot have maintained favorable occupancy rates.[44] The overall portfolio is dominated by essential retailers that are performing extremely well.[45]

39 Crunch recently announced an expansion beginning in spring 2021 for the South Florida region including Cutler Bay, Greenacres and Palm Beach Gardens. According to CoStar, Crunch is opening its newest location in April 2021 in San Jose, CA; they also pre-leased space in December 2020 at a new mixed-use project in Sarasota, FL, signed new leases in August 2020 for a new location in Lutherville Timonium, MD and in October 2020 for a new location in Miami, FL, and renewed the lease for one of its several Richmond, VA locations in October 2020.
40 Several large brands have filed for bankruptcy since the pandemic began. Gold's Gym, 24 Hour Fitness, In-Shape Health Clubs, and Town Sports International (which includes New York Sports Clubs), all filed for Chapter 11 restructuring. Flywheel filed for Chapter 7 and closed all studios. 24 Hour Fitness emerged successfully from their restructuring on December 30, 2020.
41 International Health, Racquet & Sportsclub Association Media Report, January 2021
42 October 2020 monthly state retail sales were released on Jan. 29, 2021; November 2020 monthly state retail sales were released on Feb. 26th, 2021
43 As of January 19, 2021, the grocery-anchored shopping centers (excluding single-tenant grocery assets) in the UHREIT portfolio had an average overall occupancy level of 93.38% and a median occupancy level of 93.67%.
44 The shopping center in Lynncroft, MA does not have a grocery store but has performed well and is 95.11% occupied; tenants include Best Buy, Bed Bath & Beyond, Ross Dress for Less, Marshalls and Michaels.
45 According to the December 2020 RERC Valuation Trends report, essential retail stores such as banks, grocery stores, pharmacies and home improvement stores are near 100% collections, providing landlords/investors stability.

CUSHMAN & WAKEFIELD

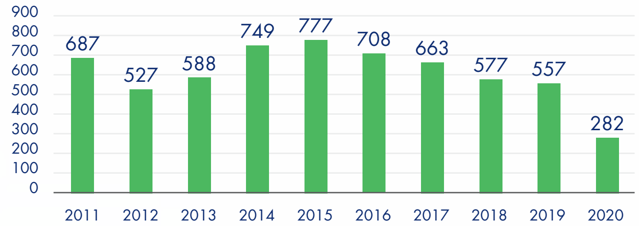
Retail Valuation Trends

The market today has ample liquidity and is more disciplined without the widespread distressed sales during the previous downturn. This has supported commercial property values and prices.[46]

Many investors were hoping to scoop up distressed assets at bargain prices during the pandemic. Few sales were consummated, and this discipline aligned well with the pace of capital flowing into the market. Investment recommendations for the Eastern United States were to hold properties rather than sell them, and commercial real estate is now in a much better position as a favorable, risk-adjusted investment opportunity for 2021.[47]

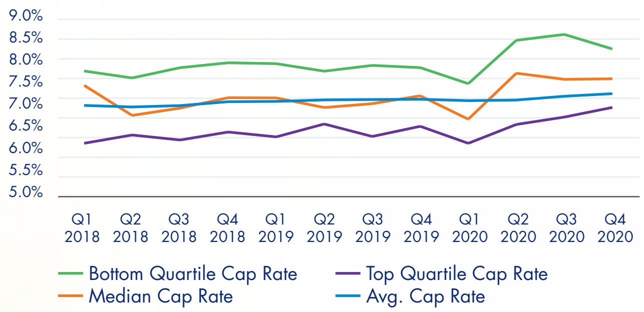
The grocery sector was the winner during the pandemic in addition to other retailers including Walmart, Costco, Target, Home Depot and Lowe's. Transaction activity in the retail sector has been dominated by grocery-anchored and necessity-oriented assets. In Q4 2020, properties with grocery related tenancy accounted for more than 30% of transactions, up 22% from 2019.[48]

NUMBER OF TRANSACTIONS OF GROCERY-ANCHORED SHOPPING CENTERS



Source: Real Capital Analytics

CAP RATES FROM SALES OF GROCERY-ANCHORED SHOPPING CENTERS - NATIONAL



Source: Real Capital Analytics

GROCERY-ANCHORED RETAIL CENTER CAP RATES IN MARTKETS WITH UNITED HAMPSHIRE REIT ASSETS

Market	H2 2019	Summer 2020	Change
Baltimore	6.25 – 7.25	6.00 – 6.50	▼
Boston	5.50 – 6.50	5.75 – 6.75	▲
New York / Northern NJ	5.75 – 6.25	5.50 – 6.25	▼▲

Sources: CBRE Research

SELF-STORAGE

Self-Storage Overview

The Five D's of Self-Storage

It is estimated that over three-quarters of the tenant base for self-storage come from residential users, and thus the industry generally tends to follow population growth patterns.[49] The primary drivers of residential self-storage demand are often referred to as the Five D's and represent some of life's most dramatic challenges. These Five D's include Death, Divorce, Downsizing, Dislocation and Decluttering.

While self-storage demand is generally driven by life-changing events, they aren't all necessarily negative

46 Abundant capital with few alternative investment vehicles has made commercial real estate an increasingly attractive investment; RERC predicts that with a vaccine in place and economic headwinds lessening, commercial real estate is poised to become the year's best investment alternative and will reward high-performing assets while the notion of what constitutes an investment property expands to include infrastructure and data centers.
47 RERC Regional Investment Monitor, East Region, Q3 2020; *Valuation Trends* (December 2020)
48 Source: The Boulder Group, *Net Lease Big Box Report Q4* 2020
49 Source: Self-Storage Advisory Group, Cushman & Wakefield, *Self-Storage: A Resilient Asset Class That Will Continue to Perform Well Through Downturn, Midyear 2020*

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ones. Demand is also created by moves or "upgrades" in housing, marriage or a job change from one city to another. While not always tied to moving residences, demand is sometimes generated by the simple need for an extra closet or bedroom, or the need to create a separate area within the home for work or family activities. Nonetheless, the life-changing events that necessitate storage frequently fall under the category of moving.

According to the U.S. Census Bureau, 40% of movers move for housing-related reasons, 26% for family-related reasons (having a baby, getting married, etc.) and 10% for job-related reasons.[50]

Based on Census data, it is estimated that nearly 10% of all Americans move every year, with roughly 31 million people moving in 2019. Given the average American household size of 2.3 people, this means 15.3 million American households move each year, 3 million of which are interstate moves.[51]

According to the Census, renters move more often than homeowners, with 24.5% of renters having lived somewhere else in the past year. The potential to capture more renter households is one reason developers have historically flocked to dense urban and suburban areas to build new storage facilities. In the last decade, the trend in millennials moving to dense urban areas fueled growth in the sector as many residents required additional storage while living in more vertical neighborhoods and/or smaller spaces.

The COVID-19 era has fundamentally shifted and expanded demand drivers as migration from dense, urban areas to suburban and exurban areas has become a noticeable and verifiable trend. As evidence, suburban multifamily rental rates have been on the rise across the country, and in some markets, Atlanta for example, several suburban submarkets have posted rent growth and average rental rates far exceeding those of their urban core counterparts.[52]

While it is not known how long this suburban migration trend will last, it undoubtedly has had an immediate impact on self-storage demand. With work-from-home and remote working trends becoming entrenched in corporate America, employees now have additional flexibility on when and where to work, motivating many to move, seeking cheaper rents and more space, which has energized suburban markets. Many feel this work-from-home experiment is simply a trial-run during the pandemic that will ultimately result in a fundamental shift in the way people work and where they choose to live. All of this translates to positive indicators for the self-storage industry.

Self-Storage Sector Characteristics & The COVID Impact

The self-storage industry has experienced tremendous growth in recent years in terms of new construction and investor interest. As of mid-year 2020, there were more than 55,000 self-storage facilities in the U.S., comprising more than 1.7 billion square feet of available space.[53]

SELF-STORAGE SECTOR SNAPSHOT MID-YEAR 2020

Annual Industry Revenue	$39 Billion
Number of Storage Facilities (Range)	55,000-60,000
Total Rentable Self-Storage Space	1.7 Billion Square Feet
Self-Storage Space Per Person	5.4 Square Feet
Percentage of Households that Rent a Self-Storage Unit	9.4 Percent
Average Monthly Cost for a Self-Storage Unit	$87.89
Average Length of Stay (Public Storage)	10 Months

Sources: SSA, Cushman & Wakefield, Sparefoot, REIT Earnings Reports

Ownership within the self-storage segment is considered fragmented. Roughly 20% of the market is owned by the five largest REITs with a national presence (Public Storage, Extra Space, CubeSmart, Life Storage and NSA) while the remainder is owned by smaller companies with regional or local footprints and stand-alone independent "mom and pop" operators.[54]

50 U.S. Census Bureau, Table A-5 Reason for Move, 2019-2020
51 U.S. Census Bureau, moveBuddha.com
52 Bisnow Atlanta, February 1, 2021, *Atlanta Suburbs Eclipse the City as Region's Most Expensive Apartment Submarkets*
53 Sources: SSA, Cushman & Wakefield, Sparefoot, REIT Earnings Reports
54 Source: Self-Storage Advisory Group, Cushman & Wakefield, *Self-Storage: A Resilient Asset Class That Will Continue to Perform Well Through Downturn, Midyear 2020*

CUSHMAN & WAKEFIELD

Self-storage is traditionally rented on a month-to-month basis, though many tenants stay for much longer. As an example, approximately 43% of the Extra Space Storage tenants stay for a period of more than 24 months. The statistic is common in the industry and is a very good sign for owners of self-storage, demonstrating a recurring revenue stream and more stable asset type.[55]

Notably, self-storage achieves some of the highest NOI margins for any real estate asset type, upwards of 60%-70% after stabilization (stabilized rent and occupancy). The sector allows property owners to capitalize on growth with tremendous upside. The bulk of expenses for owners in storage facilities are property taxes, management fees and advertising. Property taxes, which vary depending on the state and county levels, on average account for 30% of a property's expenses while management fees, both off-site and on-site, average 35% of overall expenses. Advertising costs are up across the board as advertising rates on social media platforms become more expensive.[55]

The pandemic has had a direct and immediate impact on overall operating costs. Some operators have been able to reduce personnel expenses through layoffs and/or furloughs and reduce utility expenses through reduced operating hours. Yet, many operators have incurred additional costs as they were forced to quickly adapt to local mandates, implement new policies and procedures and introduce new technology and automation to protect customers and employees. Although digital platforms and automated access systems were being integrated by many operators pre-COVID, the pandemic has certainly accelerated these measures.

As of third quarter 2020, revenue was down among REIT operators by an estimated 1.0% on average due to decreased collection of late fees and administrative charges.[55] Many operators reported year-over-year reductions in these line items resulting from state of emergency orders prohibiting late fees in certain markets, as well as reduced auction volume resulting from more leniency with non-payment and late fees early in the pandemic. Some REITs reported that collections of rental income returned to pre-COVID levels in the latter half of 2020, so as the recovery takes hold, auction volume is expected to normalize.[56]

While physical occupancy and rent per available square foot decreased slightly during the last quarter of 2020, they are at or above year-over-year levels. Move-Ins were up while Move-Outs were down across the sector as demand remained solid. While concessions increased, national asking rents also increased after a short pause. By late 2020 national rents ranged from a median low of $1.00 psf per month for non-climate-controlled ground level units to a median high of $1.33 psf per month for upper level units, demonstrating market confidence and the sector's resiliency during the pandemic.[56]

SELF-STORAGE PERFORMANCE BENCHMARKS 4Q19 VS. 4Q20

	4Q19	4Q20	% Chg
Median Rental Rates/Sq.Ft.			
Non-Climate-Controlled Units			
Ground Level	$1.00	$1.00	0.0%
Upper Level	$1.35	$1.33	-1.5%
Median Rental Rates/Sq.Ft.			
Climate-Controlled Units			
Ground Level	$1.29	$1.29	0.0%
Upper Level	$1.23	$1.29	4.9%
Median Occupancy	90.9%	92.0%	1.1%
Rent Per Available Sq. Ft.	$0.8410	$0.8406	0.0%

Sources: Self-Storage Data Services, Cushman & Wakefield

55 Source: Self-Storage Advisory Group, Cushman & Wakefield, *Q3 2020 Self-Storage REIT Report*
56 Source: Self-Storage Data Services, Cushman & Wakefield Valuation & Advisory, *Self-Storage Performance Quarterly, Fourth Quarter 2020*

INDEPENDENT MARKET RESEARCH

Physical occupancy reached highs of up to 93.0% during 2020 before closing the year at 92.0%. These occupancy levels remain very healthy and in line with the strong levels posted in the mid-2000's prior to the Great Recession of 2008/2009.[57]

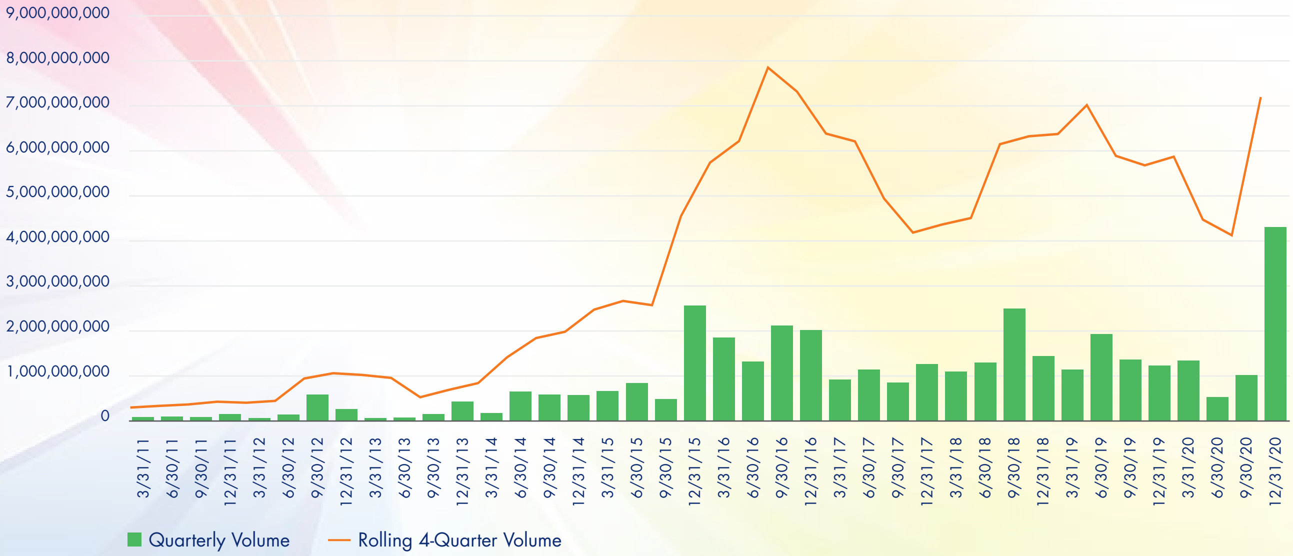
Construction spending has increased over the last five years, rising by more than 580% from January 2015 to January 2020 according to the U.S. Census Bureau. While peak spending on self-storage occurred in 2018, new deliveries dropped yet remained high in 2019. A continued decrease in the self-storage pipeline is expected over the coming years due to the economic recession and a few markets that are at capacity or oversupplied.[57]

According to F.W. Dodge, more than 420 new starts were recorded in 2020, although at year-end there was an increase in the number of projects (an estimated 35) placed on hold. Despite the slowing pace of new construction, the pipeline remains active.[57]

Market uncertainty in the first half of 2020 dramatically reduced the number of self-storage sales transactions. However, investor demand rebounded during the second half of the year as sales of self-storage assets reached record highs when 383 properties were sold in the fourth quarter.[57]

Given the strong sales recovery, total sales volume increased significantly during 2020 and reached nearly $7.3 billion by year end. The resurgence in activity and investor demand resulted in an increase in average price per square foot, which rose to $120, its highest level in four years.[58]

SALES VOLUME ($) U.S. SELF-STORAGE



Sources: Real Capital Analytics, Cushman & Wakefield

Despite the economic disruption, cap rates on self-storage product, which have averaged in the 6.1%-6.2% range since 2016, continued to exhibit stability throughout 2020. By year-end, cap rates averaged 6.1%, on par with previous-year levels.[58]

57 Sources: Real Capital Analytics, Cushman & Wakefield
58 Sources: National Association of Real Estate Investment Trusts (NAREIT), Wikipedia.org

The self-storage segment's core fundamentals and countercyclical drivers have held investor interest. Demand for the product sector continues to garner attention and stable facilities with value-add opportunity are at the top of the list. Low interest rates and the stability provided by the asset class will likely keep the self-storage sector on many investor's radar.

INVESTMENT SALES SNAPSHOT
U.S SELF-STORAGE

Volume ($mil)	Last Four Quarters	YOY Change	4Q20	YOY Change
Individual Property Volume	$3,211.5	3.3%	$1,454.8	68.1%
Portfolio Volume	$4,056.6	54.4%	$2,890.1	667.5%
Total Volume	$7,268.1	26.7%	$4,344.9	249.8%
# Props	803	-0.7%	383	101.6%
Square Feet	53,166,863	-1.2%	27,011,018	125.6%
Pricing	**Last Four Quarters**	**YOY Change**	**4Q20**	**YOY Change**
Avg Price Per Sq.Ft.	$120	11.6%	$133	19.5%
Avg Cap Rate	6.1%	-7 bps	5.5%	-65 bps

Sources: Real Capital Analytics, Cushman & Wakefield

Self-Storage Demand Drivers & Outlook

There is a strong belief among investors that the self-storage sector is recession-proof. This belief is supported by the 5.1% total return the sector delivered to investors in 2008 during The Great Recession.[58] This evidence appears to be holding true during the COVID-19 pandemic as well, as self-storage has displayed impressive resiliency due largely to its classification as an "essential business," which in most jurisdictions allows facilities to remain open during COVID lockdown mandates.

Given that the self-storage sector thrives on change, 2020 did not disappoint. According to *Emerging Trends in Real Estate 2021*, the early closure of colleges/universities, the need for home workspace, the doubling up of some households, increased relocations to different cities, and increased physical distancing at restaurants and businesses have all fueled storage needs during the pandemic and will continue to do so for the foreseeable future.[59]

Beyond the pandemic, there are a myriad of drivers that will generate self-storage demand well into the future. A sampling of these drivers is outlined below:

1. **Aging of Millennials** – As the demographic age cohort generally defined as 24-to-40-year-olds (birth years 1981 to 1996), Millennials are the children of baby boomers and are often characterized by their delay in leaving the family home, marrying and having children. However, now that the bulk of Millennials are in their 30's, life changes (e.g., moving, cohabitation, marriage, divorce, etc.) will occur in greater numbers, thus driving demand for self-storage.

2. **Suburban Migration** – Many experts believe that the suburban migration that occurred in many urban metropolitan areas during the pandemic will continue at some level, as residents relocate, seeking cheaper housing and additional space for integrated live/work/plan activities.

3. **Remote Working** – The flexibility afforded by the "work-from-home" or remote working phenomenon that accelerated during the pandemic is likely here to stay. Although the corporate office environment certainly provides advantages and benefits to employers and employees alike, many experts believe that flexibility in work schedules and work locations will be the "new normal." This flexibility to work when and where employees choose will impact personal space utilization, as workers attempt to more comfortably integrate their work necessities (e.g., computers,

59 Sources: Urban Land Institute, PwC, *Emerging Trends in Real Estate 2021*

INDEPENDENT MARKET RESEARCH

printers, files, desks, office supplies, etc.) into personal space, likely driving demand for self-storage.

Long term, self-storage is expected to remain stable and resilient as the economy recovers from the lingering COVID impact. Demand drivers will likely strengthen and expand as fundamental shifts take root in workplace and housing choices.

Northern & Central New Jersey Self-Storage Market

The four self-storage assets in the UHREIT portfolio are located within Essex, Middlesex and Union Counties in Northern and Central New Jersey.

The region spans the northern half of the State of New Jersey, bordering the State of Pennsylvania to the west and the State of New York to the north and east. The entire region encompasses approximately 3,433 square miles and is strategically located within the nation's Northeast Corridor, between New York City and Philadelphia.[60] The region is aptly named the "gateway region" for its close proximity to Manhattan with access via several transportation portals including a bridge, two auto tunnels, two rail systems and several ferry operations. Newark, considered a cultural, financial and transportation hub, is the largest city in the State of New Jersey and the closest large city to UHREIT's self-storage assets.

Transportation is considered one of the region's greatest assets, with major interstates, NJ Transit, 1,000 miles of freight lines, Newark Liberty International Airport and the Port of New York and New Jersey all contributing to the area's vast transportation network. Ongoing local and federal government investment in its transportation infrastructure continues to enhance the region's accessibility.

Northern and Central New Jersey combined have a total population of nearly 6.4 million.[60] The region's growth rate has lagged the U.S. for many years, yet its sheer size and diversity drive a formidable economic engine. Pre-COVID, the region displayed signs of healthy activity. Transportation and warehouse-using industries are expected to drive much of the state's economy through the near-term recovery, while construction will increase with long-term infrastructure and development projects.

While the region is a crucial component of the Northeast U.S. economy, it is encumbered with several challenges. The State of New Jersey's debt burden continues to hinder regional economic growth and below-average demographics and high costs make it difficult to attract new investment and compete effectively with other regions of the country.

For the purposes of this analysis, regional and metro area comparisons were made to benchmark self-storage performance. The four self-storage assets in the portfolio are part of the Northeast Division as defined by Self-Storage Data Services (SSDS) and Cushman & Wakefield, which includes the states of Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire and Maine.

The Northeast Division has performed well over the past year. Median asking rental rates are up 4.2% despite being relatively flat nationally.[61] While occupancy has remained flat and concessions have increased, rent per available square foot has increased by 3.3%.[62]

SELF-STORAGE PERFORMANCE – NORTHEAST DIVISION 4Q20 VS. 4Q19

	Northeast Division	Nationwide	Northeast vs. Nationwide
Asking Rental Rates	4.2%	0.0%	4.2%
Physical Occupancy	0.1%	1.1%	-1.0%
Rent per Available SF	3.3%	0.0%	3.3%
Percent of Facilities Offering Concessions	67.4%	66.7%	0.7%

Sources: Self-Storage Data Services, Cushman & Wakefield

60 Sources: Experian, Cushman & Wakefield Valuation & Advisory
61 Median asking rental rates per square foot based on asking rent for 100 sq. ft. ground level, non-climate-controlled unit.
62 Source: Self-Storage Data Services, Cushman & Wakefield Valuation & Advisory, *Self-Storage Performance Quarterly, Fourth Quarter 2020*

CUSHMAN & WAKEFIELD

Self-storage has performed relatively well at the metro level also. The New York-Newark-Jersey City metropolitan area, where the four UHREIT self-storage assets are located posted a year-over-year increase in median asking rental rates of more than 2.5%[61], despite physical occupancy that has remained relatively flat.[62]

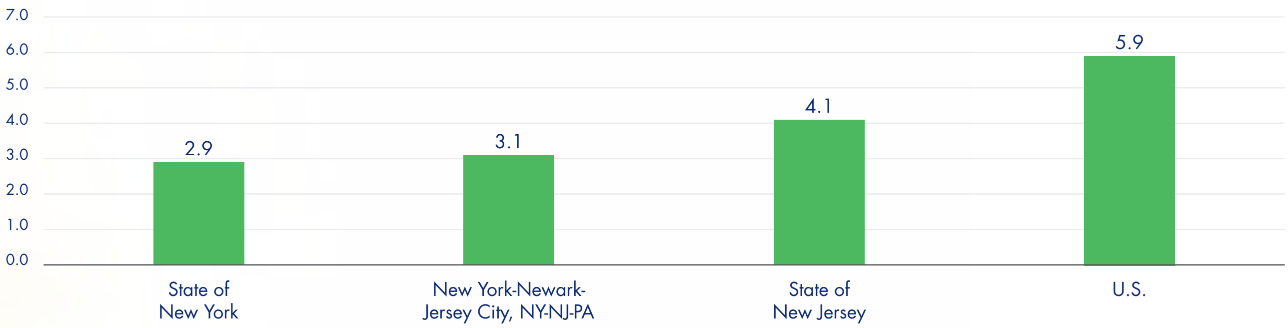
NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA MSA 4Q20 SELF-STORAGE STATISTICS

	4Q20	Annual % Change	Annual Absolute Change
Median Asking Rental Rates per Sq.Ft.	$1.770	2.55%	$0.04
Median Physical Occupancy	90.0%	N/A	-0.2%
Median Rent per Available Sq.Ft.	$1.441	2.07%	$0.03
Economic Occupancy	81.4%	N/A	N/A

Sources: Self-Storage Data Services, Cushman & Wakefield, Inc.
1. Median Asking Rental Rates per Square Foot per Month – Based upon the asking rent for a 100-square-foot, ground level, non-climate-controlled unit.
2. Median Physical Occupancy – Based on the facility's occupancy and not on that of a particular unit size.
3. Rent per Available Square Foot – Calculated by deducting the cost of physical vacancy and the effective cost of concessions from the median asking rental rate.
4. Economic Occupancy – Reflects the difference between asking rental rates and rents per available square foot. It takes into consideration the impact physical vacancy and the cost of offering concessions. It does not reflect the cost of bad debt, ancillary income or the impact of tenants who pay something other than asking rental rate.

The New York metro area had an estimated 44 projects in the construction pipeline at year-end including those proposed, planned and under construction, equating to a relatively small number of projects on a per capita basis.[62] Despite the active construction pipeline, the New York metropolitan area's supply of self-storage area is only 3.1 square feet per capita, well below the U.S. average of 5.9 square feet per capita.[63] Notably, the states of New York and New Jersey also compare favorably to the U.S. average, with only 2.9 and 4.1 square feet per capita, respectively.

SELF-STORAGE SUPPLY SQUARE FEET PER CAPITA



Sources: 2021 Self-Storage Almanac, Radius+ and NKF, Cushman & Wakefield (Based on 2Q 2020 Reporting)

Investment sales in the New York metro area decline in 2020, due primarily to the significant drop in second and third quarter activity during New York's spike in COVID cases. Twenty-one properties with more than 1.5 million square feet were sold during the year, totaling $380.8 million, a 33.7% decline in dollar volume from the previous year.[64]

63 Sources: 2021 Self-Storage Almanac (Based on 2Q 2020 Reporting), Radius+ and NKF, Cushman & Wakefield
64 Sources: Real Capital Analytics, Cushman & Wakefield

INDEPENDENT MARKET RESEARCH

Local Trade Area Characteristics

Within the metropolitan area, the four self-storage assets are located in Carteret (6640 Industrial Hwy), Millburn (30 Bleeker St), Perth Amboy (900 State St) and Elizabeth (1189 Magnolia Ave). All are in relatively close proximity to each other. Distance between each asset ranges from 6.5 miles (closest) to 19.0 miles (farthest). Despite the close proximity, each of the assets' trade areas (generally a 10-minute drive time which roughly equates to a 3-mile radius) has diverse characteristics and distinctive trends.

To assess demand potential, comparisons of each trade area were made using various market metrics that often contribute to underlying demand. These metrics include population and density, age cohorts, number of rental unit households and divorce/separation rates.

2020 MARKET CHARACTERISTICS
TRADE AREA (10-MINUTE DRIVE TIME) COMPARISONS

	10-Minute Drive Time Trade Areas				New York	
	Carteret	Millburn	Perth Amboy	Elizabeth	Metro	U.S.
Total Population	33,524	55,694	96,048	160,221	20,164,691	330,567,827
No. Households	11,673	20,657	32,394	54,316	7,474,848	125,797,945
% HH Growth '20-'25	1.34%	0.96%	1.68%	1.57%	2.41%	4.09%
Pop Density (Per Sq Mile)	4,043.39	4,172.14	4,843.61	11,021.92	2,339.89	91.88
% Pop Age 25-44	28.1%	23.2%	30.0%	30.3%	27.8%	26.6%
Median Age (Yrs)	38.2	42.7	36.3	35.0	38.8	38.2
No. Renter Occ Housing Units	4,295	5,885	17,137	36,693	3,631,611	45,593,663
% Renter Occ Housing Units	36.8%	28.5%	52.9%	67.6%	48.6%	36.2%
% Pop Divorced	8.9%	7.1%	8.5%	9.0%	8.1%	11.0%
% Pop Separated	2.1%	1.4%	2.6%	3.9%	2.5%	2.1%
Median HH Income	$71,672	$107,731	$64,933	$51,176	$77,291	$62,990

Sources: Experian, Cushman & Wakefield

Based on the metrics, the Elizabeth and Perth Amboy trade areas compare most favorably, due to their projected growth rates and high percentages of renter households and the 25-44 age cohort.

Self-Storage Valuation Trends

Owners, investors and tenants are diligently navigating these historically unprecedented times characterized by the ever-evolving situation surrounding COVID and its impact.

Unlike in the economic recession of 2008, prior to the COVID outbreak, the U.S. economy was considered to be very strong with low interest rates and strong employment numbers. Early in the pandemic, most non-essential businesses shut down, causing significant disruption in the economy.

Since self-storage operations were considered essential business in most jurisdictions, properties were exempt from restrictive mandates and operations continued with required precautions. Despite continuing operations, the self-storage industry did not escape unscathed. Revenue and sales transaction activity dropped precipitously, particularly in the second and third quarters of 2020 before rebounding late in the year.

Throughout the tumultuous year, cap rates remained relatively stable, investors remained engaged and sales transaction volume recovered, which drove prices per square foot higher. Delinquencies began to rise and more properties required special servicers, although not at concerning levels.

Given the lack of empirical data in this still uncertain market, quantifying or measuring the impact on valuations is proving to be difficult. Appraisers must consider several elements when formulating an opinion of COVID impact, above and beyond market fundamentals and market exposure (short term leases). These include such items as the projected duration of COVID and the expected levels of isolation and economic disruption that results. However, an appraiser must also consider that much of the federal and state government stimulus packages that are currently on the table or recently passed, could mitigate value adversities for owners, management companies and tenants.

The impact can be reflected in the market within the cash flow portion of the Yield Capitalization technique, or within the capitalization component (return rates). As of this writing, there are many market participants that expect the impact to be in the cash flow portion and would expect to include items such as reduced market rents for 1 to 2 years, reduced Other Income, reduced stabilized occupancy levels or increased credit loss and/or decreased rent growth rates (in-place and market).

In any appraisal, the foregoing is considered, and research is grounded in these items. It is important that an appraiser does not double count adverse impacts by reflecting them in both the cash flow component AND the return rate component. To assist in quantifying or measuring the impact, an appraiser should consider other studies (secondary research), complete current market interviews (primary research) as well as use past experience and knowledge of the market's reaction in the last global economic downturn (2007-2009 global recession). Given the elements outlined, the characteristics of the self-storage segment that are likely to have the most impact on value can be summarized as follows:

- Demand for self-storage has counter cyclical properties – it often comes from positive or negative life events such as moving, employment, birth, death, marriage, divorce, etc.While leases are generally month-to-month, the rents essentially are collateralized by the goods in the unit. Once deemed delinquent, the tenant is blocked from accessing their unit which incentivizes payment.

- Self-storage is considered by most jurisdictions to be an essential business, allowing for continued operations. Technology upgrades to the properties and online integration in recent years has allowed for a quick implementation of "contact-less" rentals, further supporting leasing activity in this time of uncertainty.

- In a recent report from Hoya Capital Real Estate, self-storage was expected to have a "Low" profit impact from COVID shutdowns, "Low" exposure to general economic slowdowns and a "High" expectation to benefit from lower interest rates.[65]

- Investment activity has increased throughout the sector as markets have leveled out following the disruption brought on by the pandemic. Despite the current environment, acquisition activity is ongoing and non-abating.

- During the global recession of 2008, instability in financial institutions themselves was the root cause of the market collapse. Yet, just prior to COVID, the markets were strong, banks were well capitalized, and the U.S. had low unemployment numbers and low interest rates. In this environment, the federal government, as well as financial institutions, have been able to respond at a faster rate with regard to the stimulus package to provide assistance to borrowers and the unemployed, easing long-term downward effects to the overall economy and thus the self-storage sector.

While it is still too early to fully measure the long-term impact COVID will have on self-storage asset values, one thing is clear. Investor appetite remains strong due to stable property fundamentals and the predictability of the asset class. Its low costs and lower yield on operating results as compared to other commercial real estate investments continue to attract capital. For example, the break-even occupancy rate for a self-storage facility is approximately 40.0% to 45.0%, compared to 60.0% or more for apartments. Consequently, self-storage facilities tend to hold value better and weather real estate market volatility better than other assets.[66] In an analysis of the total annual returns of the five core property sectors from 1995 to 2019, self-storage had the highest returns over the ten and fifteen year averages.[66] While its returns continue to lead the market, the sector maintains the lowest default rate of all asset classes.[66]

65 Source: Hoya Capital Real Estate
66 Sources: National Association of Real Estate Investment Trusts (NAREIT), Cushman & Wakefield Valuation & Advisory

INVESTOR RELATIONS

The Manager is committed to provide timely, fair and transparent information to the investment community. We maintain a high standard of disclosure and proactive engagement with the investment community to instil confidence and provide them with necessary information to make sound investment decision.

TIMELY AND TRANSPARENT DISCLOSURE

All announcements and news are promptly released to SGX-ST and published on UHREIT's corporate website at www.uhreit.com. Announcements, financial results, press releases, investor presentation, annual reports and general information are updated regularly and readily available on the corporate website. An email alert service is also provided so that registered participants can receive email notifications on UHREIT's latest news and updates.

ENGAGING THE INVESTMENT COMMUNITY PROACTIVELY

In line with our commitment, the Manager regularly engaged the investment community through various communication channels such as meetings, conference calls and webinars. We also hold quarterly results and operational updates briefings for the financial analysts and media where UHREIT's latest developments, strategies and outlook were communicated and queries were addressed directly. Since UHREIT's listing on 12 March 2020, the Manager has met over 100 institutional and retail investors either in person or virtually despite the challenges brought upon by COVID-19 pandemic. As part of our investor education effort, we participated in webinars organised by Phillip Securities and UOB Kay Hian, as well as the REIT Symposium 2020 – Online Edition jointly organised by Real Estate Investment Trust Association of Singapore (REITAS) and ShareInvestor, which attracted over 2,300 unique attendees from the investment community. The Manager believe in two-way communication and value feedback from the investment community. These meetings and events provide opportunities for the Manager to understand issues that may be of concern to the investment community and address them appropriately. In addition, the investment community can also pose questions via a dedicated "Investor Relations" email at IR@uhreit.com

ANALYST COVERAGE

HSBC
UBS Securities
UOB Kay Hian

UNITHOLDER & MEDIA ENQUIRIES

If you have any enquiries or would like to find out more about UHREIT, please contact:

Ms Leng Tong Yan
Vice President, Investor Relations & Corporate Development

Tel : (65) 6797 9010
Email : IR@uhreit.com
Website : www.uhreit.com

INVESTOR RELATIONS CALENDAR

Date	Event
16 June	**UHREIT was featured in SGX's 10 in 10 publication**
12 August	**Announced financial results for the period from 12 March to 30 June 2020**
13 August	**Post results analysts briefing**
17 and 18 August	**Post results investor conference call**
21 August	**UHREIT was featured in SGX's market dialogues publication titled "United Hampshire US REIT: Recession-Proof Resilience"**
10 September	**Webinar with Phillip Securities**
19 September	**REIT Symposium 2020 jointly organised by ShareInvestor and REITAS**
29 September	**Payment of Distribution for the period from 12 March to 30 June 2020**
13 October	**Webinar with UOB Kay Hian**
12 November	**Announced 3Q 2020 Operational Updates**
13 November	**Post operational updates analysts briefing**
18 November	**Post operational updates investor conference call**

UNIT PRICE PERFORMANCE

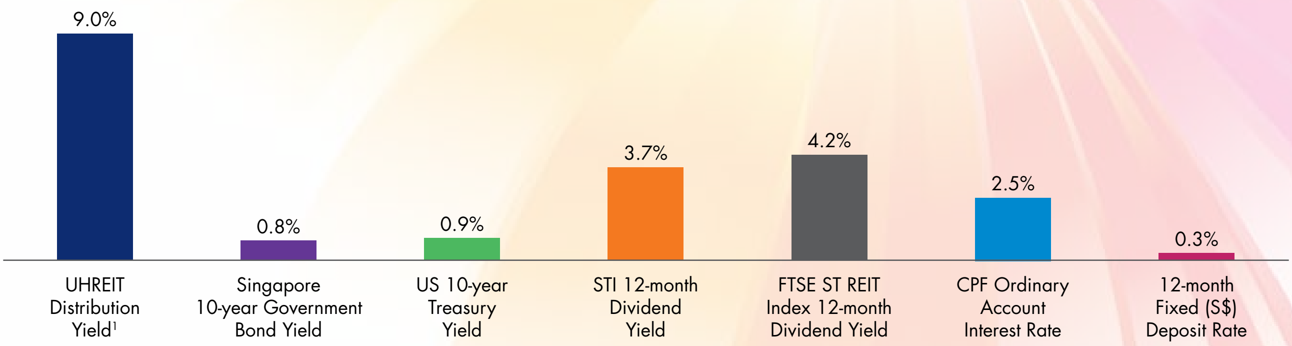
UHREIT TRADING DATA

From 12 March 2020 to 31 December 2020

Opening Unit Price on First Trading Day, 12 March 2020 (US$)	0.72
Closing Unit Price on 31 December 2020 (US$)	0.66
Highest Closing Unit Price (US$)	0.67
Lowest Closing Unit Price (US$)	0.47
Average Closing Unit Price (US$)	0.57
Volume Traded for the Period from 12 March to 31 December 2020 (million units)	76.6
Market Capitalisation as at 31 December 2020 (US$ million)	327.4

COMPARATIVE YIELDS (%)

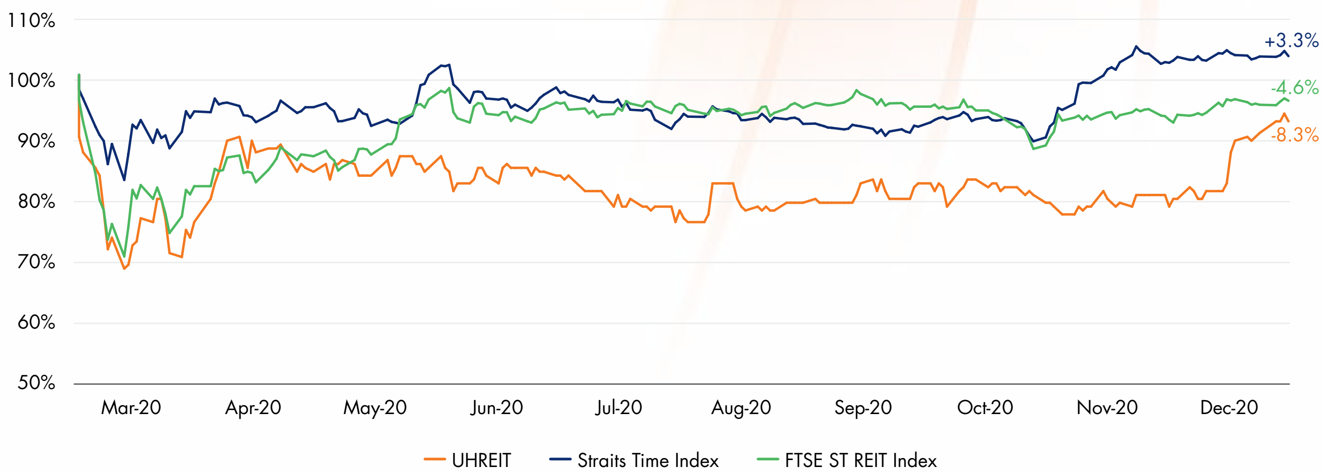
As at 31 December 2020



1 Based on the annualised distribution per unit of US4.81 cents for the financial period 12 March to 31 December 2020 and the unit closing price of US$0.66 on 31 December 2020.

COMPARATIVE TRADING PERFORMANCE FOR THE PERIOD

From 12 March to 31 December 2020



CORPORATE GOVERNANCE REPORT

The Singapore Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "**MAS**") on 6 August 2018 (the "**Code**") has played a significant role in corporate governance reform. United Hampshire US Real Estate Investment Trust ("**UHREIT**") has been committed to sound corporate governance policies and practices and observes high standards of conduct, in line with global principles and internationally recognised practices of corporate governance which are beyond the minimum required by statutory regulations since its listing on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). UHREIT was constituted by a trust deed dated 18 September 2019 (as amended and restated) (the "**Trust Deed**") entered into between United Hampshire US REIT Management Pte. Ltd., as the manager (the "**Manager**") and Perpetual (Asia) Limited, as the trustee (the "**Trustee**"). UHREIT has adopted the above approach to promote greater internalisation of corporate governance culture. The Manager was issued a Capital Markets Services licence (CMS Licence) for REIT management pursuant to the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") on 2 March 2020 and is regulated by the Monetary Authority of Singapore ("**MAS**").

The Board of Directors (the "**Board**" or "**Directors**" and individually, the "**Director**") of the Manager is committed to continuous improvement in corporate governance as an avenue of achieving long-term Unitholders' value. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to align with market practices as well as to meet the specific business needs of UHREIT and to provide a firm foundation for a trusted and respected business enterprise. The Board and the management team of the Manager ("**Management**") are committed to good corporate governance practices that enhance the confidence placed in it by the Unitholders, business partners, employees and the financial markets.

This Corporate Governance Report (the "**Report**") sets out details on the applicability of each of the principles and provisions of the Code for the financial period from 12 March 2020 to 31 December 2020 (the "**FP 2020**"). UHREIT is pleased to confirm that it has complied with the Code in all material respects and to the extent that there are any deviations from the Code, explanations are provided for such deviations, together with details of the alternative practices which have been adopted by UHREIT which are consistent with the intent of the relevant principle of the Code.

THE MANAGER OF UHREIT

The Manager has general powers of management over the assets and its core responsibility is to manage the assets and liabilities of UHREIT for the benefit of the Unitholders. In connection therewith, the primary role of the Manager is to formulate and establish the strategic direction and business plans of UHREIT in accordance with its mandate. This includes making recommendations to the Trustee on any opportunities on the investment, divestment, development and/or enhancement of assets of UHREIT in accordance with the investment strategy of UHREIT. The research, evaluation and analysis required for these purposes are to be coordinated and carried out by the Manager, so as to maximise the returns from the investments and ultimately the distributions and total returns to Unitholders.

The Manager uses its best endeavours to ensure that UHREIT conducts its business in a proper and efficient manner and conducts all transactions with or for UHREIT on an arm's length basis and on normal commercial terms The Manager's principal functions and responsibilities include:

- *Budget Planning:* Developing UHREIT's business plans and budget so as to manage the performance of UHREIT's assets;

- *Investment:* Formulating investment strategy, including determining the location, sub-sector type and other characteristics of the property portfolio of UHREIT, overseeing negotiations and providing supervision in relation to investments of UHREIT, and making final recommendations to the Trustee;

- *Asset Management:* Formulating asset management strategy, including determining the tenant mix, asset enhancement works and the rationalisation of operation costs and providing supervision in relation to asset management of UHREIT pursuant to the property management agreements signed for the respective properties and making final recommendations to the Trustee on material matters;

- *Capital Management:* Formulating plans for equity and debt financing for UHREIT, which may contain proposals and forecasts on gross revenue, capital expenditure, acquisitions, sales and valuations, distribution payments, expense payments and property maintenance payments, as well as executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee;

- *Internal Control:* Establishing a framework of prudent and effective controls which enable financial, operational and compliance risks to be assessed and managed; and

- *Investor Relations:* Attending to all regular communications and liaisons with Unitholders, investors, analysts and the investment community.

The Manager discharges its responsibility for the benefit of the Unitholders in accordance with all applicable laws and regulations, including the applicable provisions of the SFA, the listing manual of the SGX-ST (the "**Listing Manual**"), the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), the Trust Deed, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of UHREIT and the Unitholders as well as other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities and applicable laws.

BOARD MATTERS

Board's Conducts of Its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Manager is headed by an effective Board, which endeavours to strike a reasonable balance between the continual striving for the highest standard of corporate governance and setting strategy foundation and engaging in policymaking as the ultimate decision-making body of the Manager.

With the focus on enhancing sustainable value for Unitholders, the Board, in exercising due care and independent judgement in objective decision making, is responsible for the stewardship of the business and managing the assets and liabilities of UHREIT. The Board is supported by Board Committees, namely the Audit and Risk Committee (the "**ARC**") and the Nominating and Remuneration Committee (the "**NRC**"), which are guided by their respective Terms of References ("**ToRs**"), each of which are chaired by independent directors (the "**IDs**") who report to the Board and is supported by the Chief Executive Officer (the "**CEO**"). The CEO, together with the Management team, is accountable to the Board.

ROLE OF THE BOARD AND BOARD'S APPROVAL

The Board has adopted a set of internal guidelines and protocols which sets out the levels of authorisation and financial authority limits. Key matters such as investments, divestments, bank borrowings, issuance of new units, income distributions and other returns to Unitholders, corporate strategies and policies of UHREIT, annual budget, financial performance of UHREIT and approval to release quarterly or semi-annual and full year results and, where applicable, audited financial statements, are specifically reserved for the approval of the Board, whereas appropriate delegations of authority and approval sub-limits are also provided at Management level to facilitate operational efficiency.

The principal roles and responsibilities of the Board, amongst others are:

- providing leadership and guiding the corporate strategy, policies and directions of the Manager;

- holding Management accountable for performance and ensuring that Management discharges its responsibility to provide business leadership and demonstrates the highest quality of management skills with integrity and enterprise;

- overseeing the proper conduct of the Manager;

CORPORATE GOVERNANCE REPORT

- ensuring measures relating to corporate governance, financial regulations, and other required policies are in place and enforced;
- ensuring that the necessary financial and human resources are in place for the Manager to meet their objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding the interests of the Unitholders and its assets;
- reviewing Management's performance;
- identifying the key stakeholder groups and recognising that their perceptions affect the reputation of UHREIT, and ensuring transparency and accountability to key stakeholder groups;
- setting the Manager's values and standards (including ethical standards), and ensuring that obligations to Unitholders and other stakeholders are understood and met; and
- considering sustainability issues (including environmental and social factors) as part of the Manager's overall strategy.

The Board recognises that Directors are fiduciaries who should act objectively in the best interests of the Manager and UHREIT and hold Management accountable for performance. The Board, in discharging its responsibilities, sets the appropriate tone-from-the-top and desired organisational culture via policies which establish a code of conduct and ethics, with clear policies and procedures for dealing with conflicts of interest. Where a Director faces a conflict of interest, he or she will recuse him or herself from the discussions and decisions involving the issues of conflict.

COMPOSITION OF THE BOARD

The Board is comprised of:

- Mr Tan Tong Hai (Chairman and Independent Non-Executive Director ("**NED**"))
- Mr James E. Hanson II (Non-Independent Non-Executive Director)
- Mr David Tuvia Goss (Non-Independent Non-Executive Director)
- Mr Wee Teng Wen (Non-Independent Non-Executive Director)
- Mr Chua Teck Huat Bill (Independent Non-Executive Director)
- Ms Jaelle Ang Ker Tjia (Independent Non-Executive Director)

Profiles of the Board and the diverse skills and experience they bring to UHREIT can be found between pages 18 and 23 of this Annual Report.

BOARD COMMITTEES

There is a clear delineation of roles between the Board and Management, with the CEO acting as the conduit between the Board and the Management in driving the success of UHREIT's governance and management function. To assist in the delegation of its responsibilities, Board Committees, namely the NRC and ARC, were established to oversee the respective functions within UHREIT. The Board Committees are governed by their respective ToRs, which define the specific responsibilities, authorities and duties of the respective Board Committees.

The Board Committees and their delegated authority from the Board can be found on pages 90 to 98 and pages 103 to 106 of this Annual Report.

BOARD MEETINGS AND ACTIVITIES

Prior to Board meetings and on an on-going basis, Management provides complete, adequate and timely information to the Board to enable the Board to make informed decisions and discharge their duties and responsibilities more effectively. Explanatory background information relating to matters brought before the Board include results announcements, budgets and documents related to the operational and financial performance of UHREIT and the Directors may request further explanations, briefings or informal discussions on any aspect of the Manager's operations or business issues from Management. Management will make the necessary arrangements for these briefings, informal discussions, or explanations. Management is also required to furnish any additional information, when so requested by the Board, as and when the need arises.

All Directors have separate and independent access to Management and the Company Secretary, namely Ms Ngiam May Ling, at all times. The appointment and removal of the Company Secretary is subject to the approval of the Board. The Company Secretary (or her representatives) attends to corporate secretarial administration matters as well as all Board and Board Committee meetings, and is responsible for ensuring that Board procedures are followed, with periodic updates on the relevant regulatory changes affecting UHREIT.

To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the Manager of UHREIT, the Board is briefed either during the Board meetings of the Manager or at specially convened sessions involving the relevant advisers and professionals, where necessary, or via circulation of Board papers. The constitution of the Manager allows for participation in meetings via telephone conference, video conference or similar communications equipment where the physical presence of the Board member at such meetings is not feasible.

An effective and robust Board, whose members engage in open and constructive debate to develop and refine proposals on strategy, is fundamental to good corporate governance. The Manager practises early planning of meeting schedules so that the Board members are able to plan ahead, provide the required time commitment and to ensure that there is sufficient time for the Board to deliberate and discuss the various matters. In addition, ad-hoc meetings are convened as and when required to enable the Board to raise questions and seek clarification through discussion forums with Management in respect of significant matters passed via circular resolutions.

ORIENTATION AND TRAINING FOR DIRECTORS

All Directors are given formal appointment letters explaining the terms of appointment and setting out the duties and obligations of a Director (including their roles as non-executive and independent directors, as applicable). In addition, an induction, training and development programme is arranged for newly-appointed Directors to familiarise them with the business, operations, and financial performance of UHREIT. Prior to the Initial Public Offering, briefings were conducted by the legal adviser to the offering and to the Manager on the roles and responsibilities of a Director of a publicly listed company in Singapore and briefing on the Manager's obligations as the manager of a REIT.

Any newly-appointed Directors will also be briefed on the Manager's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in the securities, and restrictions on disclosure of price-sensitive information. The Directors are kept informed of the new updates on corporate governance processes, changes to accounting standards, Listing Manual and other regulatory developments from time to time. New Directors, who have no prior experience as a director of a public listed entity listed on the SGX-ST, will undergo training in the roles and responsibilities of a director of a public listed entity in Singapore as prescribed by the SGX-ST.

The Manager will arrange for the Board to be kept abreast of developments in the real estate industry on a regular basis. To keep pace with the fast-changing laws and regulations and commercial risks, the Board receives further relevant training of their choice in connection with their duties as Directors. The Directors, either individually or as a group, may at the Manager's expense, seek independent professional advice, where appropriate, to discharge their duties effectively.

CORPORATE GOVERNANCE REPORT

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge. Through participation in training and professional development programmes, Directors are routinely updated on developments and changes in the operating environment and applicable laws and regulations, including directors' duties and responsibilities, corporate governance matters and changes in financial reporting standards, to enable them to discharge their duties effectively as members of the Board and where applicable, as Board Committees members. The Directors may also attend other relevant courses, conferences and seminars, at the Manager's expense, including programmes run by the Singapore Institute of Directors. The NRC makes recommendations to the Board on relevant matters relating to the review of training and professional development programmes for the Board.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board reviews the size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of UHREIT.

REVIEW OF INDEPENDENCE OF DIRECTORS

The Board recognises the importance of independence and objectivity in its decision-making process, and that the presence of the IDs is essential in providing unbiased and impartial opinion, advice and judgement to ensure the interests of UHREIT, Unitholders, employees, customers and other stakeholders in which UHREIT conducts its businesses with are well-represented and taken into account.

The Board assesses the independence of IDs in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**") to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of UHREIT. A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, substantial shareholders who hold 5% or more of the voting shares of the Manager, or substantial Unitholders who hold 5% or more of the units in UHREIT or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgement with a view to the best interests of UHREIT, and is independent from the Management and any business relationship with the Manager and UHREIT, every substantial shareholder of the Manager and every substantial Unitholder of UHREIT, is not a substantial shareholder of the Manager or a substantial Unitholder of UHREIT and has not served on the Board for a continuous period of nine years or longer.

The IDs individually complete an annual confirmation of independence whereby they are required to assess their own independence, including independence from the major shareholders and Management. The NRC considers this review, with each of the NRC members recusing him or herself from deliberations on his or her own independence.

The Board, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its view in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and UHREIT during FP 2020	(ii) had been independent from any business relationship with the Manager and UHREIT during FP 2020	(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder of UHREIT during FP 2020	(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder of UHREIT during FP 2020	(v) had not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FP 2020
Mr Tan Tong Hai	✓	✓	✓	✓	✓
Mr James E. Hanson II[1]	✓				✓
Mr David Tuvia Goss[2]	✓	✓		✓	✓
Mr Wee Teng Wen[3]	✓	✓		✓	✓
Mr Chua Teck Huat Bill	✓	✓	✓	✓	✓
Ms Jaelle Ang Ker Tjia	✓	✓	✓	✓	✓

(1) Mr James E. Hanson II is the president and CEO of The Hampshire Companies, LLC (the "**Hampshire Sponsor**"), which is one of the sponsor of and U.S. asset manager for UHREIT, and the property manager of 14 of the 22 properties in UHREIT. Mr Hanson is also a substantial shareholder of the Manager through his indirect interest of 30.4% in the Hampshire Sponsor, which in turn holds a 50% direct interest in the Manager. Pursuant to the SFLCB Regulations, during FP 2020, Mr Hanson is deemed not to be (i) independent from a business relationship with the Manager and UHREIT by virtue of the payments made by UHREIT to the Hampshire Sponsor; and (ii) independent from every substantial shareholder of the Manager and substantial Unitholder of UHREIT by virtue of his indirect interest of 30.4% in the Hampshire Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2020, Mr Hanson was able to act in the best interests of all Unitholders of UHREIT as a whole.

(2) Mr David Tuvia Goss is the co-founder and Managing Director of UOB Global Capital LLC (the "**UOB Sponsor**"), which is one of the sponsor of UHREIT. Pursuant to the SFLCB Regulations, during FP 2020, Mr Goss is deemed not to be independent from every substantial shareholder of the Manager by virtue of his positions in the UOB Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2020, Mr Goss was able to act in the best interests of all Unitholders of UHREIT as a whole.

(3) Mr Wee Teng Wen is the son of the Deputy Chairman and Chief Executive Officer of United Overseas Bank Limited. United Overseas Bank Limited holds a 70.0% interest in the UOB Sponsor. Pursuant to the SFLCB Regulations, during FP 2020, Mr Wee is deemed not to be independent from every substantial shareholder of the Manager by virtue of his relation to the Deputy Chairman and Chief Executive Officer of United Overseas Bank Limited which holds a 70.0% interest in the UOB Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2020, Mr Wee was able to act in the best interests of all Unitholders of UHREIT as a whole.

The Board has considered and determined, taking into account the views of the NRC, that Mr Tan Tong Hai, Mr Chua Teck Huat Bill and Ms Jaelle Ang Ker Tjia have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FP 2020 and is satisfied that each of them acted with independent judgement. The Board has also assessed the relationships or circumstances which are likely to affect or could appear to affect the Directors' judgement. Based on the annual review of the Directors' independence conducted by the NRC, the criteria of independence as set out in the Code and Listing Manual Rule 210(5)(d) and the declarations by the IDs of their independence, the Board is satisfied that Mr Tan Tong Hai, Mr Chua Teck Huat Bill and Ms Jaelle Ang Ker Tjia are independent.

The Board presently comprises six directors, three of whom are IDs and all of whom are NEDs. The NRC is of the view that, taking into account the nature and scope of UHREIT's operations, the present Board size is appropriate and facilitates effective decision-making. The Board of the Manager was established on 24 May 2019 and none of the Directors has served on the Board beyond nine years since the date of their first appointment.

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The IDs contribute to the Board process by monitoring and reviewing the performance of management against goals and objectives. Their views and opinions provide an alternative perspective to UHREIT's business which enables the Board to make informed and balanced decisions, and allows interaction between the Board and Management in shaping the strategic process. In the review of the proposals and decisions tabled by Management, the IDs bring their objective judgement to bear on business activities and transactions involving conflicts of interest and other complexities and in this regard, the IDs meet without the presence of the Management on an as-needed basis.

BOARD DIVERSITY POLICY AND COMPOSITION

The Board adopted a Board Diversity Policy as it acknowledges the importance of boardroom diversity in terms of age, gender, culture, nationality, ethnicity, tenure and recognises the benefits of this diversity. A diversity of tenure will achieve the progressive renewal of the Board so that there is the continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. The Board also recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of UHREIT, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, backgrounds, knowledge, industry experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that UHREIT has the opportunity to benefit from all available talent. UHREIT strives for diversity, not only in the Board, but also in the workplace as it is an essential measure of good governance, and is indicative of a well-functioning organisation and sustainable development.

It is paramount that the Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of UHREIT's and the Manager's businesses. To this end, the Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board, having due regard to the overall balance and effectiveness of the Board.

Under the Board Diversity Policy, the NRC reviews and assesses the composition of the Board and makes recommendations to the Board on the appointment of new directors, taking into consideration all aspects of diversity, including but not limited to skills, experience, background, gender, age, ethnicity and other relevant factors. The NRC will review the structure, size, balance and diversity of the Board annually and propose any changes to the Board to complement the objectives and strategies of UHREIT and in this regard review and report to the Board annually the objectives and progress made in achieving an appropriately diverse board composition.

Currently, the Board and its Board Committees comprise of Directors with an appropriate balance and diversity of skills, experience and knowledge. The current Board comprises individuals who are business leaders and professionals with financial, banking, real estate, investment and management consultant backgrounds. The Directors engage in open and constructive debate and regularly challenge Management on its assumptions and proposals. The Directors also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Management has benefited from the Directors' invaluable views and experiences. The Board continues to seek to introduce greater diversity as it progressively reviews the composition of the Board and its Board Committees.

The NRC is of the view that the members of the Board provide an appropriate balance and diversity of skills and commercial experience as elaborated on in the Board Diversity Policy section. The NRC believes that a Director's eligibility for selection, appointment and re-appointment goes beyond his attendance at meetings as the NRC takes into consideration a Director's competencies, commitment, contribution and performance and is committed to providing an appropriate balance and diversity of skills, experience and knowledge. The NRC members regularly review the skills matrix, which has been used to determine the skills needed for the running of a public listed REIT. At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring that female candidates are included for consideration when identifying suitable candidates for new appointment to the Board. The NRC has recently conducted its assessment in February 2021 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The NRC is also satisfied that the Directors, as a group, possess core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

The Board is led by the Chairman and Independent Non-Executive Director, Mr Tan Tong Hai and, apart from the Board and Board Committee members, is supported by the CEO of the Manager, Mr Robert Totten Schmitt who has a wide range of expertise and experience. The separation of the roles of the Chairman and the CEO ensures non-repetition of duties, an appropriate balance of power and responsibilities, an effective system of checks and balances, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO collectively play an important role in the stewardship of the strategic direction and operations of UHREIT. The Chairman and the CEO are not related, nor do they have any close family ties.

The Chairman has a robust leadership background and vast experience in various senior positions which led to his appointment as the Chairman and Independent Non-Executive Director of the Board. The Board has assigned the day-to-day affairs of UHREIT's business to the Management. The CEO is accountable for the conduct and performance of Management within the agreed business strategies.

CLEAR DIVISION OF ROLES BETWEEN CHAIRMAN OF THE BOARD AND THE CEO OF THE MANAGER

The Chairman's role is to:

- carry out a visionary leadership role in facilitating the effective conduct of the Board;
- create a culture of openness characterised by constructive debate and appropriate challenge on strategy, business operations, enterprise risks and other plans amongst Board members;
- promote and ensure the highest standards of integrity in regard to corporate governance processes and issues;
- monitor the flow of information from Management to the Board, and undertake primary responsibility for the Board to receive accurate, timely, clear information and is consulted on all relevant matters; and
- ensure effective communication with Unitholders.

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The CEO's role is to:

- assume overall responsibility for the management and conduct of the business of the Manager;
- be principally responsible for the business direction and operational decisions in managing UHREIT;
- oversee Management;
- develop, recommend and implement organisational strategy, targets, business plans and policies;
- foster a corporate culture promoting ethical practices and integrity;
- manage day-to-day conduct of business and affairs; and
- be the public face, the official spokesperson of UHREIT.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and Management, with clarity of roles and robust deliberations on the business activities of UHREIT.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the NRC, the majority of the NRC are IDs, including the Chairman. The members of the NRC are as follows:

Name	Designation	Directorship
Mr Tan Tong Hai	Chairman	Chairman of the Board, ID
Mr Chua Teck Huat Bill	Member	ID
Mr James E. Hanson II	Member	Non-Independent Non-Executive Director
Mr David Tuvia Goss	Member	Non-Independent Non-Executive Director
Ms Jaelle Ang Ker Tjia	Member	ID

On behalf of the Board, the NRC acts as a key gatekeeper in ensuring the Board and Board Committees have the right balance of skills, experience, independence and knowledge to effectively discharge their duties and responsibilities. The Board is mindful of the need for boardroom diversity. The NRC in evaluating, assessing and making recommendations to the Board for approval shall take into consideration qualifications, credentials, core competencies vis-à-vis the compositions of required mix of skills to demonstrate knowledge, expertise, experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director.

The ToR sets out the scope and authority in performing the functions of the NRC, and these include assisting the Board in matters relating to:

- Reviewing the structure, size and composition of the Board;
- identification, selection and appointment of new Directors and re-appointment of existing Directors of the Board taking into account the contribution, performance and ability to commit sufficient time and attention to the affairs of UHREIT as well as their respective commitments outside of UHREIT;
- implementation and monitoring of the Board Diversity Policy to make recommendations to the Board on the diversity of skills, experience, gender, age, knowledge, size and composition of the Board;
- determining annually the independence of Director having regard the circumstances set forth in Provisions 2.1 and 2.2 of the Code and Listing Rule 210 (5)(d);
- deciding if a Director is able to and has been adequately carrying out his duties as a Director of the Board, taking into consideration the Director's principal commitments;
- review of succession plans in particular to the appointment and/or replacement of the Chairman, the CEO and the key management personnel (the "**KMP**");
- develop the process and criteria for evaluation of the performance of the Board or Board Committees and individual Directors; and
- review of training and professional development programmes for the Directors and ensuring that new Directors are aware of their duties and obligations.

SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The NRC is responsible for reviewing succession plans for the Board and Board Committees, in particular the appointment and/or replacement of the Chairman, the CEO and the KMP.

The NRC regularly reviews the existing attributes and competencies of the Board and the suitability of any candidates put forward for appointment and re-appointment in order to determine the desired experience or expertise required to strengthen or supplement the Board. The NRC is in charge of making recommendations to the Board regarding the identification and selection of new Directors and in identifying candidates for new appointments to the Board as part of the Board's renewal process. The NRC takes into account the following when discharging its duties:

(a) the NRC evaluates whether the candidate is fit and proper in accordance with MAS' fit and proper guidelines, taking into account the track record, age, experience, capabilities and such other relevant experience as may be determined by the Board. In addition, as part of regulatory requirements, MAS also requires prior approval for any change of the CEO. Candidates are evaluated and selected based on their relevant expertise and potential contributions where other factors including the current and medium-term needs and goals of UHREIT are also considered;

(b) the Board is mindful of the need for boardroom diversity. The NRC in making recommendations to the Board for approval shall also take into consideration qualifications, credentials, core competencies vis-à-vis the compositions of required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, ethnicity, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director; and

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(c) the Directors must ensure that they are able to give sufficient time and attention to the affairs of the Manager, and as part of its review process, the NRC decides whether or not a Director is able to do so and whether he or she has been adequately carrying out his or her duties as a Director. The NRC believes that setting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each board may vary, and thus should not be prescriptive.

Upon establishment of the selection criteria, the search for potential candidates is initiated by considering recommendations from the Board, Management and the external search for candidates that fit the criteria, where the external search is conducted through the Singapore Independent Directors' Board Appointment Service. Candidates shortlisted and interviewed by the NRC are then evaluated by the Chairman of the Board and the IDs, ensuring that recommendations made on proposed candidates are objective and well-supported. Once a candidate is selected for the Board, the NRC conducts due diligence and reference checks before recommending the candidate to the Board for approval.

The NRC obtains annual confirmations from the Directors of their willingness to continue in office and whether they are fit and able to continue in office. The NRC also considers and proposes to the Board the directors to be re-elected to the Board once every two years. The Manager believes that Board renewal is necessary and a continuous process for good governance. Board renewal ensures that the Board and Board Committees comprise Directors that, as a group, provide an appropriate balance and diversity of skills, experience, industry knowledge and knowledge of UHREIT's business. Renewal or replacement of a Director does not necessarily reflect his or her performance or contributions to date. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

INDEPENDENCE AND TIME COMMITMENT

The NRC is responsible for determining annually, and as and when circumstances require, the independence of Directors. In doing so, the NRC takes into account the circumstances and existence of relationships which would deem a Director not to be independent. Following due review, the NRC has endorsed the independence and deemed independence status of all IDs for FP 2020.

An assessment was carried out on major commitments of the Directors, including employment and listed company directorships held at present. The Board is to ensure that the duties of each Director have and can be suitably discharged and the Directors must also ensure that they are able to give sufficient time and attention to the affairs of the Manager. The NRC is of the view that setting a maximum number of listed company board representations a Director may hold is arbitrary, given that time requirements for each listed company varies and thus should not be prescriptive. The Board concurs with the view of the NRC.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. The attendance of the Board at Board and Board Committees meetings, as well as the frequency of such meetings during FP 2020 given the listing date of UHREIT on 12 March 2020 are as recorded below:

	Board of Directors	Audit and Risk Committee	Nominating and Remuneration Committee
Number of meetings held in FP 2020	7	2	2
Name of Director	**Number of meetings attended in FP 2020**		
Mr Tan Tong Hai	7^	2	2^
Mr James E. Hanson II	7	2*	2
Mr David Tuvia Goss	7	2*	1
Mr Wee Teng Wen	6	1*	NA
Mr Chua Teck Huat Bill	7	2^	2
Ms Jaelle Ang Ker Tjia	7	2	2

^ Chairman.
* Attendance by invitation.

Based on the Directors' attendance record at Board and Board Committee meetings and contributions outside of formal Board and Board Committees meetings, the NRC is satisfied that all Directors are able to and have committed sufficient time and discharged their duties adequately for FP 2020. The Manager has no alternate directors on its Board. Key information on the Directors such as academic and professional qualifications, committee membership, date of appointment, a list of the present and past directorships of each Director, and unitholding in UHREIT and its related corporations are reflected on pages 18 to 23 and 169 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

As UHREIT recently attained its Listing on SGX-ST on 12 March 2020, the NRC carried out an assessment of effectiveness of the Board and the Board Committees for 2020 for the period from 12 March 2020 to 31 December 2020. The process for FP 2020 was facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. ("BCAS"), the Manager's corporate secretary. The assessment was presented to the Board with recommendations for key areas of improvement and follow-up actions to be undertaken. The Board is currently in the process of developing a formal process for assessing the effectiveness of the Board as a whole and its Board committees, the contribution by each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board.

The objective performance criteria will include Board composition and size, Unitholders' access to information, Board structure, Board processes, Board effectiveness, Board meeting participation, Board standards of conduct and financial performance indicators, corporate strategy and planning, risk management and internal controls, conduct of meetings, communication with stakeholders, standards of individual Director's conduct, independence and performance, and the upkeep of their professional development. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how Directors have enhanced long-term Unitholders' value.

Evaluation of the contribution by each Director may differ as each Director's contributions can take different forms such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and the Director's accessibility to management outside of formal Board and Board Committees meetings, but will generally take into consideration various factors, including individual performance of principal functions and fiduciary duties, participation in meetings and commitment of time to Director's duties. The performance of each Director will be taken into account in re-election or re-appointment.

CORPORATE GOVERNANCE REPORT

Our Independent Non-Executive Director, Mr Bill Chua Teck Huat, is a consultant with Boardroom Executive Services Pte. Ltd. ("**BESPL**") which is a wholly-owned subsidiary of Boardroom Limited and is in the business of providing share plan administration, payroll, services and employee benefits. The Manager's corporate secretary, BCAS, is also a wholly-owned subsidiary of Boardroom Limited and is in the business of providing, among others, corporate secretarial and share registry services. BESPL and BCAS are separate and distinct legal entities. Mr Chua does not have any stake in BESPL and is not involved in the management of BESPL. He provides consultancy services to BESPL on an ad hoc basis and is remunerated directly by Boardroom Limited.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC plays an important role in ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel and thereby devising the appropriate attraction, recruitment, motivation and retention of talents who are qualified and valuable to UHREIT through competitive remuneration and progressive policies so as to achieve UHREIT's goals and to deliver sustainable Unitholder value, distribution income as well as growth in total returns. The ToR setting out the scope and authority in performing the functions of the NRC have been written and include assisting the Board in matters relating to:

- reviewing and recommending to the Board a general framework of remuneration for the Board and the KMP;
- reviewing, developing policies for fixing of, and recommending to the Board the specific remuneration packages for each Director as well as for the KMP;
- reviewing the remuneration policy of the Manager to ensure the policy meets its stated objectives having regard to the performance of UHREIT and other considerations;
- reviewing UHREIT's obligations arising in the event of termination of NEDs and KMP's contracts of service and ensuring that such contracts of service contain fair, equitable and reasonable termination clauses which are not overly generous; and
- reviewing the disclosures in the Annual Report of the Manager's remuneration policies, level and mix of remuneration and the procedure for setting remuneration.

The NRC seeks to ensure that the remuneration paid to the Directors and KMP of the Manager are closely linked to the achievement of corporate and individual performance targets aligned with the interests of the Unitholders and other stakeholders, as well as promoting the long-term success of UHREIT. The performance targets approved by the Board at the start of each year are set with the purpose of motivating a high degree of business performance, with an emphasis on both short- and longer-term quantifiable goals. At the close of each financial year, the NRC reviews the achievements of the Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends. Based on this review, the NRC approves a bonus pool that commensurates with the performance achieved. Where necessary, the Board modifies the framework of remuneration to align the Manager's compensation with the interests of the Unitholders. Remuneration of the Directors, Management and employees of the Manager is not paid out of the deposited property of UHREIT but paid by the Manager from the fees it receives. There were no termination, retirement and post-employment benefits granted to Directors, the CEO or the Chief Financial Officer during the period from 18 September 2019 to 31 December 2020 ("**Relevant FP**").

REMUNERATION DETERMINATION AND DISCLOSURES

UHREIT is externally managed by the Manager as it has no personnel of its own. The remuneration of all Directors and employees of the Manager is borne by the Manager rather than by UHREIT.

In recommending the Directors and KMP's remuneration to the Board for approval as a whole with the Director concerned abstaining from the decision-making process with regards to his or her own remuneration, and in encouraging long-term decision-making removing undue volatility from remuneration outcomes, the NRC takes into account the responsibilities of the Directors including the CEO, the pay and employment conditions of all employees, the corporate and individual performance, the current views of stakeholders, the general market conditions including accomplishment of strategic goals as well as regional and global corporate performance and benchmarking against the remuneration arrangements of other companies of a similar position, size and complexity for guidance.

The remuneration of Directors is determined at levels which enables the Manager to attract and retain Directors with the relevant experience and expertise to manage the business of UHREIT effectively whereas the remuneration of KMP is determined at a level which enables UHREIT to attract, develop and retain high-performing and talented individuals with the relevant experience, level of expertise and level of responsibilities. The Board recommended that the level of remuneration should reflect the effort, time-spent and the level of responsibilities undertaken by each NED.

The Board believes in a competitive and transparent remuneration framework. The Directors' remuneration received and receivable from UHREIT for the Relevant FP, based on the structure of the Directors' fees for NEDs, comprising a base fee for serving as a Director and additional fees for serving on Board Committees as the case may be, are set out in the table below:

Main Board	Chairman	S$65,000 per annum
	Director	S$40,000 per annum
ARC	Chairman	S$28,500 per annum
	Member	S$13,500 per annum
NRC	Chairman	S$13,500 per annum
	Member	S$6,500 per annum

CORPORATE GOVERNANCE REPORT

Name of Director	Salary	Performance Bonus	Director's Fees (S$)	Additional Fees for pre-IPO	Total
Mr Tan Tong Hai[1]	–	–	79,180	–	–
Mr James E. Hanson II[2]	–	–	–[7]	–	–
Mr David Tuvia Goss[3]	–	–	–[7]	–	–
Mr Wee Teng Wen[4]	–	–	34,426	–	–
Mr Chua Teck Huat Bill[5]	–	–	64,549	–	–
Ms Jaelle Ang Ker Tjia[6]	–	–	51,639	–	–

Note:

[1] Appointed as Chairman and Independent Non-Executive Director on 21 February 2020.
[2] Appointed as Non-Independent Non-Executive Director on 24 May 2019.
[3] Appointed as Non-Independent Non-Executive Director on 6 June 2019.
[4] Appointed as Non-Independent Non-Executive Director on 21 February 2020.
[5] Appointed as Independent Non-Executive Director on 21 February 2020.
[6] Appointed as Independent Non-Executive Director on 21 February 2020.
[7] Non-Executive Directors who are employees of the Sponsors do not receive any director's fees in their capacity as Directors.

The Chairman of each Board Committee is paid a higher fee as compared with the members of such Board Committees in view of the greater responsibilities carried by chairing that office in addition to their existing roles.

The NRC has undertaken a review of the total remuneration structure with the assistance of an external consultant, Aon Solutions Singapore Pte. Ltd. (previously known as Aon Hewitt Singapore Pte. Ltd.), to which the total remuneration structure will be addressing four key objectives, namely:

- Unitholder alignment: to incorporate performance measures that are aligned to Unitholders' interests;
- Long-term orientation: to motivate employees to drive sustainable long-term growth;
- Simplicity: to ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
- Value Creation: amount of value-add contributed by the individual.

The external remuneration consultant does not have any relationship with the Manager which would affect their independence and objectivity.

The Code and the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (issued pursuant to Section 101 of the Securities and Futures Act) require (i) the disclosure of the remuneration of each individual Director and the CEO on a named basis with a breakdown (in percentage or dollar terms) of each Director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/ bonuses, benefits in-kind, stock options granted, share-based incentives and awards, and other long-term incentives; (ii) the disclosure of the remuneration of at least the top five key management personnel (who are neither Directors nor the CEO) in bands of S$250,000, with a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives; and (iii) the disclosure of the aggregate total remuneration paid to the top five key management personnel (who are neither Directors nor the CEO). In the event of non-disclosure, the Manager is required to give reasons for such non-disclosure.

The Board is cognisant of the requirements under Principle 8 and Provision 8.1 of the CG Code for listed issuers to make certain remuneration disclosures inter alia, the amounts and breakdown of the Chief Executive Officer's remuneration, and the names, amounts and breakdown of the remuneration of at least the top five key management personnel (who are not directors or the Chief Executive Officer) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. After careful consideration, the Board has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis) and (b) not to disclose the remuneration of its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) not to disclose the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) on the following grounds:

(a) the competition for talent in the REIT management industry is very keen and there is a need to minimise potential staff movement which would cause undue disruptions to the Management team;

(b) it is important that the Manager retains its competent and committed staff to ensure the stability and continuity of business and operations of UHREIT;

(c) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders. Conversely, the Manager is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration paid to the CEO and the top five KMP (who are not also Directors or the CEO) and their performance; and

(d) there is no misalignment between the remuneration of the CEO and KMP and the interests of the Unitholders as their remuneration is paid out from the fees that the Manager receives from UHREIT, rather than borne by UHREIT. The quantum and basis of the fees that the Manager receives have also been disclosed within the Financial Statements.

The Manager is accordingly of the view that their practice is consistent with Principle 8 of the Code as a whole and that non-disclosure of the remuneration of the KMP does not compromise the ability of the Manager to meet with the requirement of having good corporate governance as the NRC, comprising independent and non-independent NEDs, reviews the remuneration package of such KMP who are remunerated based on their roles and responsibilities to ensure that the KMP are fairly remunerated.

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO in percentage terms, are provided in the remuneration table below.

Remuneration of the CEO in bands of S$250,000 for the Relevant FP is as follows:

Key Management Personnel	Base Salary	Short term allowance and benefits-in-kind
Between S$500,000 to S$750,000		
Mr Robert T. Schmitt [(1)]	85%	15%

(1) Appointed as the CEO of the Manager on 16 December 2019. The amount includes base salary and short-term allowances since the date of appointment.

There are no employees of the Manager who are Substantial Shareholders of the Manager, Substantial Unitholders, or immediate family members of a Director, the CEO, a Substantial Shareholder of the Manager or a Substantial Unitholder of UHREIT, whose remuneration exceeds S$100,000 during the year.

The KMP were remunerated wholly in cash in the Relevant FP.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performances as well as the financial performance of the Manager, which is closely linked to UHREIT's distributable income, and is distributed to KMP based on their individual performance.

CORPORATE GOVERNANCE REPORT

The size of the annual performance bonus pot of the Manager is determined by the financial and non-financial performance of the Manager which is closely linked to UHREIT's distributable income and is distributed to employees based on their individual performance.

The Manager currently does not have any share scheme or other forms of long-term incentive schemes in place, but is looking at implementing such long-term incentive scheme in FY 2021. The Manager applies the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices in order to attract suitably qualified talent, in order to grow and manage UHREIT. The Manager applies the principle that the remuneration for the Board and KMP should be viewed in totality. It is a concerted pursuit of strong and ethical leadership for the success of UHREIT and the Manager. The NRC and Board have reviewed and ensured that the level and structure of remuneration for the Manager's Directors and KMP are in alignment with the long-term interests and risk management policies of UHREIT.

Accountability and Audit

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the risk management and internal control system in UHREIT which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity to safeguard Unitholders' interest and the UHREIT's assets.

ROLES OF THE BOARD AND ARC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for UHREIT's risk management framework and system of internal controls and for reviewing the adequacy and integrity of the risk management framework and system of internal controls. Accordingly, the Board is required to ensure that the Manager has in place an effective system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The Board assumes the responsibility for the effectiveness and adequacy of the risk management and internal control system and has delegated the responsibility of undertaking periodic review to the ARC with an established ToR to assist in discharging this responsibility. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The ARC assists the Board in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Board reviews the adequacy and effectiveness of the risk management and internal control system. The ARC also assesses the materiality of specific developments or risks that might have an impact on the security price of UHREIT.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk Management

The Manager strives to employ an overall risk strategy to balance the level of risk with UHREIT's business, growth and profitability goals, in order to achieve consistent and sustainable performance over the long-term for the benefit of UHREIT and the Unitholders.

The Manager has put in place an Enterprise Risk Management (the "**ERM**") framework which aims to identify and manage the risks from all aspects of the business and evolve in tandem with the changes to the business environment and operations.

In line with ERM standards and good practices, UHREIT adopts the following ERM principles:

- ERM is an integral part of all organisational processes, which shall be embedded in all activities, processes and systems;
- ERM is effected by people – not simply policies, questionnaires, forms and checklists - but requires active participation from all staff;
- ERM advocates managing risks holistically rather than in silos or isolation within areas or functions;
- ERM is based on the best risk information available;
- ERM is dynamic, iterative, responsive to change, and tailored;
- ERM is aligned to and supports strategic and business objectives;
- ERM is evolving and subject to continuous improvement; and
- ERM is a continuous process that should be reviewed and updated periodically.

4-STEP RISK MANAGEMENT PROCESS

Step 1. Identify – Identify and prioritise key risks to the organisation based on business context and strategy;

Step 2. Assess – Assess risk based on impact and likelihood of occurrence;

Step 3. Manage – Develop mitigating measures and action plans to manage risks; and

Step 4. Monitor and report – Monitor and report risks on an ongoing basis.

The Manager adopts a four-step risk management process comprising risk identification, assessment, management as well as risk monitoring and reporting.

UHREIT's risk universe covers risks across strategic, financial, operational, technology and compliance categories. In order to focus risk management efforts on key risks to the organisation, the risk prioritisation and assessment process seeks to value risks based on impact to the organisation and likelihood of occurrence. In-depth risk assessments are then performed for key risks prioritised. Tools deployed include risk rating matrices and risk registers to assist the Manager in its performance of risk management.

The Board has the overall responsibility for the governance of risks and maintenance of a sound system of risk management and internal controls to safeguard Unitholders' interests and UHREIT's assets. Assisted by the ARC, the Board provides valuable advice to management in formulating various risk policies and guidelines where necessary. The ToR of the ARC are disclosed on pages 104 to 105 of this Annual Report.

The Board and Management meet quarterly or more frequently, when necessary, to review UHREIT's performance; assess its current and future operating, financial and investment risks; as well as respond to feedback from the risk and compliance manager and auditors.

CORPORATE GOVERNANCE REPORT

The ERM framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within UHREIT. For FP 2020, the Board has assessed and deemed UHREIT's risk management system and internal controls to be adequate and effective in addressing the key risks identified below. Other current, evolving or emerging risks are as well monitored and reported where significant:

Operational Risk

The Manager actively manages UHREIT's property portfolio with the objective of protecting, adding and creating value across the property portfolio. The Manager formulates the asset management strategy and works closely with the property managers to execute the strategy and optimise asset performance. Guidelines relating to tenant mix, lease renewal, rental collections, rationalising operation costs and asset enhancement works are also formulated to benchmark against industry practices and minimise operational risk. In addition, insurance coverage is reviewed annually to ensure that UHREIT's assets are adequately and appropriately insured.

A business continuity plan is in place to minimise exposure to business interruption arising from sudden and major disaster events. The plan is updated and tested regularly to ensure UHREIT is well prepared to respond effectively to disruptions and able to continue its critical business functions, while minimising impact on its people, operations and assets.

Economic and Taxation Risks

UHREIT is subject to economic and real estate market risks and may also be adversely affected by changes to the taxation legislation or regulations. In order to manage such risks, the Manager adopts a disciplined approach towards financial management, as well as monitors the U.S. political environment, economic developments and tax regime, and working closely with tax agents and advisors to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of UHREIT and its Unitholders.

Liquidity Risk

The Manager actively monitors UHREIT's operation cash flow, debt maturity profile and funding requirements to ensure that UHREIT has sufficient liquid reserves to meet its obligations. In addition, UHREIT has access to various sources of funds from banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirement.

Interest Rate Risk

UHREIT's exposure to changes in interest rates relates primarily to interest bearing financial liabilities. The Manager actively monitors and manages UHREIT's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable. As at 31 December 2020, 100% of the borrowing are hedged at fixed rates.

Foreign Exchange Risk

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

For operating expenses incurred in Singapore, UHREIT is exposed to fluctuations in the cross-currency rates of the USD and SGD, however, such expenses are not material. Where appropriate, based on the prevailing market conditions, the Manager may adopt suitable hedging strategies to minimise any foreign exchange risk.

Credit Risk

The Manager manages credit risk from the outset by conducting credit risk assessments of potential tenants prior to signing the lease agreements. Security deposits are also collected from the tenants where applicable.

In addition, UHREIT mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes a significant percentage of its gross revenue and implements rental collection procedures to ensure rentals are collected and arrears are followed up promptly.

Investment Risk

All investment opportunities are subject to a rigorous and disciplined evaluation process to meet UHREIT's investment strategy of enhancing unitholder return and pursue opportunities for future income and capital growth. Investment opportunities are evaluated based on a comprehensive set of investment criteria which include but not limited to the asset's specifications, location, expected returns, yield accretion, growth potential and performance sustainability, while taking into account the prevailing economic climate and market conditions. All investment proposals are subject to the Board's review and approval.

Compliance Risk

UHREIT is required to comply with applicable and relevant legislations and regulations of the various jurisdictions in which it operates. A compliance monitoring programme is in place to ensure compliance with the regulatory requirements, and actively monitor regulatory changes affecting UHREIT and implement appropriate mitigating strategies. The Manager has also engaged KPMG Services Pte. Ltd. ("**KPMG**") to assist in carrying out functions such as providing training to employees on regulatory requirements, highlighting deficiencies or making recommendations on the compliance processes and reviewing returns to MAS.

In addition, UHREIT adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented so that compliance risks and controls are effectively managed.

Information Technology Risk

The Manager is aware of the rising risks associated with information technology ("**IT**") as cybersecurity attacks become more widespread and sophisticated. The Manager conducts periodic reviews of its technology risks and disaster recovery program, with the intention to minimise the impact and continue operations caused by disruption to the IT systems. The Manager intends to engage external consultants to conduct trainings for the employees to raise their IT security awareness.

INTERNAL CONTROLS

The internal auditors conduct reviews of the adequacy and effectiveness of the material internal controls and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. The ARC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues. The ARC directs and reviews the adequacy and work scopes of the internal auditor ("IA"), any findings on material non-compliance or weaknesses in internal controls and risk management by the IA are reported directly to the ARC. The recommendations to further improve the internal control system and risk management system are reported to the ARC and actions are taken by Management.

CORPORATE GOVERNANCE REPORT

The Board has received assurance from the CEO and the CFO of the Manager that:

a. the financial records of UHREIT have been properly maintained and the financial statements for FP 2020 give a true and fair view of the UHREIT's operations and finances; and

b. the risk management and internal control systems of UHREIT are adequate and effective to address the risks (including strategic, financial, operational, compliance and IT risks) that the Manager considers relevant and material to the current business environment.

Based on the risk management and internal control systems established and maintained by the Manager, the above-mentioned assurances received from the CEO and CFO, work performed by the External Auditors, reviews conducted by Management, KPMG and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that UHREIT's internal controls and risk management systems in place are adequate and effective. to address the risks faced by UHREIT in its current business environment as at 31 December 2020.

The Board notes that the internal control systems established provide reasonable assurance that UHREIT will not be adversely affected by events that could be reasonably foreseen as it strives to achieve its business objectives. The Board, however, notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities. The Board, together with the ARC and the Management, will continue to enhance and improve the existing risk management and internal control frameworks to identify and mitigate these risks.

INTERNAL CONTROL SYSTEM FOR RELATED PARTY AND INTERESTED PERSON TRANSACTIONS

An internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively "**IPT**") will be undertaken on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Unitholders of UHREIT has been established by the Manager.

IPT have been disclosed in the financial statements of this Annual Report. As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining, where practicable, quotations from parties unrelated to the Manager or obtaining valuations from independent professional valuers in accordance with the Property Funds Appendix. The Manager maintains a register to record all IPT which are entered into by UHREIT and the bases on which they are entered into, including any quotations from unrelated parties and independent valuations obtained.

The Manager has incorporated into its internal audit plan a review of IPTs entered into by UHREIT. The ARC will monitor the procedures established to regulate IPT, including reviewing any IPT entered into from time to time, and will direct the preparation of internal audit reviews at least twice a year to ascertain that the guidelines and procedures established to monitor IPT have been complied with, including relevant provisions of the Listing Manual and Property Funds Appendix. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. Further to that, the Trustee has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

In addition, the following procedures are undertaken:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of UHREIT's net tangible assets will be subject to review by the ARC at regular intervals; Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of UHREIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of UHREIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of UHREIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning UHREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of UHREIT with an interested party which would include relevant associates thereof, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of UHREIT and the Unitholders of UHREIT, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the said transaction. The Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party. If the Trustee is to sign any contract with an interested party, the Trustee will review the contract to ensure that it complies with the requirements relating to IPTs in the Property Funds Appendix and the provisions of the Listing Manual relating to IPT as well as guidance prescribed by the MAS and SGX-ST.

Save for the IPT described under "Related Party Transactions in Connection with the Setting Up of UHREIT and the Offering" and "Exempted Agreements" in the IPO prospectus, UHREIT will comply with Rule 905 of the Listing Manual by announcing any IPT in accordance with the Listing Manual if such transaction by itself or when aggregated with other IPT entered into with the same Interested Person as defined in the Listing Manual during the same financial year is 3% or more of the value of UHREIT's net tangible assets.

The IPT undertaken by UHREIT in the Relevant FP, are set out on page 166 of this Annual Report.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AUDIT AND RISK COMMITTEE

The ARC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the ARC. The ARC comprises three directors and all of whom are IDs. The members of the ARC are as follows:

Name	Designation	Directorship
Mr Chua Teck Huat Bill	Chairman	ID
Mr Tan Tong Hai	Member	ID
Ms Jaelle Ang Ker Tjia	Member	ID

The Board is of the view that all members of the ARC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. The Board considers Mr Chua Teck Huat Bill as having sufficient financial management knowledge to discharge his responsibilities as Chairman of the ARC. The Board is of the view that the ARC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities. The ARC members, as a whole, possess a wide range of necessary skills to discharge their duties and are financially literate. None of the ARC members are former partners or directors of UHREIT's existing external auditing firm, Deloitte & Touche LLP ("**Deloitte**"), and neither do they have any financial interest in Deloitte.

CORPORATE GOVERNANCE REPORT

The ARC has explicit authority to investigate any matter within its ToR. The ARC has full access to the Internal and External Auditors, and has full discretion to invite Management, the Sponsor, external consultants or advisers to attend its meetings, and the Management is required to provide the fullest co-operation in providing information and resources and in implementing or carrying out all requests made by the ARC. The Internal and External Auditors have unrestricted access to the ARC. In FP 2020, two ARC meetings were held and the ARC has also met separately with the Internal and External Auditors, without the presence of the management of the Manager to discuss issues and to confirm that they had full access to and received co-operation and support from the Management.

The ARC reviewed the outputs from the process of valuing the investment properties and had robust discussions with Management and the professional valuers on the reasonableness of the methodologies and critical assumptions used in deriving at the valuation of the investment properties, including the impact of COVID-19. The ARC also had discussions with the External Auditors on their work performed in assessing the appropriateness of their valuation methodologies and the key assumptions applied in the valuation of the investment properties, and their conclusion thereof. The ARC is satisfied with the valuation process, methodologies used and valuation of the investment portfolio as adopted and disclosed in the financial statements. However, the ARC noted the independent valuation reports have highlighted that with the heightened uncertainty of the COVID-19 outbreak, the valuation of the investment properties are subject to 'material valuation uncertainty'. The independent valuation reports clarify that the inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon, but that less certainty can be attached to the valuation than would otherwise be the case as values may change more rapidly and significantly than during normal market conditions. A higher degree of caution should be exercised when relying upon the valuation, and it should be noted that the valuations are based on the information available as at the date of valuation.

EXTERNAL AUDITORS

Cognisant that the External Auditors should be free from any business or other relationships with UHREIT that could materially interfere with its ability to act with integrity and objectivity, the ARC undertook a review of the independence of the External Auditors and gave careful consideration to UHREIT's relationships with them during FP 2020. In determining the independence of the External Auditors, the ARC reviewed all aspects of UHREIT's relationships with it including the processes, policies and safeguards adopted by UHREIT and the External Auditors relating to auditor independence. The ARC also considered the nature of the provision of non-audit services in FP 2020 and the corresponding fees and ensured that the fees for such non-audit services did not impair or threaten auditor independence. The ARC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, Deloitte's experience in the REIT sector and the size and complexity of the audit. The ARC is satisfied with the independence and objectivity of the External Auditors and has recommended to the Board the re-appointment of Deloitte as the External Auditors of UHREIT at the forthcoming annual general meeting. The Manager confirms that UHREIT complies with the requirements of Rules 712 and 715 read with Rule 716 of the Listing Manual in respect of the suitability of the auditing firm for UHREIT.

The ARC is collectively responsible in assisting the Board in corporate governance and compliance matters of UHREIT. A summary of the ARC's key responsibilities under its ToR, which also represents a summary of the work and key matters undertaken by the ARC during FP 2020, includes the following:

- Reviewing financial statements and formal announcements relating to financial performance and reviewing the significant financial reporting issues and judgements so as to ensure integrity of the financial statements of UHREIT and any announcements relating to the financial performance;

- Reviewing the audit plans and reports of the Internal and External Auditors and considering the effectiveness of actions or policies taken by the Management on the recommendations and observations;

- Assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective risk management framework and reviewing the adequacy and effectiveness of the risk management and internal control systems;

- Reviewing the assurances from the CEO and CFO on the financial records and financial statements;

- Making recommendations to the Board on the proposal to the Unitholders on the appointment and removal of External Auditors and the remuneration and terms of engagement of the External Auditors;
- Reviewing the adequacy, effectiveness, independence, scope and results of the Internal and External Auditors;
- Reviewing the nature and extent of non-audit services performed by the External Auditors;
- Meeting with the External Auditors and with the Internal Auditors, in each case without the presence of the Management, at least annually;
- Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- Examining related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" and the provisions of the Property Funds Appendix relating to IPT, and together with IPT; and
- Investigating any matters within the Manager ARC's purview, whenever it deems necessary.

Periodic updates on changes in accounting standards and their accounting implications on UHREIT are prepared by External Auditors and circulated to members of the ARC so that they are kept abreast of such changes and the potential corresponding impact on UHREIT's financial statements, if any.

INTERNAL AUDITORS

The role of the Internal Auditors is to assist the ARC to ensure that the Manager maintains a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high risks areas.

The Internal Auditors plans the internal audit schedules in consultation with, but independent of the Manager. The audit plan is submitted to the ARC for approval on an annual basis.

The ARC approves the appointment, removal, evaluation and compensation of the Internal Audit function. The Internal Audit function is outsourced to KPMG, which is staffed by qualified professionals and their audit methodology is in conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. These standards cover attributes as well as performance and implementation principles. KPMG reports to the Chairman of the ARC and has unfettered access to documents, records, properties and personnel, including unrestricted access to the ARC. On an annual basis, the ARC reviews the adequacy and effectiveness of the Internal Audit function. For the financial year, the ARC concludes that the Internal Audit function is adequately resourced, effective and independent.

REVIEWS CONDUCTED BY THE ARC

In FP 2020, the ARC performed independent reviews of the half-yearly and full year financial results of UHREIT before recommending that the Board approve the release of the financial statements and SGX announcements relating to UHREIT's financial statements. In the process, the ARC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ARC also reviewed, among other matters, the following key audit matter ("**KAM**") identified by the External Auditors for FP 2020:

CORPORATE GOVERNANCE REPORT

Valuation of investment properties

The ARC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties noted the objectivity, independence and expertise of the external appraisers engaged by the Manager, assessed the appropriateness of the valuation model and reasonableness of the significant assumptions adopted, evaluated major cost items capitalised in investment properties during the period for reasonableness and having reviewed the valuation reports and the carrying value of its investment properties are satisfied that the use of inputs and assumptions are reasonable and that the investment properties have been appropriately measured at fair value and valuations fall within a reasonable range.

The ARC has conducted a review of all non-audit services provided by Deloitte during the year under review. The aggregate amount of fees paid and payable to Deloitte for FP 2020 was US$718,000, of which the audit fees amounted to US$540,000 and the non- audit fees amounted to US$178,000. The non-audit fees paid or payable to Deloitte comprise non-audit related fees of US$178,000 (for general tax and GST compliance work). There was also a one-off amount of US$1,090,000 being fees paid to the External Auditors to act as reporting auditors in relation to the pro forma financial information and tax advisory services carried out for the UHREIT's Initial Public Offering.

The ARC reviewed and approved the audit plan and scope of the audit of the full year financial statements. The ARC also reviewed and approved the internal audit plan and scope of the internal auditors' work and audit programme. It reviewed the findings during the year and Management's responses thereto and it satisfied itself of the adequacy of the internal audit function. In addition, the ARC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix. Changes to the accounting standards and issues which have a direct impact on the financial statements were reported and discussed with the ARC at its meetings. In carrying out its function, the ARC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the Manager's cost.

WHISTLEBLOWING POLICY

UHREIT acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Manager has put in place a Whistleblowing Policy which serves to encourage its employees and any other persons to raise concerns about possible improprieties in matters of financial reporting and other malpractices (including fraud, corruption, bribery or blackmail, criminal offences, failure to comply with a legal or regulatory obligation, miscarriage of justice, endangering the health and safety of an individual and concealment of any of the aforementioned) in confidence and in good faith.

The Manager has engaged KPMG to provide independent reporting channels for employees and external parties to raise concerns about possible improprieties without fear of reprisal. Whistleblowers are given the option to remain anonymous and concerns about illegal, unprofessional, fraudulent or other unethical behaviour may be referred to the Ethics web portal or email that are available on UHREIT's website.

The ARC is guided by the Whistleblowing Policy to ensure proper conduct and closure of investigations, including handling of possible improprieties, prohibition of obstructive or retaliatory actions, confidentiality, disciplinary and civil or criminal actions. Any concerns which are not resolved by these channels may be raised with the ARC Chairman of the Manager. Following a review of the complaint or concern, the ARC Chairman, where appropriate, will take steps to have the matter investigated and, if warranted, will request that the Board and management implement corrective measures.

Establishing these policies reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical standards. The Whistleblowing Policy is made available to all employees when they join the Manager, and they are briefed on this.

DEALING IN UNITS

Each Director and the CEO of the Manager is to give notice to the Manager of (a) particulars of Units held by him or her, or in which he or she has an interest and the nature and extent of that interest within two Business Days after the later of (i) the date on which the director or Chief Executive Officer becomes a director or Chief Executive Officer or (ii) the date on which the director or Chief Executive Officer becomes a holder of, or acquires an interest in the Units or (b) of changes in the number of Units which he or she holds or in which he or she has an interest, within two Business Days after the director or Chief Executive Officer becomes aware of the change. All dealings in Units by the Directors and/or the CEO of the Manager will be announced via SGXNET.

The Directors and employees of the Manager are prohibited from dealing in the Units (a) in the period commencing one month before the announcement of UHREIT's half year and full year financial statements (if UHREIT does not announce its quarterly financial statements); (b) in the period commencing two weeks before the announcement of UHREIT's financial statements for each of the first three quarters of its financial year and one month before the announcement of UHREIT's full year financial statements (if UHREIT announces its quarterly financial statements, whether required by the SGX-ST or otherwise); and (c) at any time while in possession of price sensitive information.

Further, the insider trading rules stipulated in the SFA are to be adhered to, including that the Directors and the employees of the Manager are prohibited from communicating price sensitive information to any person. The dealing in the Units of UHREIT on a short-term or speculative consideration is strongly discouraged.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

CORPORATE GOVERNANCE REPORT

CONDUCT OF GENERAL MEETINGS

The public can access the electronic copy of the Annual Report via SGXNET as well as UHREIT's website and under normal circumstances, all Unitholders will receive a booklet containing key highlights of UHREIT, instructions on accessing the Annual Report online with the option of receiving a printed version of the Annual Report, a notice of annual general meeting and a proxy form with instructions on the appointment of proxies. However, in view of the COVID-19 situation, the Manager will be conducting UHREIT's first annual general meeting via electronic means and therefore, alternative arrangements will be made to take into account the online nature of the annual general meeting, further information of which is set out in the notice of the first annual general meeting dated 6 April 2021. The notice of annual general meeting is also published via SGXNET and UHREIT's website.

UHREIT supports and encourages active Unitholder participation at general meetings as general meetings serve as an opportune avenue for Unitholders to meet and interact with the Board and Management. Unitholders are informed of general meetings through notices published on UHREIT's website, through reports or circulars sent to all Unitholders and via SGXNET. At general meetings, Unitholders are given the opportunity to participate effectively and vote. Where relevant rules and procedures govern such meetings (e.g. voting procedure), these rules and procedures are clearly communicated prior to the start of the meeting.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Manager is not implementing absentia voting methods (such as voting via mail, email or fax) until issues such as the authentication of Unitholders identity and other related security and integrity of such information can be resolved. Notwithstanding the foregoing, Unitholders are able to appoint up to two proxies to vote on their behalf should they be unable to attend the meeting. Based on the above, the Board is of the view that Unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting through appointment of proxies.

In addition to that, the Manager sets out separate resolutions on each substantially separate issue (which are not interdependent and not linked so as to form one significant proposal) at general meetings and supports the Code's provision as regards "bundling" of resolutions. Should there be resolutions which are interlinked, the Manager will provide reasons and material implications in the notice of the meetings or at general meetings to which Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

For greater transparency and to better reflect Unitholders' interests, the Manager will be using poll voting at the general meetings to facilitate greater and more efficient participation of all Unitholders present or represented at the general meetings. The voting results of all votes cast for, against or abstaining from each resolution are then displayed at the general meeting and announced to SGX-ST after the general meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

All Board members, including the Chairmen of the NRC and ARC, the Manager and representatives from the Trustee will be present at the general meetings of Unitholders which includes participation in person or by means of teleconference, video conference or similar communication methods without the need to be present physically to address relevant questions raised by the Unitholders. The External Auditors will also be present provide professional independent clarification and to address Unitholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of Unitholders' general meetings which capture the attendance of Board members at the general meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the Manager. These minutes are available to Unitholders upon their request.

As the Manager will be conducting UHREIT's first annual general meeting via electronic means and therefore Unitholders are unable to attend the meeting in person, Unitholders may appoint the Chairman of the meeting as proxy to vote on their behalf at the general meeting and submit questions relating to the business of the meeting in advance. Please refer to the notice of the first annual general meeting dated 6 April 2021 for further information.

FURTHER ENGAGEMENT

In the execution of its duties, the Board adopts an inclusive approach and not only considers UHREIT's obligations to its Unitholders but also the interests of its material stakeholders, as part of its overall responsibility to ensure that the best interests of UHREIT are served. The Manager continues to engage and maintain the stakeholders' needs and expectations, taking into consideration their viewpoints and provide new perspective in generating positive impact to UHREIT treating all Unitholders fairly and equitably striving to establish timeliness and consistency in its disclosure while maintaining regular interaction and dialogue with Unitholders to generate awareness and understanding of UHREIT's strategic business model, competitive strengths, growth strategy and investment merits as well as to garner feedback and views for consideration. Committed to promoting regular, effective and communication with Unitholders in order to allow them to make informed decisions, the Trust Deed is available for inspection at the Manager's office where all announcements (i.e. press releases, presentations, annual and sustainability reports and financial statements) are uploaded onto SGXNET and on UHREIT's website in a timely and accurate manner.

The Manager has an Investor Relations team which works with the legal counsel to ensure compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations team provides regular updates on analyst and investor feedback. The Manager's investor relations policy prioritises proactive engagement, and timely and effective communication with its stakeholders and outlines the various modes of communications with the Unitholders and the ways in which the Manager solicits and understands the views of the Unitholders. The IR Policy is published on UHREIT's website, https://investor.uhreit.com/ir_policy.html.

Continuous and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance. The CEO and the Investor Relations team of the Manager actively engage with institutional investors, analysts and fund managers to solicit and understand the views of the investment community via analyst briefings held after the financial results announcements; one-on-one or group meetings, conference calls, investor luncheons, local or overseas road shows and conferences and on UHREIT's website at http://www.uhreit.com/. An email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications. In this way, UHREIT seeks to establish good communication and engagement with all its stakeholders.

More information of the Manager's IR activities can be found on page 80 of this Annual Report.

UHREIT strives towards improving fiscal growth, optimising operational efficiency while creating a Sustainable Culture throughout to create long-term value based on Environment, Social and Governance ("**ESG**"). In recognition that stakeholders are important to UHREIT's long-term growth and success, the Manager has identified stakeholder groups which have a significant influence and interest in UHREIT's operations and business and engaged these stakeholders to understand their ESG expectations and in allowing us to have a good grasp on their concerns. The key stakeholders identified are the Manager's Board of Directors, employees, sponsors, Unitholders and investment community, media, government regulators and industry or business associations, and local community at large.

DIVIDEND POLICY

UHREIT's distribution policy is to distribute 100% of UHREIT's distributable income for the period from the Listing Date to 31 December 2021, after which UHREIT will distribute at least 90% of its annual distributable income. Such distributions are typically paid on a semi-annual basis. UHREIT's distribution policy is to distribute as much of its income as practicable and the determination to distribute and the quantum of distributions to be made by UHREIT will be at the discretion of the Board of Directors of the Manager. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period. For FP 2020, UHREIT made its first distribution to Unitholders on 29 September 2020.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

ADDITIONAL DISCLOSURES ON FEES PAYABLE TO THE MANAGER

Pursuant to the revised CIS Code which came into effect on 1 January 2016, the methodology and justifications for each type of fees payable to the Manager should be disclosed, where such fees are payable out of the deposited property of UHREIT. The methodology for the computation and payment of fees, with reference to the relevant clauses in the Trust Deed, is disclosed on pages 126 to 130 under the "Notes to the Financial Statements" section of this Annual Report.

The management fees are earned by the Manager for the management of UHREIT's portfolio of properties. The various fees earned by the Manager and their rationale are further elaborated below.

BASE FEE AND PERFORMANCE FEE

The Base Fee, as contained in Clause 15.1 of the Trust Deed, covers the day-to-day operational, compliance, monitoring and reporting costs as well as administrative overheads incurred by the Manager. The Base Fee represents the compensation to the Manager for executing its core responsibilities and is based on a percentage of the value of UHREIT's deposited properties, which is an appropriate metric to determine the resources required for managing UHREIT. As UHREIT grows in portfolio size, the complexity of management increases and the Manager is expected to expend greater effort in fulfilling its responsibilities.

The Performance Fee, as contained in Clause 15.1 of the Trust Deed, is based on the growth in distribution per unit ("**DPU**"), and incentivises the Manager to proactively manage its portfolio, which may include but are not limited to asset enhancement initiatives, repositioning or re-branding of its properties, re-segmentation of its properties' customer base and driving cost efficiencies to improve profit margins. Such fee methodology aligns the interests of the Manager and Unitholders and ensures the long-term sustainability of the assets, instead of taking on excessive short-term risks to the detriment of the Unitholders.

ACQUISITION FEE AND DIVESTMENT FEE

The Acquisition Fee and Divestment Fee, which are contained in Clause 15.2 of the Trust Deed, seek to continue delivering long-term sustainable distribution income to the Unitholders. The Manager regularly reviews its portfolio of properties and sources of growth opportunities and yield-accretive acquisitions, and efficiently recycles capital through the divestment of underperforming or non-core assets. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of the acquisition or divestment to the existing portfolio and future growth expectations.

The Acquisition Fee and Divestment Fee payable to the Manager serve as a form of compensation for the time, effort and resources spent in sourcing, evaluating and executing potential opportunities to acquire new properties or in rebalancing and unlocking the underlying value of the existing properties within its asset portfolio to optimise UHREIT's returns. The Manager provides these services over and above the provision of ongoing management services with the aim of ensuring income sustainability and achieving the investment objectives of UHREIT.

The Acquisition Fee is higher than the Divestment Fee because the time and efforts undertaken in terms of sourcing, evaluating and conducting due diligence, and fund raising for an acquisition, are higher as compared to a divestment.

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of Units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of United Hampshire US REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 18 September 2019 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the period covered by these financial statements, set out on pages 118 to 165, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
18 March 2021

STATEMENT BY THE MANAGER

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

In the opinion of the directors of the Manager, the accompanying financial statements of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group") as set out on pages 118 to 165, comprising the statements of financial position of the Group and the Trust as at 31 December 2020, the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds and consolidated statement of cash flows of the Group, and statement of changes in Unitholders' funds of the Trust for the financial period from 18 September 2019 (date of constitution) to 31 December 2020, portfolio statement of the Group as at 31 December 2020 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2020, the consolidated comprehensive income, distributable income, consolidated changes in Unitholders' funds and consolidated cash flows of the Group, and changes in Unitholders' funds of the trust for the financial period from 18 September 2019 (date of constitution) to 31 December 2020 and portfolio statement of the Group as at 31 December 2020, in accordance with the International Financial Reporting Standards adopted by the International Accounting Standards Board and the provisions of the Trust Deed between Perpetual (Asia) Limited and the Manager dated 18 September 2019 (as amended and restated) and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
United Hampshire US REIT Management Pte. Ltd.

Tan Tong Hai
Director

Chua Teck Huat Bill
Director

Singapore
18 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of United Hampshire US Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2020, and the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds, consolidated statement of cash flows of the Group, and the statement of changes in Unitholders' funds of the Trust for the financial period from 18 September 2019 (date of constitution) to 31 December 2020, portfolio statement of the Group as at 31 December 2020 and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 118 to 165.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in Unitholders' funds of the Trust are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") and comply with the relevant provisions of the Trust Deed dated 18 September 2019 (as amended and restated) (the "Trust Deed") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2020, and of the consolidated statement of comprehensive income, distribution statement, consolidated statement of changes in Unitholders' funds, consolidated statement of cash flows of the Group and the statement of changes in Unitholders' funds of the Trust for the financial period from 18 September 2019 (date of constitution) to 31 December 2020 and portfolio statement of the Group as at 31 December 2020.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Fair Valuation and Disclosure of Fair Value for Investment Properties The Group owns a portfolio of investment properties comprising grocery and necessity properties and self-storage properties across the United States. These investment properties represent the single largest category of assets with a carrying amount of US$608.7 million as at 31 December 2020. The Group has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value, and has engaged an external independent valuer ("Valuer") to perform the fair value assessment for all 22 of its investment properties. The fair valuation of investment properties is considered to be a matter of significance to our audit as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, and the use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to certain key inputs applied in deriving the underlying cash flows and capitalisation rates where a small change in these inputs can result significant changes in the fair valuations of the investment properties. As disclosed in Note 7 to the consolidated financial statements, the Valuer has highlighted in their valuation reports that as a result of COVID-19, there have been lower levels of transactional evidence and liquidity. As such, there is less certainty with regards to the valuations, and that market value can change rapidly in the context of current market conditions. Accordingly, Group has reported the valuation of these properties on the basis of a "material valuation uncertainty". The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 7 to the consolidated financial statements.	We have assessed the Group's process of appointing and determining the scope of work of the Valuer, as well as the process of reviewing, and accepting the Valuer's investment property valuations. We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuer with the Group to determine whether there are any matters which might affect the objectivity of the Valuer or impede their scope of work. We have held discussions with management and the Valuer on the valuation reports, and have engaged our valuation specialists to assist in: • Assessing the valuation methodology, key assumptions and inputs used by the Valuer against general market practice for similar types of properties; • Comparing key valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties; • Reviewing the integrity of the valuation calculations and inputs, including review of lease schedules and lease agreements; and • Understanding how the Valuer has considered the implications of COVID-19 and market uncertainty in the valuations. Based on the audit procedures performed, the various key inputs used are within a reasonable range of our expectations. We have also assessed the adequacy and appropriateness of the additional related disclosures made in the consolidated financial statements as a result of COVID-19.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

United Hampshire US REIT Management Pte. Ltd. (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGER AND DIRECTORS FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 18 September 2019 (as amended and restated). The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

(d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

18 March 2021

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	Group 2020 US$'000	Trust 2020 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	13,040	1,011
Restricted cash	5	120	–
Trade and other receivables	6	5,699	113
Prepaid expenses		1,783	2
Total current assets		**20,642**	**1,126**
Non-current assets			
Restricted cash	5	258	–
Investment properties	7	608,667	–
Investment in subsidiaries	8	–	373,264
Total non-current assets		**608,925**	**373,264**
Total assets		**629,567**	**374,390**
LIABILITIES			
Current liabilities			
Trade and other payables	10	8,086	386
Provision for taxation		473	–
Lease liability	14	779	–
Total current liabilities		**9,338**	**386**
Non-current liabilities			
Loans and borrowings	11	217,090	–
Preferred shares	12	125	–
Rental security deposits		493	–
Derivative liabilities	13	2,117	–
Lease liability	14	23,175	–
Total non-current liabilities		**243,000**	**–**
Total liabilities		**252,338**	**386**
NET ASSETS		**377,229**	**374,004**
Net assets attributable to:			
Unitholders		375,319	374,004
Non-controlling interests	15	1,910	–
		377,229	**374,004**
Units in issue and to be issued ('000)	16	**497,354**	**497,354**
Net asset value per Unit (US$)	17	**0.75**	**0.75**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

	Note	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Gross revenue	18	41,617
Property expenses	19	(11,820)
Other income	20	1,278
Net property income		**31,075**
Manager's base fee		(2,382)
Manager's performance fee		(52)
Trustee's fee		(119)
Other trust expenses	21	(1,445)
Finance costs	22	(5,594)
Finance income		3
Net income before tax and change in fair value of investment properties and derivatives		**21,486**
Fair value change in investment properties	7	(14,301)
Fair value change on derivative financial instruments		(2,117)
Net income before tax		**5,068**
Income tax expense	23	(489)
Net income after tax		**4,579**
Net income after tax attributable to:		
Unitholders		4,634
Non-controlling interest		(55)
Net income for the period		**4,579**
Basic and diluted earnings per Unit (cents)	24	0.94

See accompanying notes to financial statements.

DISTRIBUTION STATEMENT

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Amount available for distribution to Unitholders at the date of constitution	–
Net income/(loss) after tax attributable to the Unitholders	
Period prior to 12 March 2020 (the "Listing Date")	(29)
Period from the Listing Date to 31 December 2020	4,663
Distribution adjustments (Note A)	19,192
Amount available for distribution to Unitholders	23,826
Distribution to Unitholders during the period:	
Distribution of US 1.78 cents per Unit for the period from the Listing Date to 30 June 2020	(8,781)
Total distribution to Unitholders	(8,781)
Income available for distribution to Unitholders at the end of the period	15,045
Distribution per Unit (DPU) (cents) [(1)]	**4.81**

Note A – Distribution adjustments comprise:	
Property related non-cash items [(2)]	(1,728)
Manager's base fee paid/payable in Units	2,382
Manager's performance fee payable in Units	52
Trustee's fees [(3)]	113
Amortisation of upfront debt-related transaction costs [(4)]	548
Fair value change in investment properties	14,301
Fair value change on financial derivatives	2,117
Income top-ups [(5)]	1,992
Interest on lease liability	447
Ground lease rental payment	(1,061)
Net loss after tax for period prior to the Listing Date	29
Distribution adjustments	19,192

Footnotes:

(1) The DPU relates to the distributions in respect of the financial period from the Listing Date to 31 December 2020. The distribution for the period from 1 July 2020 to 31 December 2020 will be paid subsequent to the financial period end. The distribution for the period from the Listing Date to 30 June 2020 was paid during the financial period 2020.

(2) Mainly comprise straight-line rent adjustments and lease commission amortisation.

(3) Trustee's fees exclude US$6,000 incurred during the period prior to the Listing Date.

(4) Upfront debt-related transaction costs are amortised over the life of the borrowings.

(5) Comprises income top-ups provided by the Hampshire Sponsor in relation to St. Lucie West Top-Up Agreement and Perth Amboy Self-Storage Top-Up Agreement.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

	Note	Units in issue and to be issued US$'000	Retained earnings / (Accumulated loss) US$'000	Non-controlling interests US$'000	Total US$'000
Group					
At 18 September 2019 (date of constitution)		–	–	–	–
Operations					
Net income for the period		–	4,634	(55)	4,579
Net increase/(decrease) in net assets resulting from operations		**–**	**4,634**	**(55)**	**4,579**
Unitholders' transactions					
Issue of new Unit prior to the Listing Date	16	– [(1)]	–	–	– [(1)]
Issue of new Units on the Listing Date	16	394,622	–	–	394,622
Issue costs	16	(17,590)	–	–	(17,590)
Distribution to Unitholders	16	(2,615)	(6,166)	–	(8,781)
Manager's base fee paid in Units	16	1,616	–	–	1,616
Manager's base fee payable in Units	16	766	–	–	766
Manager's performance fee payable in Units	16	52	–	–	52
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**376,851**	**(6,166)**	**–**	**370,685**
Non-controlling interests arising from acquisition		–	–	1,675	1,675
Contribution from non-controlling interests		–	–	290	290
As at 31 December 2020		**376,851**	**(1,532)**	**1,910**	**377,229**

Footnote:

(1) Less than US$1,000.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

	Note	Units in issue and to be issued US$'000	Retained earnings / (Accumulated loss) US$'000	Non-controlling interests US$'000	Total US$'000
Trust					
At 18 September 2019 (date of constitution)		–	–	–	–
Operations					
Net income for the period		–	3,319	–	3,319
Net increase in net assets resulting from operations		–	3,319	–	3,319
Unitholders' transactions					
Issue of new Unit prior to the Listing Date	16	– [1]	–	–	– [1]
Issue of new Units on the Listing Date	16	394,622	–	–	394,622
Issue costs	16	(17,590)	–	–	(17,590)
Distribution to Unitholders	16	(2,615)	(6,166)	–	(8,781)
Manager's base fee paid in Units	16	1,616	–	–	1,616
Manager's base fee payable in Units	16	766	–	–	766
Manager's performance fee payable in Units	16	52	–	–	52
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**376,851**	**(6,166)**	**-**	**370,685**
As at 31 December 2020		**376,851**	**(2,847)**	**-**	**374,004**

Footnote:
[1] Less than US$1,000.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

	Note	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Operating activities		
Net income before tax		5,068
Adjustments for:		
Property related non-cash items		(1,728)
Manager's base fee paid/payable in Units		2,382
Manager's performance fee payable in Units		52
Fair value change in investment properties	7	14,301
Fair value change on financial derivatives	13	2,117
Finance costs	22	5,594
Finance income		(3)
Operating cash flows before working capital changes		27,783
Changes in working capital:		
Trade and other receivables		(2,953)
Restricted cash		(254)
Prepaid expenses		848
Trade and other payables		490
Rental security deposits		(94)
Cash generated from operations		25,820
Income tax paid		(16)
Net cash generated from operating activities		25,804
Investing activities		
Acquisition of investment properties and related assets and liabilities	a	(450,359)
Additions to investment properties	b	(7,942)
Interests received		3
Net cash used in investing activities		(458,298)
Financing activities		
Proceeds from issuance of Units	16	320,858
Payment for transaction costs relating to issuance of Units		(17,590)
Distribution paid to Unitholders		(8,781)
Proceeds from issuance of preferred shares		125
Payment for transaction costs relating to issuance of preferred shares		(21)
Dividends paid to preferred shareholders		(4)
Contribution from a non-controlling interest		290
Proceeds from loans and borrowings		158,329
Payment of debt-related transaction costs		(2,205)
Finance costs paid on loans and borrowings		(4,406)
Repayment of lease liability		(614)
Interest paid on lease liability		(447)
Net cash generated from financing activities		445,534
Net increase in cash and cash equivalents		13,040
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of the period	4	13,040

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

a) Acquisition of investment properties and related assets and liabilities

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Agreed purchase consideration for investment properties	584,549
Less: Non-controlling interest	(1,675)
Acquisition of the properties	582,874
Add: Acquisition costs	4,198
	587,072
Trade and other receivables	19
Prepaid expenses	2,623
Restricted cash	124
Loans and borrowings	(60,814)
Debt related transaction costs	420
Trade and other payables	(4,734)
Rental security deposits	(587)
Net liabilities acquired	(62,949)
Net consideration for investment properties	524,123
Less: Consideration settled through issuance of Units for rollover investors	(73,764)
Net cash outflow for the acquisition	450,359

b) Additions to investment properties

Includes spending on capital expenditure, tenant improvements and leasing commissions.

See accompanying notes to financial statements.

PORTFOLIO STATEMENT

31 DECEMBER 2020

Description of property	Location	Tenure of land	Fair value as at 31 December 2020 US$'000	Percentage of total net assets as at 31 December 2020 %
Grocery & Necessity Properties				
Hudson Valley Plaza	New York	Freehold	45,300	12.0
Albany ShopRite – Supermarket	New York	Freehold	22,850	6.1
Albany ShopRite – Gas Station	New York	Freehold	4,050	1.1
Towne Crossing	New Jersey	Freehold	12,900	3.5
Lynncroft Center	North Carolina	Freehold	24,200	6.5
Garden City Square – BJ's Wholesale Club	New York	Freehold	45,900	12.2
Garden City Square – LA Fitness	New York	Freehold	21,100	5.6
Price Chopper Plaza	New York	Freehold	21,700	5.8
Big Pine Center	Florida	Freehold	9,200	2.4
Stop & Shop Plaza	New Jersey	Freehold	28,300	7.5
Fairhaven Plaza	Massachusetts	Freehold	19,800	5.2
Wallington ShopRite	New Jersey	Leasehold [1]	16,300	4.3
Parkway Crossing	Maryland	Freehold	24,600	6.5
Wallkill Price Chopper	New York	Freehold	13,200	3.5
St. Lucie West	Florida	Freehold	83,550	22.1
BJ's Quincy	Massachusetts	Freehold	34,500	9.1
Arundel Plaza	Maryland	Freehold	45,500	12.1
Lawnside Commons	New Jersey	Freehold	32,800	8.7
Self-Storage Properties				
Carteret Self-Storage	New Jersey	Freehold	17,000	4.5
Millburn Self-Storage	New Jersey	Freehold	21,200	5.6
Elizabeth Self-Storage	New Jersey	Freehold	22,200	5.9
Perth Amboy Self-Storage	New Jersey	Freehold	19,300	5.1
Investment properties, at valuation (Note 7)			**585,450** [2]	**155.3**
Investment property – Right-of-use asset (Note 7)			23,954	6.3
Reclass of St. Lucie Top-Up (Note 7 and 30)			(737)	(0.2)
Investment properties, at carrying value (Note 7)			**608,667**	**161.4**
Other assets and liabilities (net)			(231,438)	(61.4)
Net assets			**377,229**	**100.0**

Footnotes:

[1] The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two ten-year renewal options that would take the term through 24 June 2060.

[2] Investment properties are stated at fair value based on 31 December 2020 appraisals conducted by CBRE, Inc, an independent valuer.

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

1 GENERAL

United Hampshire US Real Estate Investment Trust (the "Trust" or "United Hampshire US REIT" or "UHREIT") is a real estate investment trust constituted by a trust deed entered into on 18 September 2019 (as amended and restated) (the "Trust Deed") between United Hampshire US REIT Management Pte. Ltd. as the manager of the Trust (the "Manager") and Perpetual (Asia) Limited, as the trustee of United Hampshire US Real Estate Investment Trust (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Hampshire Companies, LLC (the "Hampshire Sponsor") and UOB Global Capital LLC (the "UOB Sponsor") are the sponsors of the Trust.

The Trust was inactive from the date of its constitution to 11 March 2020. The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 12 March 2020 (the "Listing Date").

The registered office and principal place of business of the Manager is 80 Raffles Place, #28-21 UOB Plaza 2, Singapore 048624.

The consolidated financial statements of the Trust as at and for the period ended 31 December 2020, comprise the Trust and its subsidiaries (the "Group").

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in stabilised income-producing (i) grocery-anchored and necessity-based retail properties ("Grocery & Necessity Properties"), and (ii) modern, climate-controlled self-storage facilities ("Self-Storage Properties"), located in the United States of America ("U.S."). Collectively, the Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure for the Trust.

The financial statements were authorised for issue by the Manager and the Trustee on 18 March 2021.

The financial statements are presented in the United States dollars.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structure of these services are as follows:

(a) Manager's fees

The Manager is entitled to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 10.0% per annum of the Trust's Annual Distributable Income (calculated before accounting for the base fee and the performance fee, if any). The base fee is payable to the Manager either in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The Manager has elected to receive 100.0% of its base fee in the form of Units for the financial period from the Listing Date to 31 December 2020.

The base fee, payable either in the form of cash and/or Units, is payable quarterly in arrears for the relevant period. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the last business day of the end of the relevant period.

1 GENERAL (CONT'D)

(a) Manager's fees (cont'd)

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a performance fee equal to the rate of 25.0% per annum of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial period/year.

For the financial period from the Listing Date to 31 December 2020 and financial year ending 31 December 2021, the difference in DPU shall be the difference in actual DPU in such financial period/year with the relevant projected DPU as set out in the Profit Forecast and Profit Projections section of the Prospectus.

The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the performance fee is payable may be less than the DPU in any preceding financial period.

The performance fee, payable either in the form of cash and/or Units, is payable quarterly in arrears for the relevant period. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the last business day of the end of the relevant period.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee of 0.75% of the purchase price of any real estate purchased, whether directly or indirectly through one or more subsidiaries, by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the real estate acquired) from related parties and 1.0% of the acquisition price for all other cases (or such lower percentage as may be determined by the Manager in its absolute direction). The acquisition fee is payable to the Manager in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any real estate sold or divested, whether directly or indirectly through one or more subsidiaries, by the Trust (prorated if applicable to the proportion of the Trust's interest in the real estate sold or divested) or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

Development Management Fee

Pursuant to the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 5.0% of the first US$15 million of the relevant project costs and 3.0% of the relevant project costs in excess of US$15 million, in each development project undertaken by the Manager on behalf of the Trust.

The development management fee is payable in equal monthly instalments over the construction period of each development project based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or (as the case may be) paid by the Manager when the total project costs is finalised.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

1 GENERAL (CONT'D)

(a) Manager's fees (cont'd)

The Trust will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of the Trust's deposited property (subject to maximum of 25.0% of the Trust's deposited property) only if the additional allowance of up to 15.0% of United Hampshire US REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by United Hampshire US REIT for at least three years and which United Hampshire US REIT will continue to hold for at least three years after the completion of the redevelopment; subject to approval of Unitholders at a general meeting for the redevelopment of the property.

(b) Trustee's fees

The Trustee's fees shall not exceed 0.015% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.

The Trustee was paid a one-time establishment fee of S$5,000 on the Listing Date.

(c) Property management fees

A monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each property management agreement. Property management fees are assessed on a monthly basis and payable in arrears.

Under the property management agreement in respect of the properties, the Property Manager will provide property management services, construction supervision services and lease management services. The Property Manager is entitled to the following fees:

In relation to Grocery & Necessity Properties where the Property Manager is the Hampshire Sponsor

The Property Manager is entitled to receive a property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on fee range of 3.0% to 4.75% per annum of Gross Revenue of the relevant Grocery & Necessity Property, depending on the number of tenants occupying the Property, as more specifically provided in each property management agreement, or US$2,500 per month, whichever is greater.

In relation to Grocery & Necessity Properties where the Property Manager is neither the Hampshire Sponsor nor Extra Space Storage

The Property Manager is entitled to receive property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on fee range of 2.0% to 4.0% per annum of Gross Revenue of the relevant Grocery & Necessity Property, as more specifically provided in each property management agreement.

In relation to Self-Storage Properties where Extra Space Storage Inc. is the Property Manager

The Property Manager is entitled to receive property management fee on a monthly basis and payable in arrears in cash. The property management fees is charged based on 5.0% per annum of Gross Revenue of the relevant Self-Storage Property, or US$2,500, whichever is greater.

For purposes of the calculation of the property management fee, the Gross Revenue of the relevant Property will not take into account the amounts paid under the Top-Up Agreements.

1 GENERAL (CONT'D)

(d) Construction management fees

In relation to Grocery & Necessity Properties where the Property Manager is the Hampshire Sponsor, or other third parties

The Property Manager is entitled to a construction management fees in connection with any construction project for overseeing the physical construction of the property relating to any alterations, tenant improvements and/or roof replacements performed to any premises other than ordinary maintenance and repair. The fee shall be a percentage, between 3.0% to 5.0% (as more specifically provided in each property management agreement) of the cost, excluding design fees and permit costs (the "Construction Costs"), in any 12-month period, other than ordinary maintenance and repair.

For the avoidance of doubt, the construction management fee will be payable to the Property Manager of St. Lucie West in relation to the construction of the St. Lucie West Expansion.

In relation to completed Self-Storage Properties where the Property Manager is Extra Space Storage

The Property Manager is entitled to receive a construction management fee in connection with any construction project, for overseeing the physical construction of the property (including any series of related construction projects) relating to any alterations, tenant improvements and/or roof replacements performed to any premises other than ordinary maintenance and repair, equal to 7.0% of the Construction Cost, as more specifically provided in each property management agreement.

For the avoidance of doubt, the construction management fee is not payable to the Property Manager of Perth Amboy Self-Storage in relation to the construction of the Perth Amboy Self-Storage.

(e) Leasing commission

In relation to Grocery & Necessity Properties where the Hampshire Sponsor is the Leasing Agent

The Leasing Agent shall be entitled to receive a leasing commission ("Leasing Commission") payable in cash:

(i) (in relation to new leases secured by the Leasing Agent, where the tenant is not represented by a third party broker), 5.0% of Base Rental Income on the initial term of the lease and 2.5% of the Base Rental Income for the option terms, subject to a maximum of two option terms;

(ii) (in relation to new leases secured by the Leasing Agent, where the tenant is represented by a third party broker), 2.5% of Base Rental Income on the initial term of the lease and 2.5% of the Base Rental Income for the option terms, subject to a maximum of two option terms;

(iii) (in relation to renewal of leases or expansion of leased premises secured by the Leasing Agent, where the tenant is not represented by a third party broker) 5.0% of the Base Rental Income of the extended lease term or the initial term of the expanded leased premises (as applicable); and

(iv) (in relation to renewal of leases or expansion of leased premises secured by the Leasing agent, where the tenant is represented by a third party broker) 2.5% of the Base Rental Income of the extended lease term or the initial term of the expanded leased premises (as applicable).

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

1 GENERAL (CONT'D)

(e) Leasing commission (cont'd)

For purposes of the calculation of the Leasing Commission, the Base Rental Income of the relevant Property will not take into account the amounts paid under the Top-Up Agreements.

In relation to Grocery & Necessity Properties where the Leasing Agent is a third party

The Leasing Agent is entitled to receive, a Leasing Commission of between 4.0% to 6.5% of the Base Rental Income on the initial term of the lease, as more specifically provided in each leasing services agreement. A Leasing Commission may be payable upon a renewal term of a lease, as more specifically provided in each leasing services agreement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and are drawn up in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS").

The financial statements have been prepared on historical cost basis, except as disclosed in the accounting policies below.

2.2 Adoption of new and revised standards

On 18 September 2019, the date of Constitution, the Group and the Trust adopted all the new and revised IFRS that were effective from that date and were relevant to its operations.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust ("subsidiaries"). Control is achieved when the Trust:

* has the power over the investee;
* is exposed, or has rights, to variable returns from its involvement with the investee; and
* has the ability to use its power to affect its returns.

<u>Business combination</u>

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests of a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary and any non-controlling interests are derecognised. Amounts previously recognised in other comprehensive income or loss in respect of that entity are also reclassified to profit or loss or transferred to retained earnings. Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amounts of the retained interest at the date control is lost and its fair value is recognised in profit or loss.

Transaction eliminated on consolidation

Intra-group balances and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

2.4 Financial instruments

Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. The Group determines the classification of its financial assets at initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets comprise trade and other receivables, cash and cash equivalents and restricted cash. Cash and cash equivalents comprise cash at bank and restricted cash comprises cash held in escrow accounts. These are classified in the amortised cost measurement category.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive incomes are measured at fair value through profit or loss ("FVTPL"). Financial asset at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of non-derivative financial assets

The Group recognises an allowance for expected credit losses (ECLs) for trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL). The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a prior loss should be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group is classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of direct issue costs.

Repurchase of the trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the trust's own equity instruments.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and any directly attributable transaction costs.

Financial liabilities at amortised cost comprise trade and other payables (excluding deferred income), lease liability, rental security deposits, loans and borrowings and preferred shares. These are classified in the amortised costs measurement category.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Subsequent measurement

After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Preferred shares

Preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such shares, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance costs in profit or loss as accrued. Preferred shares are recognised initially at fair value and any directly attributable transaction costs.

Foreign exchange gains and losses

The carrying amount of financial assets or liabilities that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other trust expenses" line item.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposure.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The Group enters into interest rate swaps that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. While the Group has determined that these arrangements are economically effective, they have not satisfied the documentation, designation and effectiveness tests required by IFRS 9 *Financial Instruments*. As a result, they do not qualify for hedge accounting and gains or losses arising from changes in fair value are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Leases

Operating lease where an entity within the Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset (classified as investment property) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. For the right-of-use asset associated with an underlying asset which meets the definition of an investment property, the Group applies the fair value model in IAS 40 *Investment Property* to these assets with any change therein being recognised in the consolidated statement of comprehensive income and adjusted for certain remeasurements of the lease liability.

Operating lease where an entity within the Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis as part of 'gross revenue' over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both. They are not for sale in the ordinary course of business, or used in the production or supply of goods or services, or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Initial cost includes expenditures that are directly attributable to the acquisition of the investment properties.

The Trust Deed requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. Initial direct costs, including lease commissions, incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset as part of investment properties and recognised as an expense over the lease term on the same basis as the lease income.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss when control is transferred to the buyer.

2.7 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.8 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when control of the promised services is transferred to the customer. The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the promised services before transferring them to the customer.

Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss. Tenant lease incentives are included in the cost basis of the investment property and recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Revenue recognition (cont'd)

Recoveries income

Reimbursements from tenants are recognised as recoveries income in the period in which the applicable costs are incurred.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Trust and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Income tax (cont'd)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2.11 Foreign currency transactions and translation

The financial statements are presented in United States Dollars ("US$" or "USD") which is the functional currency of the Trust. All financial information presented has been rounded to the nearest thousand (US$'000), unless otherwise stated.

Transactions in foreign currencies are translated to the respective functional currencies of the Trust's entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation are recognised in profit or loss.

2.12 Unitholders' funds

Unitholders' funds are classified as equity. Issuance costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

2.13 Distribution policy

The Group's distribution policy is to distribute 100.0% of its distributable income for the period from the Listing Date to 31 December 2021. Thereafter, the Group will distribute at least 90.0% of its annual distributable income for each financial year. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Management who is responsible for allocating resources and assessing performance of the operating segments.

2.15 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no critical judgements made in applying accounting policies that have the most significant effect on the amount recognised in the financial information. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of period are disclosed in Note 7 and Note 23.

4 CASH AND CASH EQUIVALENTS

	Group 2020 US$'000	Trust 2020 US$'000
Cash at bank	13,040	1,011

Cash at banks earns interest at floating rates based on daily bank deposit rates.

5 RESTRICTED CASH

	Group 2020 US$'000	Trust 2020 US$'000
Restricted cash analysed as:		
Current assets	120	–
Non-current assets	258	–
Restricted cash	378	–

Restricted cash consists of (1) the tenant's security deposits for St. Lucie West and Big Pine Center held in a separate bank account as required under Florida law and (2) an escrow account for the payment of real estate tax.

6 TRADE AND OTHER RECEIVABLES

	Group 2020 US$'000	Trust 2020 US$'000
Trade receivables	3,177	–
Allowance for impairment loss	(277)	–
Net trade receivables	2,900	–
Other receivables	1,031	113
Top-up receivables	1,768 [1]	–
	5,699	113

Footnote:

(1) Top-up receivables relate to the top-up income of US$1,031,000 attributable to Q4 2020 which has been received subsequent to period end. The remainder of US$737,000 will be received within the course of financial year 2021. Please see further details in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

6 TRADE AND OTHER RECEIVABLES (CONT'D)

During the financial period, the Group has granted rent abatement of US$626,000 and rent deferral of US$1,047,000 to eligible retail tenants affected by the COVID-19 pandemic.

Impairment losses

The movements in impairment losses recognised in respect of trade receivables during the year are as follows:

	Group 2020 US$'000
At date of constitution	–
Allowance for impairment loss during the period	277
At end of financial period	277

The management believes that no allowance of impairment losses is necessary in respect of the remaining trade and other receivables as majority of the balances are not past due and have good payment records.

7 INVESTMENT PROPERTIES

	Group 2020 US$'000
Statements of Financial Position	
Balance at constitution on 18 September 2019	–
Acquisition (including acquisition costs)	588,747
Additions in capital expenditure, tenant improvements and leasing commissions	10,652
Recognition of right-of-use asset (1)	24,568
Reclass of income top-ups	(2,727)
Fair value change in investment properties (2)	(12,573)
Carrying value of investment properties (3)	608,667
Net fair value:	
Right-of-use asset	23,954
Fair value of investment properties as at 31 December 2020	585,450
Reclass of St. Lucie Top-Up (Note 30)	(737)
	608,667
Consolidated statement of comprehensive income	
Fair value change in investment properties (2)	(12,573)
Property related non-cash items (4)	(1,728)
Net fair value change in investment properties	(14,301)

7 INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy

The fair value measurement for investment properties has been categorised as Level 3 of the fair value hierarchy based on inputs to the valuation techniques used.

	Group 2020 US$'000
Fair value of investment properties (based on valuation report)	585,450
Reclass of St. Lucie Top-Up (Note 30)	(737)
Add: carrying amount of right-of-use asset (Note 14)	23,954
Investment properties as at 31 December 2020	608,667

Footnotes:

(1) For right-of-use asset that meet the definition of investment property, the Group applies the fair value model in IAS 40 *Investment Property* to this asset with any change therein being recognised in the statement of comprehensive income and adjusted for certain remeasurements of the lease liability. The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two ten-year renewal options that would take the term through 24 June 2060.

(2) Fair value changes in investment properties includes fair value loss attributable to the right-of-use asset amounting to US$614,000 during the financial period.

(3) Fair value of properties includes Perth Amboy Top-Up and Elizabeth Top-Up, which are inseparable from its underlying assets.

(4) Mainly comprise straight-line rent adjustments and lease commission amortisation.

The investment properties were stated at fair value based on independent valuation undertaken by CBRE, Inc. The independent valuer has the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values were calculated using the Income Approach. The two primary income approaches that may be used are the Discounted Cash Flow ("DCF") and the Direct Capitalisation Method ("DCM"). DCF calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposal, to determine the fair value. DCM determines value by applying a capitalisation rate to the property's stabilised net operating income, normally at the first year. Both the DCF and DCM approaches convert the earnings of a property into an estimate of value. The Market of Direct Comparison approach may also be used, which is based on sound considerations for similarity and comparability between properties that have recently been sold. Considerations may include geographic location, physical, legal, and revenue generating characteristics, market conditions and financing terms and conditions. The final step in the valuation process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

7 INVESTMENT PROPERTIES (CONT'D)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: for unadjusted price quoted in active markets for identical assets or liabilities,
- Level 2: for inputs, other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3: for inputs that are based on unobservable market data. These unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the Group's own data).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Valuation techniques and significant unobservable inputs

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties:

Valuation techniques	Significant unobservable inputs	Sensitivity
Discounted cash flow approach	**Grocery & Necessity Properties** Discount rate of 6.5% – 10.0% Terminal capitalisation rate of 6.0% – 9.5% **Self-Storage Properties** Discount rate of 7.5% – 8.0% Terminal capitalisation rate of 5.0% – 5.5%	Slight increase in discount rate or terminal capitalisation rate would result in a significant decrease in fair value and vice versa
Direct capitalisation method	**Grocery & Necessity Properties** Capitalisation rate of 5.8% – 9.0% **Self-Storage Properties** Capitalisation rate of 4.5% – 5.0%	Slight increase in capitalisation rate would result in a significant decrease in fair value and vice versa

Investment properties with a fair value of approximately US$129,050,000 have been pledged as security for term loan facilities granted by financial institutions to the Group (Note 11). All the investment properties are located in the U.S.

The independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon their valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. Should the discount rate and capitalisation rate increase by 5.0%, the fair value of investment properties would be lowered by 2.6% and 5.0% respectively.

8 INVESTMENT IN SUBSIDIARIES

	Trust 2020 US$'000
Unquoted equity shares, at cost	373,264

Details of the Trust's significant subsidiaries at 31 December 2020 are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Interest held 2020 %
Directly held:			
United Hampshire US REIT Sub 1 Pte. Ltd. [(1)]	Singapore	Investment Holding	100
United Hampshire US REIT Sub 2 Pte. Ltd. [(1)]	Singapore	Investment Holding	100
Indirectly held:			
United Hampshire US Parent REIT, Inc. [(2)]	United States	Investment Holding	100
United Hampshire US Holdings LLC [(2)]	United States	Investment Holding	100
UH US Warwick 2019 LLC [(2)]	United States	Property Owner	100
UH US Wallington 2019 LLC [(2)]	United States	Property Owner	100
UH US Albany 2019 LLC [(2)]	United States	Property Owner	100
UH US Albany2 2019 LLC [(2)]	United States	Property Owner	100
UH US Big Pine 2019 LLC [(2)]	United States	Property Owner	100
UH US Millburn 2019 LLC [(2)]	United States	Property Owner	100
UH US Lynncroft 2019 LLC [(2)]	United States	Property Owner	100
UH US Hudson Valley 2019 LLC [(2)]	United States	Property Owner	100
UH US Port St. Lucie Extension 2019 LLC [(2)]	United States	Property Owner	100
HUH Hempstead BJ 2012 LLC [(2)]	United States	Property Owner	100
HUH Hempstead LAF 2012 LLC [(2)]	United States	Property Owner	100
Fairhaven HUH, 2014, LLC [(2)]	United States	Property Owner	100
Piscataway HUH 2014, LLC [(2)]	United States	Property Owner	100
48 Leffert Street Urban Renewal LLC [(2)]	United States	Property Owner	100
Elizabeth SS 2018, LLC [(2)]	United States	Property Owner	100
Towne Crossing Burlington, LLC [(2)]	United States	Property Owner	100
St Lucie West 2016 LLC [(2)]	United States	Property Owner	100
BJ's Quincy 2016 LLC [(2)]	United States	Property Owner	100
Perth Amboy Self-Storage, LLC [(2)]	United States	Property Owner	100
UH US Arundel 2019 LLC [(2)]	United States	Property Owner	100
MCBH Parkway Crossing JV LLC [(2)]	United States	Investment Holding	90
MCBH Parkway Crossing LLC [(2)]	United States	Property Owner	90
HUH Wallkill Town Center 2016, LLC [(2)]	United States	Property Owner	97
MCBUH Lawnside JV LLC [(2)]	United States	Investment Holding	99
MCBUH Lawnside LLC [(2)]	United States	Property Owner	99

Footnotes:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Deloitte & Touche LLP, United States for group reporting purpose.

9 DEFERRED INCOME TAX

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets/(liabilities) are attributed to the following:

	Group 2020 US$'000
Deferred tax assets	
Investment properties	2,178
Deferred tax liabilities	
Investment properties	(2,178)
Net deferred income tax	–

The following are the major components of deferred tax assets/(liabilities) recognised and movements therein during the current period:

	Tax depreciation US$'000	Changes in fair value of investment properties US$'000	Total US$'000
Group			
Deferred tax assets			
As at 18 September 2019 (date of constitution)	–	–	–
Recognised in profit or loss	–	2,178	2,178
Balance as at 31 December 2020	–	2,178	2,178
Deferred tax liabilities			
As at 18 September 2019 (date of constitution)	–	–	–
Recognised in profit or loss	(2,178)	–	(2,178)
Balance as at 31 December 2020	(2,178)	–	(2,178)

Deferred income tax assets are recognised for changes in fair value of investment properties carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group had unrecognised deferred tax assets of US$1,027,000 arising from changes in fair value of investment properties at the end of the period which can be carried forward and used to offset against future fair value changes subject to meeting certain requirements. These deferred tax assets can be carried forward for a period of up to 5 years from the year the fair value changes was incurred.

10 TRADE AND OTHER PAYABLES

	Group 2020 US$'000	Trust 2020 US$'000
Trade payables	166	76
Deferred income	1,759	–
Accrued expenses	3,451	310
Accrued development costs	2,710	–
	8,086	386

11 LOANS AND BORROWINGS

	Nominal interest rate per annum	Maturity	2020 US$'000
Revolving credit facility ("RCF")	USD LIBOR + Margin	March 2023	–
Term Loan 1 facility ("TL1")	USD LIBOR + Margin	March 2023	91,500
Term Loan 2 facility ("TL2")	USD LIBOR + Margin	March 2024	66,500
Arundel Plaza Mortgage Loan	3.88% and 4.23%	March 2024	21,143
St Lucie West Mortgage Loan	3.42%	February 2028	40,000
Total gross loans and borrowings			219,143
Less: Unamortised upfront debt-related transaction costs			(2,053)
Total loans and borrowings			217,090

During the financial period, certain subsidiaries of the Group entered into certain loan agreements for an aggregate principal amount of up to US$178.0 million, consisting of US$91.5 million and US$66.5 million of floating rate borrowings drawn to part finance the acquisition of properties as well as a revolving credit facility of US$20.0 million for general corporate and working capital purposes (collectively, the "Term Loan Credit Facilities").

The Term Loan Credit Facilities are secured by, amongst other collateral:

- A perfected first priority lien over the shares of the borrowers and their subsidiaries (existing and future but excluding the subsidiaries that own properties securing the St. Lucie West Mortgage Loan and the Arundel Plaza Mortgage Loan).
- Assignments of certain bank accounts.
- Subordination of an inter-company loan within the Group.

As at 31 December 2020, the Group has US$20.0 million undrawn RCF to meet its future obligations.

NOTES TO THE FINANCIAL STATEMENTS

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11 LOANS AND BORROWINGS (CONT'D)

Arundel Plaza Mortgage Loan

Mortgage loans of US$15.0 million and US$6.1 million (the "Arundel Plaza Mortgage Loan") with a fixed interest rate of 3.88% and 4.23% per annum respectively, is secured by, among others, a mortgage over Arundel Plaza. The Arundel Plaza Mortgage Loan includes representations, warranties and covenants by the borrower which are customary for U.S. mortgage loans. The Arundel Plaza Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

St. Lucie West Mortgage Loan

Mortgage loan of US$40.0 million ("St. Lucie West Mortgage Loan"), which is secured by, among others, a mortgage over St. Lucie West and has a fixed interest rate of 3.42% per annum, for which interest-only repayments will be made for the first 60 months followed by repayment of interest and principal for the next 36 months thereafter based on a fixed amortisation schedule. The St. Lucie West Mortgage Loan includes representations, warranties and covenants by the borrower which are customary for U.S. mortgage loans. The St. Lucie West Mortgage Loan is subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time frames.

The Group entered into interest rate swaps to hedge the floating rate under TL1 and TL2 to a fixed rate. The weighted average interest rate on loans and borrowings from the Listing Date to 31 December 2020 was 2.83% (taking into account the interest rate swaps but excluding commitment fee on the undrawn RCF). Aggregate leverage, as defined in the Property Funds Appendix set out in CIS Code, as at 31 December 2020 was 36.2%.

12 PREFERRED SHARES

The preferred units are issued by indirect subsidiaries of the Trust and they rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance costs) at a rate 12.5% per annum per preferred unit plus all accrued and unpaid dividends which is payable annually in arrears. The preferred units are not convertible into, or exchangeable for, any other property or securities of the subsidiaries. The Board of Directors of the subsidiaries may, in its sole and absolute discretion, cause the subsidiaries to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

13 DERIVATIVE LIABILITIES

	Group	
	Nominal amount US$'000	Liabilities US$'000
Floored interest rate swaps	158,000	2,117
		2,117
Derivative financial instruments as a percentage of Group's net assets		0.56%
Derivative financial instruments as a percentage of Trust's net assets		0.57%

13 DERIVATIVE LIABILITIES (CONT'D)

Interest rate swap contracts

During the year, the Group entered into floored-interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates. As at the reporting date, the notional principal amount of the financial instruments was US$158,000,000. The changes in fair value of the interest rate swaps and floors are recognised in profit or loss for the financial period.

14 LEASE LIABILITY

	Group 2020 US$'000
Maturity analysis:	
Due within 1 year	1,320
Due within 1 – 2 years	1,320
Due within 2 – 3 years	1,320
Due within 3 – 4 years	1,320
Due within 4 – 5 years	1,441
Due after 5 years	23,505
	30,226
Analysed as:	
Current	779
Non-current	23,175
	23,954
Right-of-use asset (included within Investment Properties) (Note 7)	23,954

The Wallington ShopRite property consists of the leasehold interest under a ground lease between the Group and the landlord, Wallington Plaza, L.L.C., with an initial term that commenced on 30 May 2013 and will expire on 24 June 2040. The tenant has two ten-year renewal options that would take the term through 24 June 2060. The Group does not face a significant liquidity risk with regard to its lease liability. Lease liability is monitored within the Group's finance function.

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15 NON-CONTROLLING INTERESTS

Set out below are the summarised financial information of significant entities with non-controlling interests. These are presented before inter-company eliminations.

	MCBUH Lawnside JV LLC 2020 US$'000	MCBH Parkway Crossing JV LLC 2020 US$'000	HUH Wallkill Town Center 2016, LLC 2020 US$'000
Summarised statements of financial position			
Non-current			
Assets	31,639	24,600	13,200
Liabilities	(17)	(12,921)	(3,515)
Net non-current assets	31,622	11,679	9,685
Current			
Assets	1,909	1,509	863
Liabilities	(202)	(288)	(248)
Net current assets	1,707	1,221	615
Net assets	33,329	12,900	10,300

	18 September 2019 (date of constitution) to 31 December 2020		
	US$'000	US$'000	US$'000
Summarised statements of comprehensive income			
Revenue	2,632	2,664	1,041
Total comprehensive income/(loss)	1,137	(761)	318
Summarised statements of cash flows			
Net cash flows generated from operating activities	75	1,200	63
Net cash flows used in investing activities	(75)	(122)	–
Net cash flows used in financing activities	–	(231)	(63)

16 UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust 18 September 2019 (date of constitution) to 31 December 2020	
	No. of Units '000	US$'000
Units in issue:		
At 18 September 2019 (Date of constitution)	– [1]	– [2]
New Unit issued prior to the Listing Date	– [1]	– [2]
New Units issued on the Listing Date	493,277	394,622
Issue costs	–	(17,590)
Capital distribution	–	(2,615)
New Units issued for Manager's base fees	2,778	1,616
Total issued Units as at end of the period	496,055	376,033
Units to be issued:		
Manager's base fee payable in Units [3]	1,217	766
Manager's performance fee payable in Units [3]	82	52
Total Units issued and to be issued as at the end of the period	497,354	376,851

Footnotes:

(1) Less than 1,000 Units.

(2) Less than US$1,000.

(3) The Units to be issued to the Manager as payment of Manager's fees were issued on 9 March 2021.

On Listing Date, an aggregate of 493,277,000 Units were issued at US$0.80 per Unit which together with two Units which were in issue prior to the Offering, the total gross proceeds raised was US$394,622,000, which is inclusive of a non-cash consideration of US$73,764,000 from rollover investors.

On 22 September 2020, the Trust issued 1,483,945 new Units at US$0.5926 per Unit to the Manager as payment of 100.0% of Manager's base fee for the period from the Listing Date to 30 June 2020. On 19 November 2020, the Trust issued 1,293,978 new Units at US$0.57 per Unit to the Manager as payment of 100.0% of Q3 2020 Manager's base fee.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders. The Unitholders are entitled to receive all distributions declared and paid by the Trust.

NOTES TO THE FINANCIAL STATEMENTS

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16 UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust. The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Issue costs comprise professional, advisory and underwriting fees and other costs related to the issuance of Units. Included in issue costs are US$1,090,000 of fees paid to the auditors of the Group.

17 NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT

	Group 2020	Trust 2020
Net assets [1] (US$'000)	375,319	374,004
Number of Units in issue and to be issued [2] ('000) (Note 16)	497,354	497,354
NAV and NTA per Unit [3] (US$)	0.75	0.75

Footnotes:

(1) This excludes the non-controlling interests' share of net asset value.

(2) Based on the number of Units in issue during the period and the Units to be issued as full payment of the Manager's base fee and the Manager's performance fee.

(3) NAV and NTA is the same as there is no intangible asset as at the end of the period.

18 GROSS REVENUE

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Rental income	33,292
Recoveries income	8,208
Other operating income	117
	41,617

19 PROPERTY EXPENSES

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Real estate taxes	5,883
Repair, maintenance and utilities expenses	2,552
Property management fees	1,646
Insurance expenses	731
Other property expenses	1,008
	11,820

20 OTHER INCOME

Other income comprises top-ups attributable to Elizabeth Self-Storage.

21 OTHER TRUST EXPENSES

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Auditor's fees	540
Tax compliance fees	195
Unit registry expense	42
Property valuation fees	90
Others	578
	1,445

Auditor's remuneration

Deloitte & Touche LLP, Singapore ("Deloitte") are the independent auditors of the Trust. Deloitte and its overseas affiliate have provided a number of audit, other assurance and non-assurance related services to the Trust during the financial period.

NOTES TO THE FINANCIAL STATEMENTS

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21 OTHER TRUST EXPENSES (CONT'D)

Below is a summary of fee paid/payable to Deloitte and its overseas affiliate for various services during the financial period:

	Group
	18 September 2019 (date of constitution) to 31 December 2020
	US$'000
Audit and other assurance services	
Auditing of financial reports	540
Reporting Auditor for capital raising purposes	631
Fee paid/payable for audit and other assurance services to Deloitte	1,171
Other non-assurance services	
For capital raising purposes	459
Compliance services	178
Total remuneration paid/payable to Deloitte	1,808

22 FINANCE COSTS

	Group
	18 September 2019 (date of constitution) to 31 December 2020
	US$'000
Interest expense on loans and borrowings	4,442
Dividends paid to preferred shareholders	4
Commitment fees and amortisation of upfront debt-related transaction costs	679
Loan conversion fee	22
Interest on lease liability	447
	5,594

23 INCOME TAX EXPENSE

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Current income tax	489

The income tax for the period can be reconciled to the accounting result based on U.S. tax rate of 21% as all properties are based in the U.S., as follows:

	Group 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Net income before tax	5,068
Tax calculated using U.S. tax rate of 21.0%	1,064
Tax effect of expenses not deductible for tax purposes	1,095
Tax effect of income not subjected to tax	(357)
Deferred tax assets not recognised (Note 9)	(1,027)
Effect of different tax rate in state jurisdictions	(286)
	489

Provision for taxation

Uncertainties exist with respect to the interpretation of complex tax regulations in the jurisdictions in which the Group operates and the amount and timing of future taxable income. Given the span of tax regulations which may apply to the various taxable entities or persons within the Group, the cross-border and long-term nature and complexity of the contractual arrangements and the conditions to the tax rulings which have been obtained, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions recorded or require new or additional tax provisions to be recorded.

The Group establishes provisions, based on reasonable estimates, for anticipated tax liabilities or possible consequences of audits by the tax authorities of the respective jurisdictions in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations between the taxable entity or person involved and the relevant tax authority and anticipated future changes in the tax laws that may have a direct impact on any tax ruling or favourable tax treatment relied upon. Such instances may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the respective entity or person involved.

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24 BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit ("EPU") is based on the following data:

	Group 18 September 2019 (date of constitution) to 31 December 2020
Net income for the period attributable to Unitholders (US$'000)	4,634
Weighted average number of Units in issue and to be issued [(1)] ('000)	493,964
Basic and diluted EPU (US cents) [(1)(2)]	0.94

Footnotes:

(1) Based on the weighted average number of Units in issue during the period and the Units to be issued as payment of the Manager's base fee incurred for the period from the Listing Date to 31 December 2020.

(2) Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the period.

25 SEGMENTAL REPORTING

For the purpose of making resource allocation decisions and the assessment of segment performance, the Manager reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under IFRS 8 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under IFRS 8 are as follows:

(a) Grocery & Necessity Properties; and

(b) Self-Storage Properties

Segment profit represents the profit earned by each segment without allocation of Manager's Base Fee, Manager's Performance Fee, Trustee's fee, other trust expenses, finance costs, finance income, fair value change in derivatives and income tax expense or credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly cash and cash equivalents, certain restricted cash, certain trade and other payables, loan and borrowings (excluding Arundel Plaza Mortgage Loan and St. Lucie West Mortgage Loan), preferred shares and derivative liabilities.

Revenues of US$5,342,000 and US$4,300,000 are derived from 2 major external tenants of the Group. These revenues are attributable to the gross revenue from Grocery & Necessity Properties.

The Group's main operation is located in the U.S., hence no analysis by geographical area of operation is provided.

25 SEGMENTAL REPORTING (CONT'D)

Information regarding the Group's reportable segments are presented in the tables below.

	18 September 2019 (date of constitution) to 31 December 2020		
	Grocery & Necessity Properties US$'000	Self-Storage Properties US$'000	Total US$'000
Gross Revenue	39,644	1,973	41,617
Property expenses	(10,626)	(1,194)	(11,820)
Other income	–	1,278	1,278
Net property income	29,018	2,057	31,075
Fair value change in investment properties	(11,637)	(2,664)	(14,301)
Unallocated expenses			(12,195)
Net income after tax			4,579
Segment assets	535,690	80,493	616,183
Unallocated assets			13,384
Consolidated assets			629,567
Segment liabilities	91,858	394	92,252
Unallocated liabilities			160,086
Consolidated liabilities			252,338
Other segment items			
Capital expenditures	10,629	23	10,652

26 COMMITMENTS

The capital expenditure commitments which are contracted but not provided for are as follows:

	Group 2020 US$'000
Capital commitments in respect of investment properties	680

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26 COMMITMENTS (CONT'D)

The Group leases out its investment properties. Investment properties are held for use by tenants under operating leases. Generally, the leases contain an initial non-cancellable period and indexation clauses and/or adjusted terms in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group 2020 US$'000
Within 1 year	37,192
Due within 1 - 2 years	35,314
Due within 2 - 3 years	31,926
Due within 3 - 4 years	27,291
Due within 4 - 5 years	26,108
After 5 years	160,303
	318,134

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Overview

The Group's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about the risk management strategy for the Group in relation to each of the above financial risks to which the Group is exposed to. The Group's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Group seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts. The Group's management of treasury activities is centralised and governed by policies approved by the Manager who monitor the operating compliance and performance as required. The Group has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

The Group holds the following financial instruments:

	Group 2020 US$'000	Trust 2020 US$'000
Financial assets		
Financial assets at amortised cost	19,117	1,124
Financial liabilities		
Lease liability	23,954	–
Financial liabilities at amortised cost	224,035	386
Financial liabilities measured at fair value	2,117	–

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(a) Market risk management

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments fluctuate due to market price changes. The Group is exposed to the following market risks:

(i) Foreign exchange risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the U.S. and the cash flows from the operations of the properties are denominated in US$.

The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Group will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore dollars ("SGD") at the spot foreign exchange rate.

(ii) Interest rate risk

As at 31 December 2020, the Group had US$217.1 million of fixed rate interest-bearing borrowings, including borrowings which are hedged with interest rate swaps. The Group is not exposed to significant interest rate risk.

(b) Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to the Group. Credit risk arises from cash and cash equivalents, restricted cash, favourable derivative financial instruments with banks and financial institutions and receivables.

The Group manages this risk by:

- Establishing credit limits for customers and managing exposure to individual entities;
- Monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- Derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions;
- Regularly monitoring receivables on an ongoing basis;
- Requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) *Credit risk management (cont'd)*

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, there was no identified impairments loss. Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Rent and recoveries income from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. At the end of the reporting period, approximately 37.8% of the Group's trade receivables were due from 3 tenants.

The Group assesses on a forward-looking basis the ECLs associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers that the credit risk of these counterparties have not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 31 December 2020.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statements of financial position. The ageing of the trade receivables at the reporting date was as follows:

	Gross trade receivables US$'000	**Allowance for impairment loss US$'000**
Group		
Current	2,222	(32)
Past due up to 3 months	395	(89)
Past due more than 3 to 6 months	358	(73)
Past due more than 6 months	202	(83)

Trade and other receivables that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record.

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash and credit facilities deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Group's credit facilities are set out in Note 11.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount US$'000	Total US$'000	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	6,327	6,327	6,327	–	–
Loans and borrowings	217,090	237,714	4,563	190,301	42,850
Preferred shares	125	203	16	62	125
Rental security deposits	493	493	–	284	209
Lease liability	23,954	30,226	1,320	5,401	23,505
	247,989	274,963	12,226	196,048	66,689
Derivative financial liabilities					
Interest rate swaps at FVTPL (net-settled)	2,117	2,358	885	1,473	–
	2,117	2,358	885	1,473	–
Trust					
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	386	386	386	–	–
	386	386	386	–	–

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(d) Capital management policies and objectives

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code issued by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the level of distributions made to Unitholders.

The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 50.0% of the fund's deposited property.

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets (excluding right-of-use asset acquired prior to 1 January 2019). The aggregate leverage ratio is 36.2% as at 31 December 2020. The Group has complied with the Aggregate Leverage limit of 50.0% during the financial period.

(e) Fair value of financial assets and financial liabilities

The carrying amounts financial assets and liabilities at amortised cost approximate their fair values.

The following is a description of the valuation technique(s) and key inputs used in the determination of the fair value of the financial assets and financial liabilities.

Financial instruments measured at fair value

Financial derivative

The fair value measurement for financial derivative has been categorised as Level 2 of the fair value hierarchy. The fair value of interest rate swaps are based on discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparties.

Financial instruments not measured at fair value

Loans and borrowings and lease liability

The fair values of loans and borrowings and lease liability are calculated using the discounted cash flow technique based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

28 RELATED PARTIES

Related parties are persons or entities that are related to the Trust as defined by IAS 24 *Related Party Disclosures*. These include directors and their close family members and any entities they control as well as subsidiaries, the Manager, the Manager's shareholders, Hampshire U.S. Holdco, LLC (a wholly-owned subsidiary of Hampshire Sponsor), UOB Sponsor and all subsidiaries and associates of Hampshire Sponsor or UOB Sponsor. They also include entities which are considered to have significant influence over Hampshire Sponsor or UOB Sponsor.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS. This note provides information about transactions with related parties during the period. All of the Trust's transactions with related parties are on normal commercial terms and conditions and at market rates.

Description of transactions	Group and Trust 18 September 2019 (date of constitution) to 31 December 2020 US$'000
Base fee paid/payable to the Manager	2,382
Performance fee paid/payable to the Manager	52
Trustee's fee paid/payable to the Trustee	119
Property management fee paid/payable to the Hampshire Sponsor	1,163
Construction management fee paid/payable to the Hampshire Sponsor	256
Rental income from an affiliated fund of Hampshire Sponsor	317
Acquisition of investment properties from affiliated funds of Hampshire Sponsor and UOB Sponsor	548,779
Underwriting fees paid to related corporations of UOB Sponsor	5,024
Joint issue managers' fees paid to related corporations of UOB Sponsor	677
Financial advisory fees paid to a related corporation of UOB Sponsor	300

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

29 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	At 18 September 2019 (Date of constitution)	Financing cash flows	New lease	Acquisition of investment properties and related liabilities	Interest expense	Amortisation of upfront debt transaction costs	At 31 December 2020
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Lease liability	–	(1,061)	24,568	–	447	–	23,954
Loans and borrowings	–	156,124		60,394	–	572	217,090
Preferred shares	–	100	–	–	4	21	125
Accrued interest payable	–	(4,406)	–	–	4,550	–	144
	–	150,757	24,568	60,394	5,001	593	241,313

30 UPDATE ON TOP-UP AGREEMENTS

Top-Up Agreements

Pursuant to the Top-Up Agreements for St. Lucie West Expansion, Perth Amboy Self-Storage and Elizabeth Self-Storage, the Group has received income top-ups provided by the Hampshire Sponsor as follows:

	18 September 2019 (date of constitution) to to 31 December 2020		
	Total Top-Ups Funding	Top-Ups recognised during the period	Balance of Top-Ups Funding as at 31 December 2020
	US$'000	US$'000	US$'000
Top-Up Agreement attributable to:			
St. Lucie West	1,798	1,061	737
Elizabeth Self-Storage	2,524	1,278	1,246
Perth Amboy Self-Storage	2,198	931	1,267
	6,520	3,270	3,250

30 UPDATE ON TOP-UP AGREEMENTS (CONT'D)

Top-Up Agreements (cont'd)

	Group 18 September 2019 (date of constitution) to 31 December 2020
Effect of Top-Ups	
DPU (US cents)	
With Top-Ups	4.81
Without Top-Ups	4.16

St. Lucie West Top-Up Agreement

This is in relation to the asset enhancement works for St. Lucie West Expansion which is scheduled to be completed by the end of Q1 2021. Upon completion, St. Lucie West Expansion will be occupied by the existing anchor tenant of St. Lucie West, Publix Super Markets, Inc. ("Publix"). Publix currently occupies one of the existing buildings at St. Lucie West (the "Existing Publix Store") which will be backfilled with new tenants once Publix occupies the St. Lucie West Expansion. As a result, the increased cash flows of St. Lucie West attributed to the new tenants will not commence until after the completion of the St. Lucie West Expansion and after the Existing Publix Store is backfilled with the new tenants.

A top-up arrangement was put in place to mitigate the lower rental income resulting from the construction of the St. Lucie West Expansion and the estimated time required to backfill the Existing Publix Store vacated by Publix, where a total of US$1,798,000 income top-up will be disbursed to the Group during the period from the Listing Date to 31 October 2021 ("St. Lucie Top-Up"). During the financial period ended 31 December 2020, the Group has recognised a top-up income of US$1,061,000 in income available for distribution during the financial period ended 31 December 2020, the remaining top-up income of US$737,000 will be recognised in financial year 2021.

Elizabeth Top-Up Agreement

Elizabeth Self-Storage was completed in January 2020 and it is in the process of leasing-up. A top-up arrangement was put in place since the Net Operating Income at the time of acquisition was not yet at a level comparable with those of more mature or stabilised properties as at the Listing Date. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Elizabeth Self-Storage for a period of up to 4 years from the date of acquisition, where the Group will be entitled to receive the income top-up based on the difference between the Net Operating Income and the Stabilised Net Operating Income of US$1,313,048 per annum, up to an aggregate amount of US$2,524,356 ("Elizabeth Top-Up").

The Group has recognised a top-up income of US$1,278,000 in other income during the financial period ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 18 SEPTEMBER 2019 (DATE OF CONSTITUTION) TO 31 DECEMBER 2020

30 UPDATE ON TOP UP AGREEMENTS (CONT'D)

Perth Amboy Top-Up Agreement

At the time of acquisition, Perth Amboy Self-Storage was under construction, with a target completion of construction in Q2 2020. A top-up arrangement was put in place since it would take time for the Net Operating Income to rise to a level in line with those of more mature or stabilised properties. An agreement was put in place as an expression of confidence in the long-term income growth to provide top-up for the Net Operating Income of Perth Amboy Self-Storage for a period of up to 4 years from the date of acquisition, where the Group will be entitled to receive the income top-up based on the difference between the Net Operating Income and Stabilised Net Operating Income of US$1,157,575 per annum, up to an aggregate amount of US$2,198,123 ("Perth Amboy Top-Up").

As there was a delay in the opening of Perth Amboy Self-Storage due to the delay in completion of construction, the Group has recognised the top-up income of US$931,000 in income available for distribution during the financial period ended 31 December 2020.

Pursuant to the Sale and Purchase Agreement for Perth Amboy Self-Storage, the Perth Amboy Vendor was obligated to oversee, supervise and complete development and construction, at its sole cost and expense, of the property in accordance with the plans and specifications for the Perth Amboy Self-Storage. Accordingly, the Perth Amboy Vendor is responsible for, and shall pay, all costs to complete the project and otherwise perform its obligations, including, without limitation, all project costs and cost-overruns as the same become due and payable, with completion of the construction not later than 15 June 2020. In the event of a delay in completion of construction beyond 15 June 2020, the Group is entitled to seek compensatory stipulated damages for such delay.

Perth Amboy obtained its Temporary Occupancy Permit on 19 January 2021 and business has commenced since then. The Group is in the process of seeking for compensatory stipulated damages attributable to the delay in completion of construction. Subsequent to financial period ended 31 December 2020, the Group has received US$344,000 as a partial payment of the compensatory stipulated damages and this would be recognised as other income in financial year ending 31 December 2021. The Manager is in the process of negotiating with the Perth Amboy Vendor for payment of the balance of the compensatory stipulated damages.

The top-up amounts not yet disbursed to the Group are held in escrow in a separate bank account in the name of a subsidiary of the Group. However, as the Group does not have control of the account, the amounts are not classified as cash and bank balances. The balance of top-up funding as at 31 December 2020 for St. Lucie is recorded as other receivables, while the balance of top-up funding for Elizabeth and Perth Amboy are recorded as part of the investment property balance as they are inseparable from the investment property.

31 FINANCIAL RATIOS

	Group 2020
Ratio of expenses to weighted average net assets [(1)]	
– Including Manager's performance fee	1.32
– Excluding Manager's performance fee	1.31
Portfolio turnover rate [(2)]	–

Footnotes:

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance costs, net foreign exchange differences and income tax expense.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code.

32 EVENTS AFTER THE REPORTING PERIOD

(a) Distribution

On 26 February 2021, the Manager announced a distribution of 3.03 US cents per Unit for the period from 1 July 2020 to 31 December 2020.

(b) Issuance of management fee in units to the Manager

On 9 March 2021, 1,299,140 Units were issued as payment of 100.0% Manager's base fee for the financial period from 1 October 2020 to 31 December 2020 and 100.0% Manager's performance fee for the financial period from the Listing Date to 31 December 2020.

33 COMPARATIVE FIGURES

The Group's and the Trust's financial statements cover the financial period since constitution on 18 September 2019 to 31 December 2020. This being the first set of financial statements for the Group and the Trust, there are no comparative figures.

34 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following IAS and IFRS pronouncements relevant to the Group and the Trust were issued but not effective.

<u>Effective for annual periods beginning on or after 1 January 2023</u>

- Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

The Manager anticipates that the adoption of the above IFRS, IFRS INTs and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group and of the Trust in the period of their initial adoption.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial period from 18 September 2019 (date of constitution) to 31 December 2020, which fall under the Listing Manual of the SGX-ST and Property Funds Appendix of the Code of Collective Investment Scheme, are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$'000
United Hampshire US REIT Management Pte Ltd, the Manager		
– Base fees	2,382	–
– Performance fees	52	–
Perpetual (Asia) Limited, the Trustee		
– Trustee's fees	119	–
The Hampshire Companies, LLC, the sponsor of UHREIT which is also an indirect shareholder of the Manager		
– Property management fees	1,163	
– Construction management fees	256	–

Save as disclosed above, there were no additional interested person transactions (excluding transactions less than S$100,000) entered into during the period under review and UHREIT has not obtained a general mandate from Unitholders for interested person transactions.

The entry into and the fees and charges payable by UHREIT under the Trust Deed, the ROFR, the Purchase and Sale Agreements, the U.S. Asset Management Agreement, the Underwriting Agreement (each as defined in the IPO Prospectus) and the other agreements set out in the section "Related Party Transactions in Connection with the Setting Up of UHREIT and the Offering" and "Exempted Agreements" in the IPO Prospectus, to the extent that details of these have been specifically disclosed in the IPO Prospectus, which each constitutes an Interested Person Transaction, are deemed to have been specially approved by Unitholders upon purchase of the Unit Securities and/or in the Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect UHREIT.

Please also see Related Party Transactions in Note 28 to the Financial Statements.

Subscription of UHREIT Units

For the financial period ended 31 December 2020, an aggregate of 2,777,923 Units were issued and subscribed for in relation to the Manager's base fees. On 9 March 2021, an aggregate of 1,299,140 Units were issued in relation to the payment of Manager's base fees for the fourth quarter of 2020 and performance fees attributable to period from 12 March 2020 to 31 December 2020.

UNITHOLDING STATISTICS

ISSUED AND FULLY PAID UNITS

There were 497,354,065 Units issued in UHREIT as at 10 March 2021 (voting rights: one vote per Unit). There is only one class of Units in UHREIT. There are no treasury Units and subsidiary holdings held.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	% of Unitholders	Number of Units	% of Units
1 – 99	1	0.08	1	0.00
100 – 1,000	217	17.05	206,300	0.04
1,001 – 10,000	731	57.42	4,484,900	0.90
10,001 – 1,000,000	306	24.04	18,796,400	3.78
1,000,001 and above	18	1.41	473,866,464	95.28
	1,273	**100.00**	**497,354,065**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name of Unitholders	Number of Units	%
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	101,478,700	20.40
2.	UOB KAY HIAN PRIVATE LIMITED	85,410,900	17.17
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	69,360,734	13.95
4.	RAFFLES NOMINEES (PTE.) LIMITED	53,391,766	10.74
5.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	45,424,100	9.13
6.	MERRILL LYNCH (SINGAPORE) PTE. LTD.	44,745,203	9.00
7.	DBSN SERVICES PTE. LTD.	29,819,100	6.00
8.	DBS NOMINEES (PRIVATE) LIMITED	17,206,300	3.46
9.	DB NOMINEES (SINGAPORE) PTE LTD	9,643,300	1.94
10.	PHILLIP SECURITIES PTE LTD	5,042,000	1.01
11.	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,978,400	0.60
12.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,001,000	0.40
13.	UNITED HAMPSHIRE US REIT MANAGEMENT PTE LTD	1,316,861	0.26
14.	LEE SENG CHIN	1,300,000	0.26
15.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,269,400	0.26
16.	AZTECH GROUP LTD	1,250,000	0.25
17.	KGI SECURITIES (SINGAPORE) PTE. LTD.	1,125,300	0.23
18.	YEOH AH TU	1,103,400	0.22
19.	CHARLINA GOZALI	575,000	0.12
20.	OCBC SECURITIES PRIVATE LIMITED	565,200	0.11
	TOTAL	**475,006,664**	**95.51**

UNITHOLDING STATISTICS

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

(As recorded in the Register of Substantial Unitholdings as at 10 March 2021)

	Direct Interest		Deemed Interest	
Name of Substantial Unitholders	**No. of Units**	**% (1)**	**No. of Units**	**% (1)**
U.S. RE Fund II Offshore Feeder 1 Ltd	44,395,000	8.93	–	–
United Overseas Bank Limited(2)	–	–	45,711,861	9.19
UBS Group AG(3)	–	–	29,192,592	5.87
UBS AG(4)	–	–	29,192,592	5.87
The Hampshire Generational Fund LLC(5)	–	–	44,395,000	8.93
HGF Investors Fund II, LLC	25,484,000	5.12	–	–
Golden Sun (China) Limited	32,654,800	6.57	–	–
Kuang Ming Investments Pte. Limited	25,124,300	5.05	–	–
Tan Kim Choo(6)	–	–	25,124,300	5.05
Ng Chee Tat Philip(7)	–	–	25,124,300	5.05

Notes:

(1) The percentage is based on 497,354,065 Units in issue as at 10 March 2021.

(2) United Overseas Bank Limited is deemed interested in 44,395,000 Units held by U.S. RE Fund II Offshore Feeder 1 Ltd as U.S. RE Fund II Offshore Feeder 1 Ltd is a direct wholly-owned subsidiary of United Overseas Bank Limited. United Overseas Bank Limited is also deemed interested in Units held by the Manager.

(3) UBS Group AG is deemed interested in 29,192,592 Units by virtue of (a) UBS Group AG having an interest; or (b) Section 7(4) or 7(4A) of the Companies Act, Chapter 50 of Singapore (the "**Act**") in Units over which subsidiaries / affiliates of UBS Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire / dispose of shares. UBS Group AG is the parent entity.

(4) UBS AG is deemed interested in 29,192,592 Units held by virtue of (a) UBS AG having an interest; or (b) Section 7(4) or 7(4A) of the Act in Units over which subsidiaries / affiliates of UBS AG have an interest, by reason of the ability to exercise voting discretion and to acquire / dispose of shares. UBS AG is a subsidiary of UBS Group AG.

(5) The Hampshire Generational Fund LLC holds a 95.0% interest in each of HGF Investors Fund I LLC and HGF Investors Fund II, LLC. Accordingly, The Hampshire Generational Fund LLC is deemed to be interested in HGF Investors Fund I LLC and HGF Investors Fund II, LLC's direct and deemed interests in the Units.

(6) Mdm Tan Kim Choo has a more than 20% interest in Kuang Ming Investments Pte. Limited and is therefore deemed to be interested in the 25,124,300 units in which Kuang Ming Investments Pte. Limited has an interest.

(7) Mr Ng Chee Tat Philip has a more than 20% interest in Kuang Ming Investments Pte. Limited and is therefore deemed to be interested in the 25,124,300 units in which Kuang Ming Investments Pte. Limited has an interest.

UNITS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors' Unitholdings as at 21 January 2021)

	Direct Interest		Deemed Interest	
Directors	**No. of Units**	**%** [1]	**No. of Units**	**%** [1]
James Ernest Edwin Hanson II[2]	–	–	667,924	0.13
David Tuvia Goss	–	–	–	–
Tan Tong Hai	–	–	–	–
Chua Teck Huat Bill	–	–	–	–
Wee Teng Wen	–	–	–	–
Jaelle Ang Ker Tjia	–	–	–	–

Notes:

(1) The percentage is based on 497,354,065 Units in issue as at 10 March 2021.

(2) Mr. James Ernest Edwin Hanson II is deemed interested in 667,924 Units held by United Hampshire US REIT Management Pte. Ltd. (the "Manager") and The Hampshire Companies, LLC as he has more than 20% interest in these entitles.

FREE FLOAT

Based on the information made available to the Manager as at 10 March 2021, approximately 64.3% of the Units in UHREIT are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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CORPORATE INFORMATION

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BOARD OF DIRECTORS

Mr Tan Tong Hai
Chairman and Independent Non-Executive Director

Mr James E. Hanson II
Non-Independent Non-Executive Director

Mr David Tuvia Goss
Non-Independent Non-Executive Director

Mr Wee Teng Wen
Non-Independent Non-Executive Director

Mr Chua Teck Huat Bill
Independent Non-Executive Director

Ms Jaelle Ang Ker Tjia
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Mr Chua Teck Huat Bill
Chairman

Mr Tan Tong Hai

Ms Jaelle Ang Ker Tjia

NOMINATING AND REMUNERATION COMMITTEE

Mr Tan Tong Hai
Chairman

Mr Chua Teck Huat Bill

Mr James E. Hanson II

Mr David Tuvia Goss

Ms Jaelle Ang Ker Tjia

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Partner-In-Charge:
Mr Shariq Barmaky
Appointed:
With effect from financial period ended 31 December 2020

United Overseas Bank Limited was the sole financial adviser for the initial public offering of United Hampshire US Real Estate Investment Trust (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.

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