UNITED HAMPSHIRE US REIT

ANNUAL REPORT

2021


FULFILLING THE EVOLVING NEEDS OF U.S. CONSUMERS

UNITED-HAMPSHIRE

FULFILLING THE EVOLVING NEEDS
OF U.S. CONSUMERS

UHREIT's portfolio of well-located suburban Grocery & Necessity and Self-Storage properties is at the forefront of fulfilling the evolving needs of the U.S. consumer. Serving as micro-fulfilment centres of leading retailers' omnichannel platform, our properties have experienced strong and stable footfall and demand for space. Self-Storage properties have benefited from the work from home trends as employees declutter their homes to create more comfortable home office spaces.

CORPORATE PROFILE

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"), and (ii) modern, climate-controlled self-storage facilities ("Self-Storage"), located in the United States ("U.S.").

As at 31 December 2021, UHREIT's portfolio comprised 20 Grocery & Necessity and four Self-Storage properties that serve the non-discretionary needs of the U.S. consumer. Our 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$688.5 million and an aggregate net lettable area ("NLA") of approximately 3.6 million square feet.

The majority of UHREIT's tenants are providing essential goods and services, and comprise grocers & wholesalers, warehouse clubs, home improvement stores, discount retailers and other uses with strong omnichannel 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.

CONTENTS

FY2021 HIGHLIGHTS

DISTRIBUTABLE INCOME

US$31.2 MILLION

↑ 3.0% VS IPO FORECAST

DISTRIBUTION PER UNIT

6.1 US CENTS

↑ 0.2% VS IPO FORECAST

NET PROPERTY INCOME

US$41.9 MILLION

↑ 0.7% VS IPO FORECAST

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

APPRAISED VALUE

US$688.5 MILLION

CONSERVATIVE GEARING

39.0%

WEIGHTED AVERAGE INTEREST RATE

2.63% PER ANNUM

FIXED RATE DEBT

79.6%[1]

HIGH INTEREST COVERAGE RATIO

6.5 TIMES

GROWTH

The recent acquisitions of Colonial Square and Penrose Plaza mark UHREIT's entry into the states of Virginia and Pennsylvania, further entrenching its presence on the Eastern seaboard. The two grocery-anchored freehold assets are strategically located in neighbourhoods that have limited competition with high barriers to entry for new retail development, and enjoy high occupancy rates and long WALEs. The addition of these two quality assets reinforces UHREIT's commitment to deliver sustainable DPU growth to Unitholders.

COMPLETED MAIDEN ACQUISITIONS OF COLONIAL SQUARE AND PENROSE PLAZA IN NOVEMBER 2021

PORTFOLIO VALUATION UPLIFT OF

3.7%[1]

FROM 31 DECEMBER 2020

STRONG AUM GROWTH
TOTAL ASSETS GREW

15.9%

FROM 31 DECEMBER 2020

Note:
[1] Excluding the two newly acquired properties, Colonial Square and Penrose Plaza.

PROACTIVE

SIGNIFICANT LEASING PROGRESS, LEASES EXPIRING IN 2022 REDUCED FROM

9.2%[1] TO 1.5%[2]

COMPLETED THE EXPANSION OF ST. LUCIE WEST IN FLORIDA IN MARCH 2021, AHEAD OF SCHEDULE AND BELOW BUDGET

IN FY2021, EXECUTED 38 LEASES, AMOUNTED TO

437,528 SQ FT

AND

13.3%

OF THE GROCERY & NECESSITY PORTFOLIO BY NLA

Notes:

1. As at 31 December 2020 and based on base rental income of Grocery & Necessity properties for the month of December 2020.
2. Based on base rental income of Grocery & Necessity properties for the month of December 2021.

The Manager adopts a proactive approach in managing UHREIT's properties with an objective to protect, add and create value across the portfolio. Constructions of Perth Amboy Self-Storage and St. Lucie West Expansion were completed in January and March 2021 respectively and a total of 437,528 sq ft of leases were executed in FY2021. The Manager is committed to delivering long-term growth to Unitholders, and will continue to drive organic growth and facilitate asset enhancement initiatives.

RESILIENT

UHREIT's properties focus on serving the non-discretionary needs of the U.S. consumer. Its Grocery & Necessity properties are primarily leased to cycle-agnostic tenants providing essential goods and services, while anchored by leading retailers such as Walmart, Home Depot, Ahold Delhaize and Publix. These quality tenants have strong omnichannel platforms and continued to perform well throughout the pandemic. These quality properties and tenants will continue to serve as one of the key pillars for UHREIT's commitment to deliver resilient performance.

MAINTAINED HIGH GROCERY & NECESSITY COMMITTED OCCUPANCY

95.3%

LONG WALE

8 YEARS[1]

Note:

[1] Grocery & Necessity properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 7.9 years as at 31 December 2021.

MESSAGE TO UNITHOLDERS

"Delivering on our promise by growing our portfolio and maintaining our focus on necessity-based tenancies will ensure that our Unitholders continue to enjoy income stability and sustainable long-term DPU growth going forward."

Dear Unitholders,

On behalf of the Board and management, we are pleased to present United Hampshire US Real Estate Investment Trust's ("**UHREIT**") annual report for the financial year ended 31 December 2021 ("**FY2021**").

On the back of another financial year in which the COVID-19 global pandemic persisted, we were able to emerge on stronger footing and deliver growth, both organically as well as through acquisitions. Our portfolio of Grocery & Necessity and Self-Storage properties has continued to prove its resilience and demonstrate its ability to fulfil the evolving needs of the U.S. consumer. The global pandemic has reshaped consumer behaviour, and many retailers adopted or expanded their existing omnichannel strategy, offering multiple order fulfilment options to their customers. We have actively supported our tenants in making their stores the key nodes in the last mile delivery process. Our well-located properties and large parking areas offer major advantages for logistical operations such as curbside pickup and micro-fulfilment, enabling our tenants to fulfill their orders at lower costs and higher efficiencies. Our Self-Storage properties continue to benefit from the increasing work-from-home trends as people declutter their homes to create a more comfortable home office space.

The year in review also witnessed our maiden acquisitions, the official opening of the new Publix Super Markets ("**Publix**") store in St. Lucie West ahead of schedule, and the commencement of Perth Amboy Self-Storage leasing activities. Delivering on our promise by growing our portfolio and maintaining our focus on necessity-based tenancies will ensure that our Unitholders continue to enjoy income stability and sustainable long-term Distribution per Unit ("**DPU**") growth going forward.

RESILIENT PERFORMANCE, GOOD GROWTH MOMENTUM

The gradual global economic recovery continues, however there remains macroeconomic risks from the pandemic despite the recent rapid deceleration of new cases, a rising interest rate environment, higher inflation as well as significant geopolitical risks. Acknowledging these risks, we remain confident of our portfolio, with the majority of our Grocery & Necessity tenants providing essential goods and services, as well as our business strategy as we navigate through the challenges, anchored on our capabilities and unyielding commitment to growth.

Against this macroeconomic backdrop, we delivered a solid set of results for FY2021. Distributable income was US$31.2 million, which exceeded IPO forecast ("**Forecast**") of US$30.3 million by 3.0%. This is a significant achievement given that the Forecast was made prior to the pandemic, against a much more favourable macroeconomic backdrop. FY2021 DPU of 6.1 US cents was also higher than the Forecast by 0.2%. FY2021 gross revenue of US$55.2 million was 2.4% lower than the Forecast of US$56.6 million, while net property income of US$41.9 million was 0.7% higher than Forecast.

TAN TONG HAI
Chairman and Independent Non-Executive Director

ROBERT TOTTEN SCHMITT
Chief Executive Officer

The strong performance is a testament to the resilience of our portfolio. Income strength was further boosted by the recent acquisitions of Colonial Square, Colonial Heights, in Richmond, Virginia and Penrose Plaza in Philadelphia, Pennsylvania. Through the acquisitions and the adoption of a proactive approach to asset management, our portfolio value grew 17.6% from US$585.5 million as at 31 December 2020 to US$688.5 million as at 31 December 2021. Grocery & Necessity properties maintained a high committed occupancy rate of 95.3% and a long weighted average lease expiry ("**WALE**") of 8 years[1] as at 31 December 2021. Additionally, we made significant leasing progress during the year with 38 new and renewal leases totalling approximately 437,528 sq ft executed. A substantial proportion of these were early renewals of leases maturing in FY2022 which reduced our FY2022 expires from 9.2%[2] as at 31 December 2020 to 1.5%[3] as at 31 December 2021. Furthermore, we have less than 10.0% of leases due for renewal in each of the subsequent 4 years from FY2023 to FY2026.

With respect to our asset management initiatives, we crossed a significant milestone during the year with the official opening of the new Publix store in St. Lucie West, Florida, in April 2021, ahead of schedule and under budget. Subsequently, we secured a new 10-year lease with Five Below, a specialty discount store with over 1,000 stores in the U.S. for a portion of the area vacated by Publix. We had also secured a new seven-year lease with Beall's Outlet Stores ("**Beall's**"). Five Below and Beall's combined will occupy approximately 80.0% of the old Publix space which leaves only one remaining vacant unit of approximately 10,000 sq ft. We are actively engaging with prospective tenants for this last vacancy.

ACCRETIVE ACQUISITIONS TO FORTIFY PORTFOLIO

In FY2021, we actively sought growth opportunities to further strengthen our portfolio and expand our income stream for the long-term. In October 2021, we announced the acquisitions of two dominant grocery-anchored freehold assets – Colonial Square and Penrose Plaza for US$26.25 million and US$52.0 million, respectively. Both properties have undergone significant capital investment over the years, with progressive renovations and upgrades, and represent an attractive long-term investment for UHREIT.

The acquisitions also mark our entry into Virginia and Pennsylvania, extending our firm-hold on the affluent Eastern seaboard. They are strategically located in neighbourhoods with limited competition and high barriers to entry for new retail development. Other key attributes include easy access to major highways, densely populated communities and excellent visibility of these assets in their respective choice localities.

[1] Grocery & Necessity properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 7.9 years as at 31 December 2021.

[2] Based on base rental income of Grocery & Necessity properties for the month of December 2020.

[3] Based on base rental income of Grocery & Necessity properties for the month of December 2021.

MESSAGE TO UNITHOLDERS

Backed by non-cyclical tenants providing essential goods and services, both Colonial Square and Penrose Plaza are anchored by strong occupants, including Publix, one of the most dominant U.S. grocery chains, and ShopRite, a leading supermarket regional brand, as well as other large home improvement and Fortune 500 discount variety stores. Penrose Plaza's anchor tenant, ShopRite, has signed a 20-year lease expiring in 2038 whilst Colonial Square, anchored by Publix, has its lease expiring in 2031.

The acquisitions, completed in November 2021, provide immediate DPU accretion, long-term income stability and added portfolio diversity, while reducing tenant concentration risks. Going forward, we remain vigilant in identifying suitable opportunities to enhance Unitholder value and further optimise our portfolio.

WELL-POSITIONED TO BENEFIT FROM THE EVOLVING RETAIL LANDSCAPE

During the year, in addition to our first acquisitions, we responded swiftly and decisively with several key initiatives to support our tenants. In light of the acceleration of e-commerce in a 'new normal' environment, it is noteworthy that one of the key initiatives is in the area of logistics for last-mile delivery for our tenants. This, coupled with support for tenants' ongoing omnichannel efforts, have resulted in strong sales performance by our anchor tenants, with online orders being fulfilled through our Grocery & Necessity properties. Our grocery and home improvement tenants have thrived during the pandemic, with key tenants including Ahold Delhaize, Lowe's, The Home Depot and Walmart continuing to record higher comparable sales in FY2021. We will continue to support our tenants to deliver a seamless online/offline experience for their customers.

UNLOCKING VALUE FOR SELF-STORAGE PROPERTIES

Occupancies for our Self-Storage properties have continued to grow, backed by active marketing efforts and favourable industry dynamics. Occupancy for Perth Amboy Self-Storage which commenced leasing activities in January 2021, has increased significantly to 44.8% as at 31 December 2021, and Elizabeth Self-Storage also recorded strong occupancy growth to 64.1%. Occupancies of both Carteret and Millburn Self-Storage have remained high at 88.1% and 94.8% respectively as at 31 December 2021.

Subsequent to year-end, we announced plans to unlock value with the proposed sale of Elizabeth and Perth Amboy Self-Storage properties. We have nurtured these two properties, which were completed in January 2020 and January 2021 respectively and achieved robust occupancy and rental rate growth. Due to high investment demand for well performing, modern, climate-controlled self-storage properties such as these, we received strong interest from potential buyers. Therefore, we conducted a marketing process and successfully negotiated a sale contract with an experienced and well-capitalised self-storage operator. The total contractual sale price of US$49.0 million represents a 26.7% premium above purchase price excluding top-up or 12.9% if top-up is included. The sale price is also 10.4% above the latest valuation of US$44.4 million as at 31 December 2021. The net gain from the sale is expected to be approximately US$3.1 million after transaction related expenses of US$1.5 million, and the sale is anticipated to complete in 2Q 2022. We believe the sale of these two properties at this time and the reinvestment of the proceeds into higher yielding stabilised Grocery & Necessity assets will be beneficial to UHREIT and its Unitholders.

Although we are capitalising on current market conditions to execute an opportunistic sale for two of our recently constructed facilities, we are optimistic that the self-storage sector continues to be well-supported by positive industry trends such as hybrid work-from-home dynamics; homeownership, which have historically been positively correlated to a need for self-storage[4]; as well as the four traditional demand drivers which include Death, Divorce, Downsizing and Dislocation. Therefore, we will continue to explore additional self-storage acquisitions in the future as market conditions dictate. With respect to the facilities that remain in our portfolio, we see ongoing opportunities to accelerate rental rate increases for existing customers due to the continued growth of the demand drivers as well as the lifting of rental rate cap mandates imposed by the Government at the onset of the pandemic.

DISCIPLINED APPROACH, PRUDENT CAPITAL MANAGEMENT

We adopt a disciplined and prudent approach to capital management and aim to maintain a well-staggered debt maturity profile and substantially hedge our interest rate risks. As at 31 December 2021, UHREIT's gross borrowings was approximately US$275.1 million. Our conservative aggregate leverage of 39.0% coupled with our robust balance sheet and remaining undrawn revolving credit facility provides us with the flexibility to prudently pursue new acquisitions and asset enhancement initiatives. The weighted average interest rate was 2.63% and interest coverage ratio was 6.5 times. 79.6%[5] of our borrowings are on fixed rate with no refinancing requirements until 2023.

4 Green Street Self-Storage Sector Update, 25 May 2021.

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

In conjunction with the acquisitions of Colonial Square and Penrose Plaza, we successfully launched and completed a private placement on 5 October 2021, with strong demand from existing Unitholders and new investors. The Placement Upsize was exercised in full and approximately US$35.0 million was raised.

COMMITMENT TO SUSTAINABILITY

This is the first year that we are presenting our Sustainability Report, which encompasses our Environmental, Social and Governance ("**ESG**") initiatives and targets. We are at the beginning of our sustainability journey and we are committed to devote more time and effort to ensure the long-term success of our business in a sustainable and responsible manner.

We are pleased to be ranked a joint 4th in the Governance Index for Trusts ("**GIFT**") 2021, out of the 45 REITs and Business Trusts listed on the Singapore Exchange ("**SGX**"). At the same time, we are also one of only 95 issuers to be granted the SGX fast track programme, in recognition of our high corporate governance standards and good compliance track record.

MOVING FORWARD

Notwithstanding inflation concerns, rising interest rates and the ongoing Russia-Ukraine conflict, the U.S. economic activities are recovering alongside a recent rapid deceleration in the COVID-19 infection rates. Vaccine access, strong consumer spending and early policy support from the Federal Government are some of the principal drivers of this gradual recovery in the U.S.

Based on advance estimates released by the Bureau of Economic Analysis, U.S. fourth quarter GDP in 2021 increased at an annualised rate of 7.0%[6]. According to U.S. Bureau of Labor Statistics, unemployment rate in February 2022 declined slightly to 3.8%[7]. Job vacancies remained high at 11.3 million as at 31 January 2022[8].

Consumer Price Index rose 7.9% in February 2022[9]. Although inflation has weighed on consumer confidence, it has not dampened consumer spending activity. Total sales for retail and food services in 2021 was up 19.3% from 2020, while total sales for 4Q 2021 was up 17.3% from 4Q 2020[10].

The grocery sector is expected to continue its growth trend due to uncertainties over the possible emergence of other COVID-19 variants and work-from-home trends. The pandemic has resulted in a boon for grocers as a shift in consumer behaviour saw more home cooking. Anchor occupancy, particularly grocer occupancy, has held up well and demand from national retailers is leading the steady recovery[11]. Grocery-anchored retail saw a 71.0% year-on-year increase in transaction volume at US$16.2 billion in 2021 and comprising approximately 21.1% of all retail deals[12].

For the self-storage segment, demand is expected to maintain its upward trend, buoyed by businesses adopting a more flexible remote working model, strong home sale activities, smaller housing arrangements and an increasingly mobile population. Our Self-Storage occupancy rates remain at high levels owing to a decrease in lease termination as well as an increase in sticky consumer demand.

We remain vigilant to leverage on these positive industry dynamics and continue to proactively manage the portfolio as well as keep a lookout for strategic acquisitions that are DPU accretive, to protect long-term value for our Unitholders.

WORD OF APPRECIATION

We would like to take this opportunity to express our sincere gratitude for the guidance and counsel of the Board, and dedication and hard work of our management team and staff as we continue to strive for excellence.

A special word of thanks also goes to our sponsors, partners, tenants and shoppers as we look forward to the year ahead with your continued support. We would also like to extend our special appreciation to our Unitholders, for your continued trust in our strategy.

Yours sincerely,

Tan Tong Hai
Chairman and Independent Non-Executive Director

Robert Totten Schmitt
Chief Executive Officer

6 U.S. Bureau of Economic Analysis, "Gross Domestic Product, Fourth Quarter and Year 2021 (Second Estimate)", 24 February 2022.
7 U.S. Bureau of Labor Statistics, "The Employment Situation – February 2022", 4 March 2022.
8 U.S. Bureau of Labor Statistics, "Job Openings and Labor Turnover Summary – January 2022", 9 March 2022.
9 U.S. Bureau of Labor Statistics, "Consumer Price Index – February 2022", 10 March 2022.
10 U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services, December 2021", 14 January 2022.
11 Green Street Strip Center Sector Outlook, 28 January 2022.
12 Cushman & Wakefield Research.

KEY EVENTS

2021

Virtual Annual General Meeting 2021


St. Lucie West Expansion

Penrose Plaza

Colonial Square

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 of 3.03 US cents was 1.3% above IPO forecast.

MARCH

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

APRIL

Held its inaugural Annual General Meeting virtually on 28 April 2021 with all proposed resolutions duly passed.

MAY

Announced 1Q 2021 Operational Updates on 12 May 2021, Distributable Income was 1.3% higher than IPO forecast.

Participated in REITs Symposium to share insights on UHREIT's strategy and business developments with the retail investors.

AUGUST

Announced 1H 2021 results on 12 August 2021, DPU was 3.05 US cents, 1.0% above IPO forecast.

OCTOBER

Announced maiden acquisitions of two dominant grocery-anchored properties, Colonial Square, Virginia and Penrose Plaza, Pennsylvania and launched a private placement. In view of the strong demand, placement upsize was exercised in full, and total aggregate gross proceeds raised was approximately US$35.0 million.

NOVEMBER

Announced 3Q 2021 Operational Updates on 10 November 2021, Distributable Income for 3Q 2021 was 4.1% above 3Q 2020 and in line with IPO forecast.

Announced the completion of the acquisitions of Colonial Square, Virginia and Penrose Plaza, Pennsylvania.

Out of the 45 REITs and Business Trusts that were assessed, UHREIT is ranked a joint 4th on its debut in the Governance Index for Trusts (GIFT) 2021.

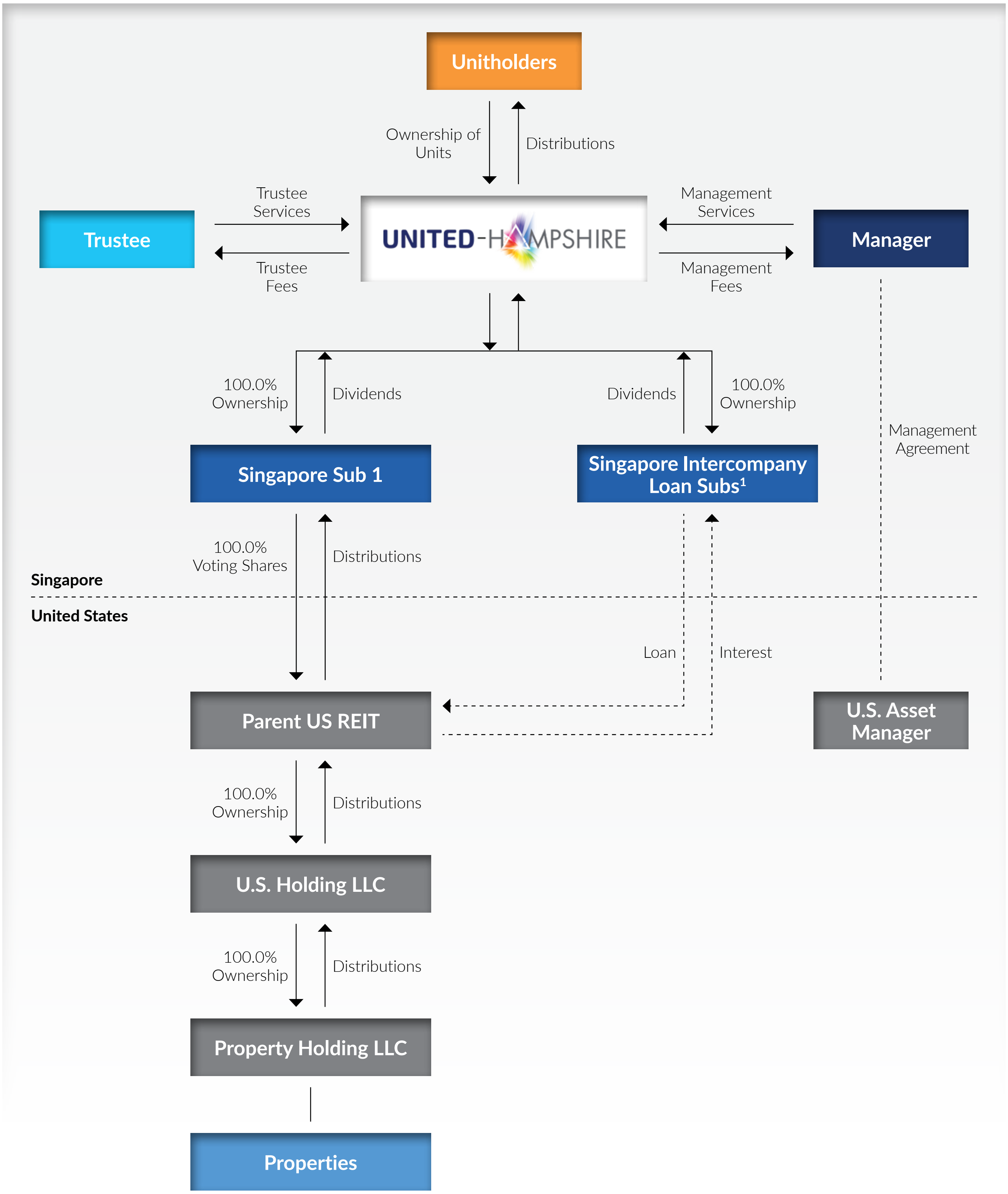
UHREIT is included in the SGX Fast Track for its high standards of corporate governance and good compliance track record.

DECEMBER

In conjunction with the private placement, UHREIT paid an advanced DPU of 1.75 US cents on 17 December 2021.

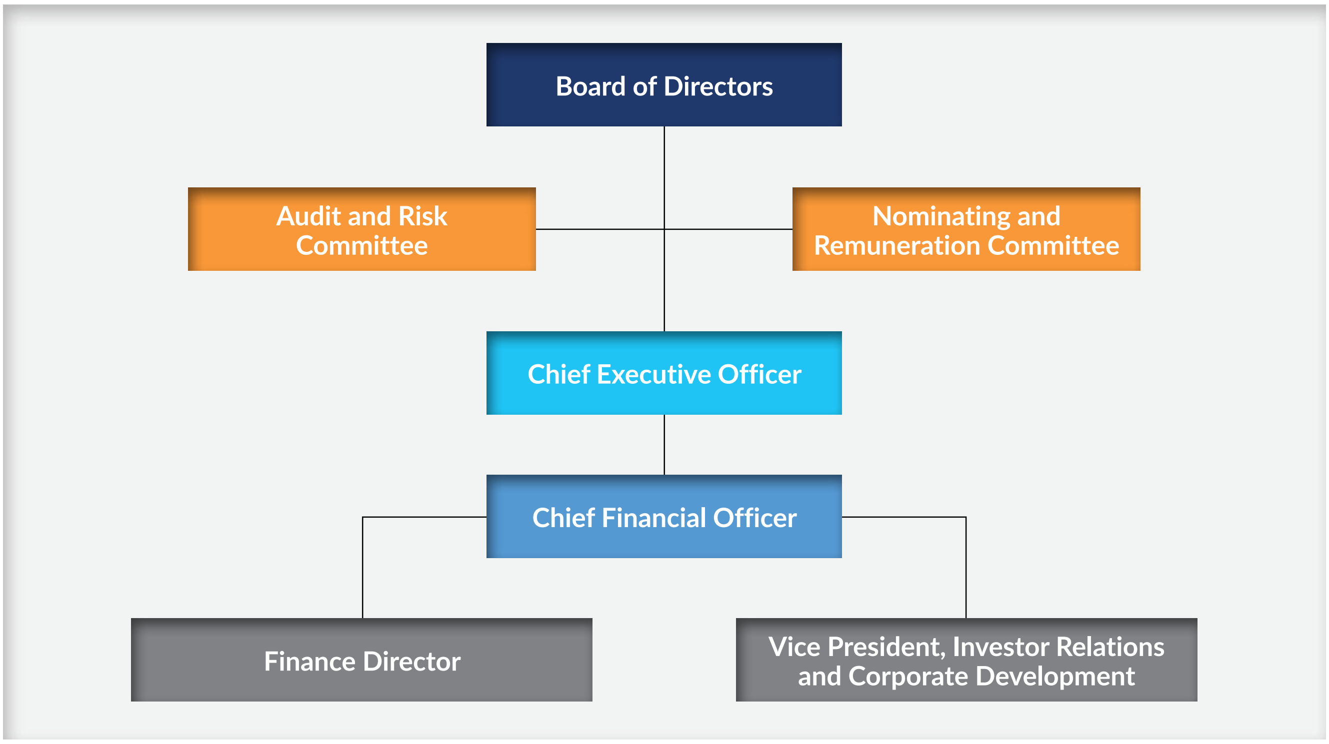
TRUST AND TAX STRUCTURE

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 2021:



Note:
[1] There are two wholly owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.

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$2.9 billion in Asset under Management ("AUM") as of 31 December 2021. It operates from offices in New York and Paris, with representation at UOB's headquarters in Singapore. In this way, the firm can conduct its activities and meet investors' needs across the Americas, Europe, the Middle East and Asia.

The Hampshire Companies, LLC ("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 150 properties across U.S. with an AUM in excess of US$2.0 billion in value and totalling over 11.8 million square feet[1]. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.7 billion.

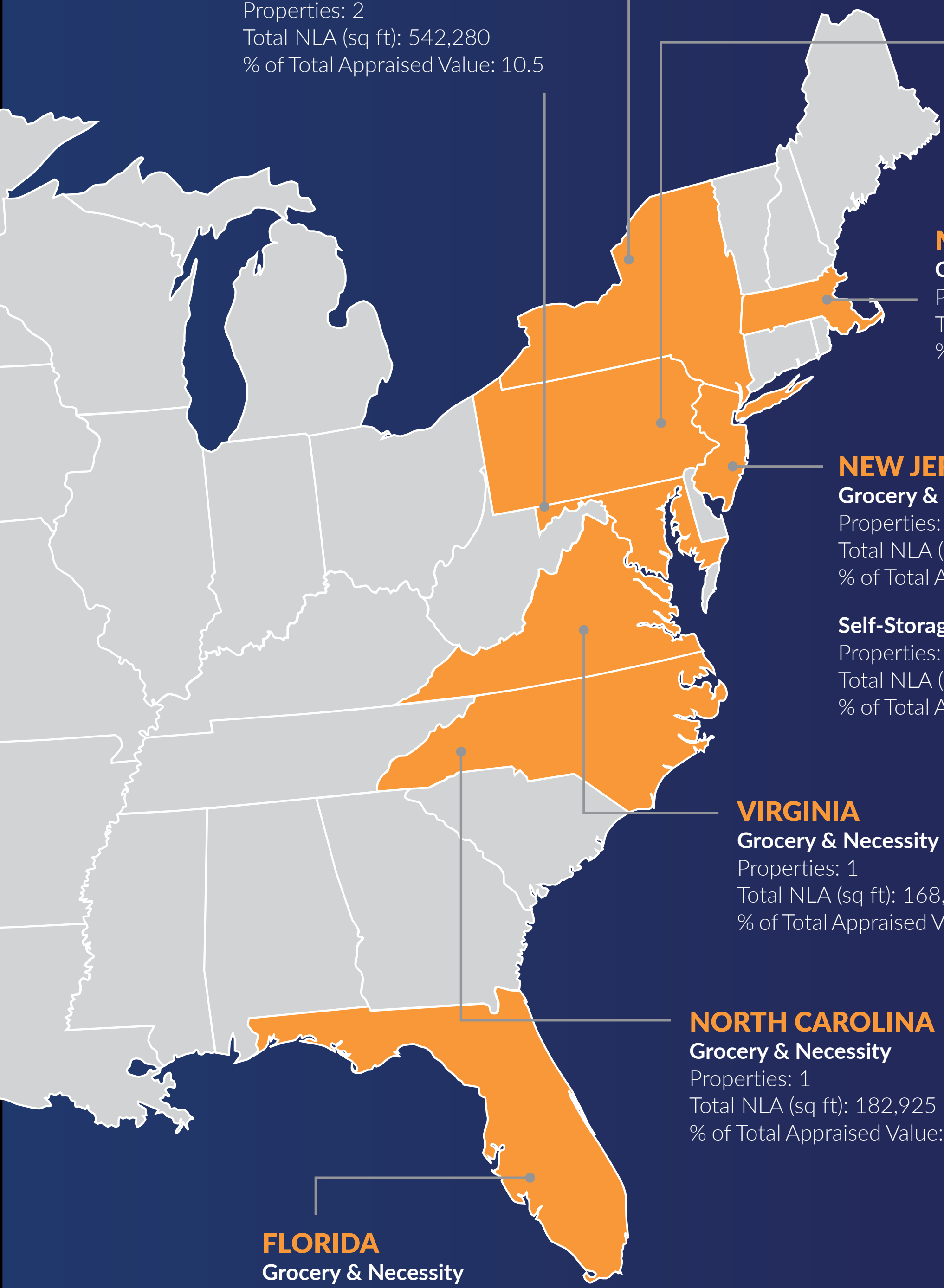
Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US$1.3 billion (as at 31 December 2021) to focus on investment opportunities in income producing real estate assets in the U.S.

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 2021.

OUR PRESENCE



NEW YORK
Grocery & Necessity
Properties: 7
Total NLA (sq ft): 1,137,375
% of Total Appraised Value: 26.2

MARYLAND
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 542,280
% of Total Appraised Value: 10.5

PENNSYLVANIA
Grocery & Necessity
Properties: 1
Total NLA (sq ft): 258,494
% of Total Appraised Value: 8.0

MASSACHUSETTS
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 165,349
% of Total Appraised Value: 7.9

NEW JERSEY
Grocery & Necessity
Properties: 4
Total NLA (sq ft): 421,270
% of Total Appraised Value: 12.9

Self-Storage
Properties: 4
Total NLA (sq ft): 300,274
% of Total Appraised Value: 13.2

VIRGINIA
Grocery & Necessity
Properties: 1
Total NLA (sq ft): 168,326
% of Total Appraised Value: 3.8

NORTH CAROLINA
Grocery & Necessity
Properties: 1
Total NLA (sq ft): 182,925
% of Total Appraised Value: 3.6

FLORIDA
Grocery & Necessity
Properties: 2
Total NLA (sq ft): 411,473
% of Total Appraised Value: 13.9

20 GROCERY & NECESSITY PROPERTIES

04 SELF-STORAGE PROPERTIES[1]

ACROSS **8 STATES,**

LOCATED ON THE DENSELY POPULATED AND AFFLUENT EAST COAST

[1] On 23 February 2022, UHREIT announced the proposed sale of Elizabeth and Perth Amboy Self-Storage properties and is expected to complete the sale in 2Q 2022.

BOARD OF DIRECTORS

TAN TONG HAI
Chairman and Independent Non-Executive Director

JAMES ERNEST EDWIN HANSON II
Non-Independent Non-Executive Director

DAVID TUVIA GOSS
Non-Independent Non-Executive Director

WEE TENG WEN
Non-Independent Non-Executive Director

CHUA TECK HUAT BILL
Independent Non-Executive Director

JAELLE ANG KER TJIA
Independent Non-Executive Director

TAN TONG HAI, 59

Chairman and Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Date of First Appointment as a Chairman (for Chairman only)
21 February 2020

Length of Service as a Director (as at 31 December 2021)
1 year 10 months

Board Committees Served On
- Chairman of the Nominating and Remuneration Committee
- Member of the Audit and Risk Committee

Present Directorships in other Listed Companies
- 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 2019 to 31 December 2021)
- EDC@SCCCI Pte. Ltd. (Director)

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.

Academic and Professional Qualifications
Bachelor of Electrical Engineering (Hons), National University of Singapore

Award
The Public Service Medal, 2020

JAMES ERNEST EDWIN HANSON II, 63

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 2021)
2 years and 7 months

Board Committees 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 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 & President)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2019 to 31 December 2021)
- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)

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 2021, The Hampshire Companies, LLC owns and operates a diversified portfolio of 150 properties across the U.S. with an AUM in excess of US$2.0 billion. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.7 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.

Academic and Professional Qualifications
- Bachelor of Arts, Hope College
- Juris Doctor Degree, Vermont Law School

BOARD OF DIRECTORS

DAVID TUVIA GOSS, 73

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 2021)
2 years and 6 months

Board Committees Served On
- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
Nil

Present Principal Commitments
- 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 Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2019 to 31 December 2021)
- U.S. RE Fund Offshore Feeder 1, Ltd (Director)
- United Hampshire US REIT Sub 1 Pte. Ltd. (Director)
- United Hampshire US REIT Sub 2 Pte. Ltd. (Director)

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.

Academic and Professional Qualifications
Bachelor of Arts in Law and Economics and a Bachelor of Laws, University of Witwatersrand Johannesburg

WEE TENG WEN, 41

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 2021)
1 year 10 months

Board Committees Served On
Nil

Present Directorships in other Listed Companies
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)
- 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 2019 to 31 December 2021)
- Grain Pte. Ltd. (Director)
- Capitol Coffee Pte. Ltd. (company has been struck-off) (Director)
- Members Only Hospitality Pte. Ltd. (Director)

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.

Academic and Professional Qualifications
Bachelor of Science in Economics, University of Pennsylvania, U.S.A.

Award
Outstanding Tourism Entrepreneur (Singapore Tourism Board)

CHUA TECK HUAT BILL, 69

Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Length of Service as a Director (as at 31 December 2021)
1 year 10 months

Board Committees Served On
- Chairman of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
Nil

Present Principal Commitments
- Sunseap Group Pte. Ltd. (Director)
- Citibank Singapore Limited (Director)

Past Directorships or Principal Commitments held over the Preceding Three Years (from 1 January 2019 to 31 December 2021)
Nil

Background and Working Experience
Mr. Chua is currently an Independent Director of Sunseap Group Pte. Ltd. and Citibank Singapore Limited. He has served on other boards in the last 21 years, such as the Defence Science and Technology Agency, DSO National Laboratories, CLS AG, the holding company of CLS Bank & CLS Services Ltd, Jurong International, a subsidiary of JTC Corporation, and Singapore Technologies Electronics Ltd and Singapore Technologies Kinetics Limited, both subsidiaries of Singapore Technologies Engineering Ltd.

Mr. Chua has extensive financial services experience, having worked at United Overseas Banking Group ("UOB"), Overseas Union Banking Group and Citibank NA from 2000 to 2014. He was the Managing Director and Head of Global Financial Institutions Group at UOB when he retired in 2014. He has had other senior management responsibilities at these banks ranging from Coverage, Structuring, Distribution, Risk Management and Operations in Institutional, Wholesale and Retail Banking.

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

JAELLE ANG KER TJIA, 41

Independent Non-Executive Director

Date of First Appointment as a Director
21 February 2020

Length of Service as a Director (as at 31 December 2021)
1 year 10 months

Board Committees Served On
- Member of the Audit and Risk Committee
- Member of the Nominating and Remuneration Committee

Present Directorships in other Listed Companies
- Country Group Development PCL (Director)

Present Principal Commitments
- Indigo Paradigm 13 Pte. Ltd. (Director)
- Sky Pacific Pte. 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 2019 to 31 December 2021)
- Playeum Ltd. (Director)

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.

Academic and Professional Qualifications
- Bachelor of Architecture, University College London
- Master of Business Administration, Imperial College London

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, LLC ("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 17 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 15 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

Head of Investments

Mr. Gardella is the Head of Investments of 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, acquisitions and asset management activities of UHREIT.

Mr. Gardella has 19 years of real estate experience and over 21 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 and Fordham University where he teaches courses focused on real estate.

DANIEL CASEY

Acquisitions Associate

Mr. Casey is the Acquisitions Associate 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 four 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, sustainability efforts as well as overseeing special projects while supporting Mr. Schmitt and the management team of the Manager.

Ms. Skirbe has more than nine 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 year from 1 January 2021 to 31 December 2021 (“FY2021”).

OVERALL REVIEW

	FY2021 1 January 2021 to 31 December 2021		
	Actual US$'000	Forecast [1] US$'000	+/(-) %
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Gross revenue	55,195	56,563	(2.4)
Property expenses	(16,276)	(16,589)	(1.9)
Other income	3,027	1,698	78.3
Net Property Income	**41,946**	**41,672**	**0.7**
Manager's base fee	(3,119)	(3,027)	3.0
Manager’s performance fee	(17)	-	n.m. [2]
Trustee's fee	(136)	(132)	3.0
Other trust expenses	(2,061)	(1,320)	56.1
Finance costs	(7,234)	(9,414)	(23.2)
Finance income	14	11	27.3
Net income before tax and fair value change in investment properties and derivatives	**29,393**	**27,790**	**5.8**
Fair value change in investment properties	18,615	(1,781)	n.m. [2]
Fair value change on financial derivatives	2,208	-	n.m. [2]
Net income before tax	**50,216**	**26,009**	**93.1**
Tax expense	(6,891)	(3,072)	124.3
Net income after tax	**43,325**	**22,937**	**88.9**
Net income after tax attributable to:			
Unitholders	42,860	22,761	88.3
Non-controlling interests	465	176	164.2
Net income for the year	**43,325**	**22,937**	**88.9**
DISTRIBUTION STATEMENT			
Net income after tax attributable to the Unitholders	42,860	22,761	88.3
Distribution adjustments	(11,665)	7,517	(255.2)
Net Income available for distribution to Unitholders	**31,195**	**30,278**	**3.0**

Footnotes:

(1) The Prospectus disclosed a profit forecast for FY2021.

(2) n.m.: not meaningful.

Gross Revenue and Net Property Income ("NPI")

Gross revenue of US$55.2 million was 2.4% or US$1.4 million lower than forecast. The property expense was US$16.3 million, 1.9% lower than the forecast. The variance was largely due to slower leasing activities than the forecast which was made prior to the outbreak of the COVID-19 pandemic. The variance was offset by the contribution from Colonial Square and Penrose Plaza which were acquired in November 2021. In FY2021, the Group received higher top-up income attributable to Elizabeth and Perth Amboy Self-Storage as well as the compensatory stipulated damage income of US$0.7 million in connection with the delay in completion of construction of Perth Amboy Self-Storage.

Net Income

Manager's base fee of US$3.1 million was 3.0% higher than forecast in line with the higher income available for distribution to Unitholders 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).

Other trust expenses of US$2.1 million was 56.1% or US$0.7 million higher than forecast due to higher professional and legal fees. The actual expenses incurred reflect the increased level of activities of UHREIT in FY2021 which include the acquisition of two new properties which were not included in the initial forecast.

Finance costs of US$7.2 million for FY2021 were 23.2% lower than the forecast, largely due to the favorable floating-to-fixed interest rate swap rates secured for the TL1 and TL2 term loans. The lower finance costs are partially offset by additional interest expense incurred on the loan taken up to partially finance the acquisitions of Colonial Square and Penrose Plaza.

Net fair value gain in investment properties for FY2021 was US$18.6 million, largely driven by the fair value gains from the annual revaluation of its investment properties. Fair value gain on financial derivatives US$2.2 million in FY2021, higher than the forecast as the forecast did not assume any changes in interest rates. These are non-cash items and therefore do not affect income available for distribution to Unitholders.

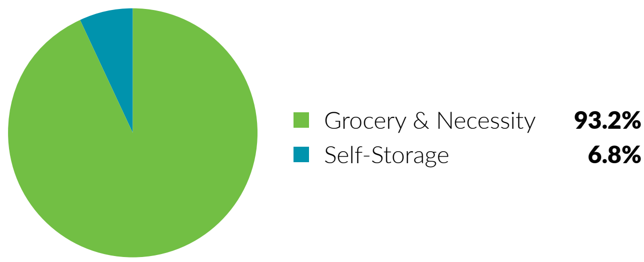
Tax expense of US$6.9 million was higher than the forecast, mainly due to higher deferred taxes recognised from the tax depreciation and fair value gain from the investment properties.

Due to the net effects of the above, net income after tax attributable to Unitholders was US$42.9 million. After adjusting for distribution adjustments, the overall net income available for distribution to Unitholders was US$31.2 million, which is 3.0% higher than forecast.

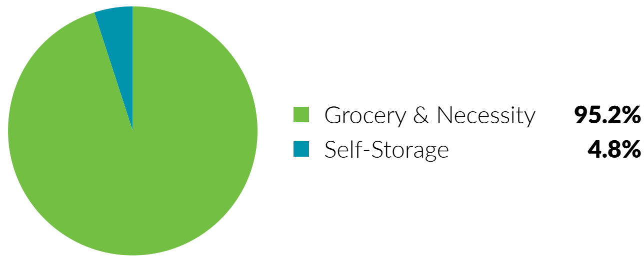
Net Asset Value ("NAV") per Unit

As at 31 December 2021, NAV per Unit was US$0.75.

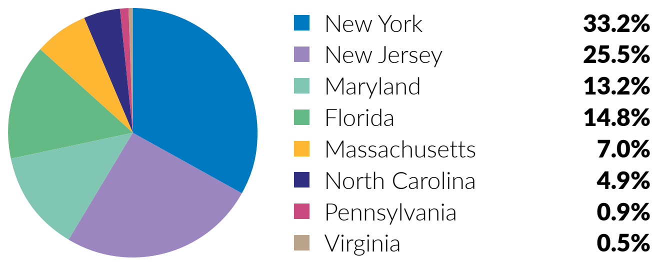
GROSS REVENUE BY SEGMENT[1]



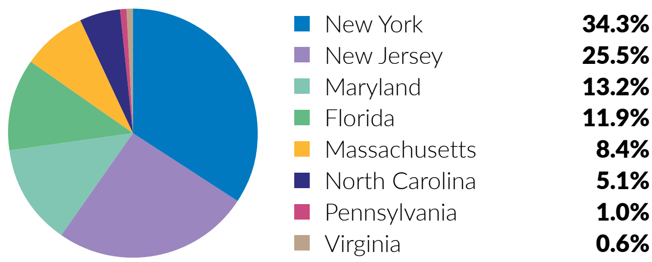
NPI BY SEGMENT[1]



GROSS REVENUE BY LOCATION[1]



NPI BY LOCATION[1]



Footnote:

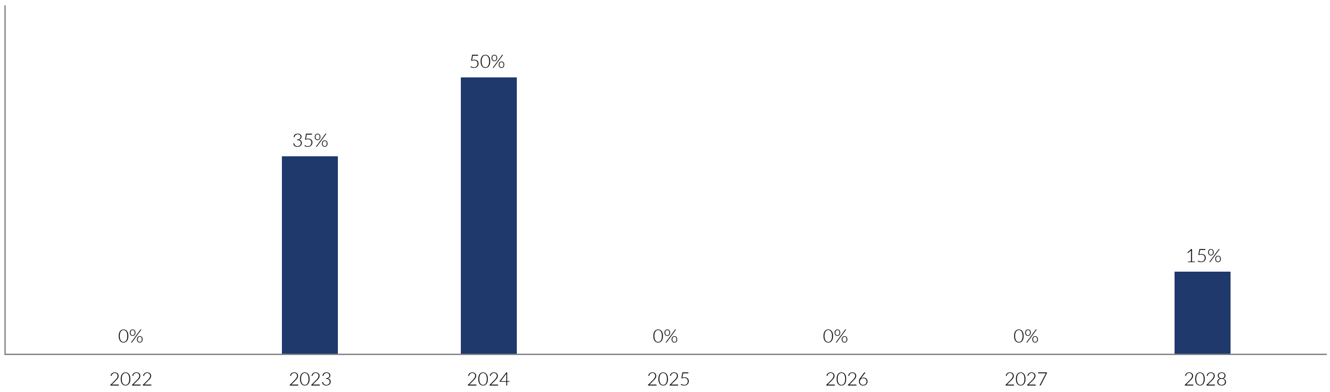
[1] Based on FY2021 Gross Revenue and NPI excluding Other Income.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Proactive and Prudent Capital Management

Key Financial Indicators	
Gross Borrowings	US$275.1 million
Undrawn Revolving Credit Facilities	US$14.0 million
Aggregate Leverage	39.0%
Weighted Average Interest Cost	2.63% p.a.
Weighted Average Debt Maturity	2.5 years
Interest Coverage Ratio	6.5 times
Unencumbered Properties as % of Total Portfolio	80.9%

Debt Maturity Profile (%)



Stable Gearing and Well-Spread Debt Maturity Profile

As at 31 December 2021, the Group had total gross loans and borrowings of US$275.1 million and US$14.0 million undrawn Revolving Credit Facility to meet its future obligations. Aggregate leverage, as defined in the Property Funds Appendix, as at 31 December 2021 was 39.0%. The increase in gearing ratio is not expected to have a significant impact on the risk profile of the Group. The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager is actively monitoring the 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 2021, 79.6% of the total gross borrowings have been on fixed rates or hedged into fixed rates. The debt maturity profile was also well-staggered over seven years with no refinancing requirements until 2023, thus mitigating near-term liquidity and funding cost risks. The Group uses derivative financial instruments to hedge its interest rate exposure.

Cash Flows and Liquidity

As at 31 December 2021, the Group's cash and cash equivalents were US$11.2 million. Net cash generated from operating activities for FY2021 was US$39.3 million, mainly from cash received from NPI. Net cash used in investing activities for FY2021 amounted to US$82.6 million. This included mainly net cash of US$78.4 million deployed for the acquisition of the new properties, Colonial Square and Penrose Plaza, during FY2021.

Net cash generated from financing activities amounted to US$41.4 million. This comprised of US$35.0 million gross proceeds raised from the issuance of an aggregate of 55,555,000 Units at US$0.63 per Unit on 14 October 2021 in connection with the Private Placement to fund the acquisition of Colonial Square and Penrose Plaza.

Use Of Proceeds from Initial Public Offering ("IPO")

The use of proceeds raised from the IPO, in March 2020 including proceeds from the IPO loan facilities of US$219.1 million, has been fully disbursed and is in accordance with the stated uses as disclosed in the Prospectus, as set out below.

	Amount allocated US$'000	Amount utilised US$'000	Variance US$'000	Reallocation on the use of net proceeds [3] US$'000	Balance of net proceeds US$'000
Acquisition of properties [1] [2]	582,490	582,874	(384)	384	-
Transaction costs [2]	26,764	23,993	2,771	(2,771)	-
Working capital	4,993	7,380	(2,387)	2,387	-
Total	**614,247**	**614,247**	**-**	**-**	**-**

Footnotes:

1 The actual amount consists of the agreed purchase consideration for investment properties net of capital expenditure and leasing costs under seller's responsibility at Listing Date. Acquisition costs are included as part of transaction costs to be consistent with the disclosure in the Prospectus.

2 Transaction costs include expenses incurred in relation to the acquisition of the investment properties, the issue of Units at the Listing Date, and upfront debt-related transaction costs.

3 The balance of net proceeds intended for transaction costs have been reallocated to working capital. Working capital use relates mainly to capital expenditure, repayment of finance expenses for the term loan and other general and administrative expenses.

Use of Proceeds from Issuance of Units

The use of proceeds raised from the Private Placement is in accordance with the stated use as disclosed in the launch of Private Placement announcement dated 5 October 2021 and completion of acquisition announcement dated 12 November 2021 and 24 November 2021. The latest available update on the use of proceeds is set out below:

	Intended use of proceeds US$'000	Actual use of proceeds US$'000	Balance of proceeds US$'000
Partial funding of cash consideration for Colonial Square and Penrose Plaza [1]	33,788	33,788	-
Transaction costs	1,212	1,212	-
Total	**35,000**	**35,000**	**-**

Footnote:

(1) The purchase consideration for Colonial Square and Penrose Plaza was US$78.3 million with US$33.8 million funded by the proceeds from the private placement and the remaining amount of US$44.5 million financed by external borrowings.

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 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.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

A subsidiary group of the Group 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 2021 to qualify as a Real Estate Investment Trust for U.S. Federal income tax purposes.

Update on Top-Up Agreement

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:

	As at 31 December 2021		
	Total Top-Up Funding	**Top-Up recognised**	**Balance of Top-Up Funding**
Top-Up Agreement attributable to:	US$'000	US$'000	US$'000
St. Lucie West	1,798	1,798	-
Elizabeth Self-Storage	2,524	2,437	87
Perth Amboy Self-Storage	2,198	2,111	87
	6,520	**6,346**	**174**

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 was occupied by the existing anchor tenant of St. Lucie West, Publix Super Markets, Inc. ("Publix"). Publix previously occupied one of the existing buildings at St. Lucie West (the "Existing Publix Store") which will be backfilled with new tenants after 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$1.8 million income top-up would be disbursed to the Group during the period from the Listing Date to 31 October 2021. As at 31 December 2021, the top-up in respect of St Lucie West Expansion has been fully utilised and the Group has recognised a top-up income of US$0.7 million in income available for distribution in FY2021.

The construction of St. Lucie West Expansion was completed in March 2021 and commenced business. The Manager has secured new leases to backfill 80.0% of the Existing Publix Store and is working closely with potential tenants to backfill the remaining space within the Existing Publix Store.

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 four 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$1.3 million per annum, up to an aggregate amount of US$2.5 million.

As at 31 December 2021, the top-up in respect of Elizabeth Self-Storage has been substantially utilised and has been fully depleted in Q1 2022. The Group has recognised a top-up income of US$1.2 million in other income in FY2021. Elizabeth Self-Storage has achieved an occupancy of 64.1%. 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 four 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$1.2 million per annum, up to an aggregate amount of US$2.2 million.

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 opened for business. Since the opening was delayed beyond the contractual target dates, the Group received compensatory stipulated damages of US$0.7 million from the Perth Amboy Self-Storage Vendor.

As at 31 December 2021, the top-up in respect of Perth Amboy Self-Storage has been substantially utilised and has been fully depleted in Q1 2022. The Group has recognised a top-up income of US$1.2 million in other income in FY2021. As at 31 December 2021, Perth Amboy has achieved an occupancy of 44.8%. As the occupancy continues to trend upwards since the opening of the property, the Manager is working actively to optimise the performance of Perth Amboy Self-Storage.

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.

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.

During the financial year ended 31 December 2021, the Group has not recognised any earn-out contingent consideration for both Carteret Self-Storage and Millburn Self-Storage as the performance targets have not been met.

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. The Group's significant policies are discussed in more detail in the notes to the financial statements.

OPERATIONS REVIEW

PORTFOLIO SUMMARY

UHREIT's portfolio consists Grocery & Necessity and Self-Storage properties located across eight states, focused on the populous and affluent East Coast markets of the U.S. The aggregate NLA of the portfolio is approximately 3.6 million sq ft, comprising 20 Grocery & Necessity and four Self-Storage properties.

PORTFOLIO VALUATION

Cushman & Wakefield of New Jersey LLC, CBRE, Inc and Newmark Knight Frank Valuation & Advisory, LLC were appointed by the Trustee of UHREIT and the total appraised value of the portfolio, including the newly acquired Colonial Square and Penrose Plaza, is US$688.5 million as at 31 December 2021. Excluding the two newly acquired properties, the appraised value of the portfolio is US$607.0 million, representing a 3.7% increase from 31 December 2020. All the properties were appraised by Cushman & Wakefield of New Jersey LLC except for Colonial Square which was appraised by Newmark Knight Frank Valuation & Advisory, LLC and Penrose Plaza which was appraised by CBRE, Inc.

VALUATION

	31 December 2021 (US$'000)	31 December 2020 (US$'000)	Change (%)
Garden City Square – BJ's Wholesale Club	48,000	45,900	4.6%
Garden City Square – LA Fitness	21,000	21,100	-0.5%
Albany ShopRite – Supermarket	23,700	22,850	3.7%
Albany ShopRite – Gas Station	4,400	4,050	8.6%
Price Chopper Plaza	20,900	21,700	-3.7%
Wallkill Price Chopper	13,000	13,200	-1.5%
Hudson Valley Plaza	49,200	45,300	8.6%
Wallington ShopRite	16,300	16,300	-
Stop & Shop Plaza	25,500	28,300	-9.9%
Towne Crossing	12,300	12,900	-4.7%
Lawnside Commons	34,575	32,800	5.4%
St. Lucie West	86,100	83,550	3.1%
Big Pine Center	9,100	9,200	-1.1%
Arundel Plaza	45,200	45,500	-0.7%
Parkway Crossing	27,300	24,600	11.0%
BJ's Quincy	34,800	34,500	0.9%
Fairhaven Plaza	19,500	19,800	-1.5%
Lynncroft Center	25,000	24,200	3.3%
Colonial Square[1]	26,400	N.A.	N.M.
Penrose Plaza[2]	55,100	N.A.	N.M.
Carteret Self-Storage	22,200	17,000	30.6%
Millburn Self-Storage	24,500	21,200	15.6%
Elizabeth Self-Storage[3]	24,000	22,200	8.1%
Perth Amboy Self-Storage[3]	20,400	19,300	5.7%
Total	**688,475**	**585,450**	**N.M.**
Grocery & Necessity Properties	597,375	505,750	N.M.
Self-Storage Properties	91,100	79,700	14.3%
Total	**688,475**	**585,450**	**N.M.**

N.M. Not meaningful

1 Colonial Square, Virginia was newly acquired on 12 November 2021.

2 Penrose Plaza, Pennsylvania was newly acquired on 24 November 2021.

3 On 23 February 2022, UHREIT announced the proposed sale of Elizabeth and Perth Amboy Self-Storage properties and is expected to complete the sale in 2Q 2022.

GROCERY & NECESSITY PROPERTIES

Within UHREIT's portfolio, there are 20 Grocery & Necessity properties. The Grocery & Necessity portfolio forms 86.8% of UHREIT's portfolio by asset value and have a total NLA of 3.3 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 omnichannel strategy adopted by many tenants and have become more relevant in the current environment. The number of lease renewals executed demonstrates the strength of our properties and the continued demand by the U.S. consumer.

OCCUPANCY BY NLA (%)

	As at 31 December 2021 (%)	As at 31 December 2020 (%)
Garden City Square – BJ's Wholesale Club	100.0	100.0
Garden City Square – LA Fitness	100.0	100.0
Albany ShopRite – Supermarket	100.0	100.0
Albany ShopRite – Gas Station	100.0	100.0
Price Chopper Plaza	100.0	100.0
Wallkill Price Chopper	95.8	90.0
Hudson Valley Plaza	88.3	84.4
Wallington ShopRite	100.0	100.0
Stop & Shop Plaza	100.0	100.0
Towne Crossing	67.9	100.0
Lawnside Commons	100.0	100.0
St. Lucie West	96.6	96.1
Big Pine Center	92.3	90.7
Arundel Plaza	100.0	99.4
Parkway Crossing	100.0	99.1
BJ's Quincy	100.0	100.0
Fairhaven Plaza	96.7	94.0
Lynncroft Center	97.7	95.7
Colonial Square	97.4	N.A.
Penrose Plaza	94.1	N.A.
Total	**95.3**	**94.7**

STABLE CASH FLOW FROM LONG LEASES AND HIGH OCCUPANCY

The Grocery & Necessity portfolio enjoys a high committed occupancy rate of 95.3% as at 31 December 2021. It also benefits from a long weighted average lease to expiry ("WALE") of 8.0 years by Gross Rental Income ("GRI"), including forward committed leases. Excluding forward committed leases, the WALE is 7.9 years by GRI with only 1.5% of GRI expiring in 2022. Further, the majority of the leases are triple net, with tenants responsible for their pro-rata share of all real estate taxes, building insurance, property expenses and common area operating expenses.

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

In 2021, 38 leases with approximately 437,528 sq ft, representing 13.3% of the total NLA of the Grocery & Necessity portfolio, were executed and this comprises new leases, early extensions and lease renewals from expiring leases.

For new leases executed in 2021, the WALE based on the date of commencement of the leases is 8.7 years by GRI and accounts for 2.2% of the total GRI.

TRADE SECTOR MIX

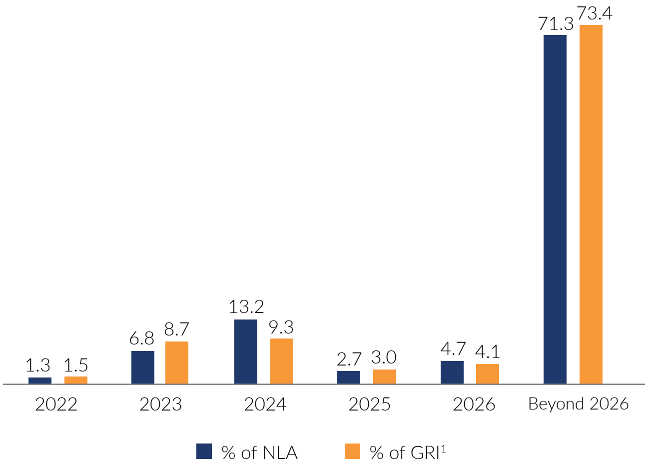
The Grocery & Necessity properties generate income that comes from a well-diversified tenant mix comprising supermarkets, home improvement stores, warehouse clubs, restaurants and other necessity retailers that serve the U.S. consumer. A large percentage of the tenants have adopted

OPERATIONS REVIEW

omnichannel 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 omnichannel 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 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.

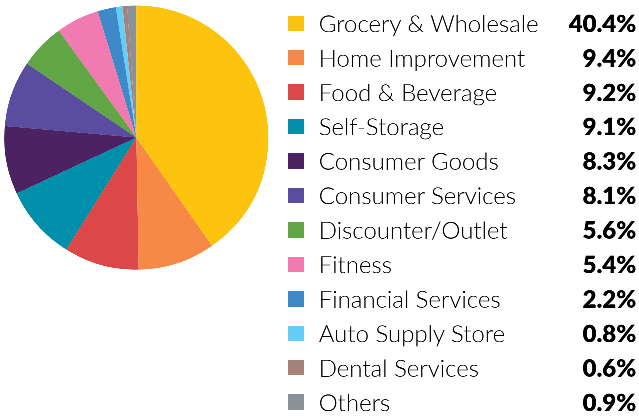
UHREIT has a total of 210 tenants as at 31 December 2021 and majority (over 70%) of the tenants are providing essential good and services[2].

PORTFOLIO LEASE EXPIRY PROFILE (%)
(As at 31 December 2021)



1 Based on base rental income of Grocery & Necessity properties for the month of December 2021.

TRADE SECTOR MIX
(By GRI[3])



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

3 Based on base rental income for the month of December 2021.

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.

	Tenant	Trade Sector	% of GRI[1]
1	Wakefern Food Corporation / ShopRite	Grocery and Wholesale	12.2%
2	BJ's Wholesale Club Holdings, Inc	Grocery and Wholesale	11.7%
3	Ahold Delhaize / Stop & Shop	Grocery and Wholesale	9.0%
4	Lowe's Companies, Inc	Home Improvement	5.9%
5	Walmart Inc. / Sam's Club	Grocery and Wholesale	4.9%
6	LA Fitness	Fitness	4.8%
7	Home Depot USA, Inc	Home Improvement	4.1%
8	Publix Super Markets Inc.	Grocery and Wholesale	3.3%
9	Price Chopper Supermarkets	Grocery and Wholesale	3.2%
10	Burlington Stores, Inc	Discounter/Outlet	1.6%
	Total		**60.7%**

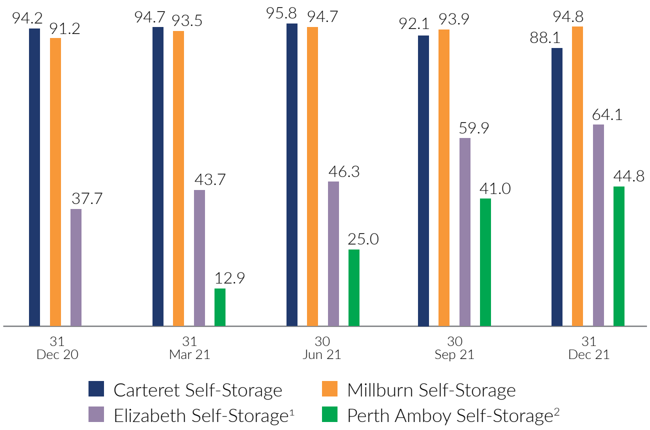
1 Based on base rental income of Grocery & Necessity properties for the month of December 2021.

SELF-STORAGE PROPERTIES

As at 31 December 2021, UHREIT's portfolio consists of four Self-Storage properties, 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 13.2% of UHREIT's portfolio by asset value and has a total NLA of 0.3 million sq ft.

UHREIT's Self-Storage properties are located in New Jersey, which is one of the most densely populated areas of the country. Elizabeth which is newly constructed in January 2020 recorded strong occupancy growth from 37.7% as at 31 December 2020 to 64.1% as at 31 December 2021. Our newest self-storage property, Perth Amboy has been achieving strong occupancy growth since it commenced leasing activities in January 2021 and reached an occupancy rate of 44.8% as at 31 December 2021.

SELF-STORAGE PROPERTY OCCUPANCY (%)



[1] Elizabeth Self-Storage was completed in January 2020.

[2] Perth Amboy Self-Storage was completed in January 2021.

On 23 February 2022, UHREIT announced the proposed sale of Elizabeth and Perth Amboy Self-Storage properties. Due to high investment demand for good performing self-storage properties such as these, we have received strong interest from potential buyers. Hence, we conducted a marketing process and successfully negotiated a sale contract with an experienced and well-capitalised self-storage operator. The total contractual sale price of US$49.0 million represents a 26.7% above purchase price excluding top-up or 12.9% if top-up is included. The sale price is also 10.4% above the latest valuation of US$44.4 million as at 31 December 2021. The net gain from the sale is expected to be around US$3.1 million after transactions related expenses of US$1.5 million, and the sale is expected to complete in 2Q 2022.

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

MAIDEN ACQUISITIONS

UHREIT announced its maiden acquisitions of two dominant grocery-anchored properties, Colonial Square, Colonial Heights, Virginia and Penrose Plaza, Philadelphia, Pennsylvania for approximately US$78.25 million on 5 October 2021. The two high quality freehold assets marked UHREIT's entry into Pennsylvania and Virginia, further extending its presence on the Eastern seaboard.

Similar to other Grocery & Necessity properties within UHREIT's portfolio, Colonial Square and Penrose Plaza are anchored by some of the largest and regionally dominant grocery chains such as Publix and ShopRite, as well as leased to regional junior box tenants, Fortune 500 discount variety stores, popular quick service restaurant concepts and complementary service oriented, e-commerce resistant satellite tenants. With the support of the cycle-agnostic tenants providing essential goods and services, the two new properties will elevate UHREIT's income resiliency and visibility. Colonial Square and Penrose Plaza also enjoy high committed occupancies and long WALEs which enhance UHREIT's lease maturity profile and portfolio WALE.

In addition, both properties are strategically located in populous neighbourhoods with limited competition and high barriers to entry for new retail developments. They are also well connected to major highways and benefit from excellent visibility. Prior to UHREIT acquiring the two properties, capital has been invested on them for various renovations and upgrades over the years.

UHREIT has completed the acquisitions of Colonial Square and Penrose Plaza on 12 November 2021 and 24 November 2021 respectively. More details on the two new properties can be found on pages 54 and 55.

Penrose Plaza

Colonial Square

PORTFOLIO AT A GLANCE

Name	Location	NLA (31 Dec 2021) (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	915	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	673,370	Freehold
Wallington ShopRite	375 Paterson Avenue, Wallington, Bergen County, New Jersey 07057	94,027	Leasehold[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	92,000	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	318,323 (including 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	282,039	Freehold
Parkway Crossing	2331-2535 Cleanleigh Drive, Parkville, Baltimore County, Maryland 21234	260,241	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	80,989	Freehold
Lynncroft Center	3120-3160 Evans Street, Greenville, Pitt County, North Carolina 27834	182,925	Freehold
Colonial Square[6]	3107 Boulevard, Colonial Heights, Virginia 23834	168,326	Freehold
Penrose Plaza[7]	2900 - 3000 Island Ave, Philadelphia, Pennsylvania 19153	258,494	Freehold
Carteret Self-Storage	6640 Industrial Highway, Carteret, Middlesex County, New Jersey 07008	74,125	Freehold
Millburn Self-Storage	30 Bleeker Street, Millburn, Essex County, New Jersey 07041	80,943	Freehold
Elizabeth Self-Storage[8]	1189 Magnolia Avenue, Elizabeth, Union County, New Jersey 07201	76,308	Freehold
Perth Amboy Self-Storage[8]	900 State Street, Perth Amboy, Middlesex County, New Jersey 08861	68,898	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 673,370 sq ft minus the non-functional static space of 67,616 sq ft.

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 2021) (US$ Million)	Purchase Price (US$ Million)	Acquisition Date	Committed Occupancy Rate (31 Dec 2021)	No of Tenants	Major Tenants
48.0	47.9	12-Mar-20	100.0%	1	**BJ's Wholesale Club**
21.0	21.7	12-Mar-20	100.0%	1	**LA Fitness**
23.7	22.9	12-Mar-20	100.0%	1	**ShopRite**
4.4	4.2	12-Mar-20	100.0%	1	**ShopRite**
20.9	20.0	12-Mar-20	100.0%	8	**Price Chopper Supermarkets**
13.0	13.3[1]	12-Mar-20	95.8%	8	**Price Chopper Supermarkets**
49.2	46.0	12-Mar-20	88.3%[2]	8	**Walmart, Lowe's, Sam's Club, PetSmart**
16.3	15.9	12-Mar-20	100.0%	1	**ShopRite**
25.5	29.3	12-Mar-20	100.0%	5	**Stop & Shop**
12.3	13.4	12-Mar-20	67.9%	5	**Dick's Sporting Goods**
34.6	32.4[4]	12-Mar-20	100.0%	5	**Home Depot, PetSmart**
86.1	76.1	12-Mar-20	96.6%	42	**Publix, LA Fitness, Burlington, HomeGoods**
9.1	9.2	12-Mar-20	92.3%	18	**Winn-Dixie, Beall's Outlet Store**
45.2	45.3	12-Mar-20	100.0%	15	**Lowe's, Giant Food**
27.3	25.2[5]	12-Mar-20	100.0%	23	**ShopRite, Home Depot, Big Lots**
34.8	33.6	12-Mar-20	100.0%	1	**BJ's Wholesale Club**
19.5	18.5	12-Mar-20	96.7%	5	**Stop & Shop**
25.0	24.9	12-Mar-20	97.7%	16	**Best Buy, Ross, Bed Bath & Beyond, Ulta, Marshalls, Michaels**
26.4	26.3	12-Nov-21	97.4%	19	**Publix, Locke Supply Co., Wells Fargo, Dollar General**
55.1	52.0	24-Nov-21	94.1%	27	**ShopRite, dd's Discount, Dollar Tree, Citi Trends**
22.2	17.3	12-Mar-20	88.1%	N.M.	-
24.5	22.2	12-Mar-20	94.8%	N.M.	-
24.0	23.9	12-Mar-20	64.1%	N.M.	-
20.4	19.3	12-Mar-20	44.8%	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 Colonial Square was acquired from Colonial Square Associates, LLC.

7 Penrose Plaza was acquired from Penrose Property Investors, LLC.

8 On 23 February 2022, UHREIT announced the proposed sale of Elizabeth and Perth Amboy Self-Storage properties and is expected to complete the sale in 2Q 2022.

PROPERTY SUMMARY

GROCERY & NECESSITY PROPERTIES

GARDEN CITY SQUARE – BJ'S WHOLESALE CLUB

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.

Location	**711 Stewart Avenue, Garden City, Nassau County, New York 11530**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**121,000**
Property Value (US$ Million)	**48.0**
WALE by GRI[1] (years)	**10.9**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

GARDEN CITY SQUARE – LA FITNESS

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.

Location	**711 Stewart Avenue, Garden City, Nassau County, New York 11530**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**55,000**
Property Value (US$ Million)	**21.0**
WALE by GRI[1] (years)	**8.5**
Number of Tenants	**1**
Sole Tenant	**LA Fitness**
Property Manager	**The Hampshire Companies, LLC**

[1] Based on base rental income for the month of December 2021.

ALBANY SHOPRITE – SUPERMARKET

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. (ShopRite) 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.

Location	**709 Central Avenue, Albany, Albany County, New York 12206**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**65,000**
Property Value (US$ Million)	**23.7**
WALE by GRI[1] (years)	**10.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

ALBANY SHOPRITE – GAS STATION

Albany ShopRite – Gas Station is a single-storey gas station with eight double sided gas pumps and a convenience store. Wakefern Food Corp. (ShopRite) 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.

Location	**651 Central Avenue, Albany, Albany County, New York 12206**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**915**
Property Value (US$ Million)	**4.4**
WALE by GRI[1] (years)	**10.3**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

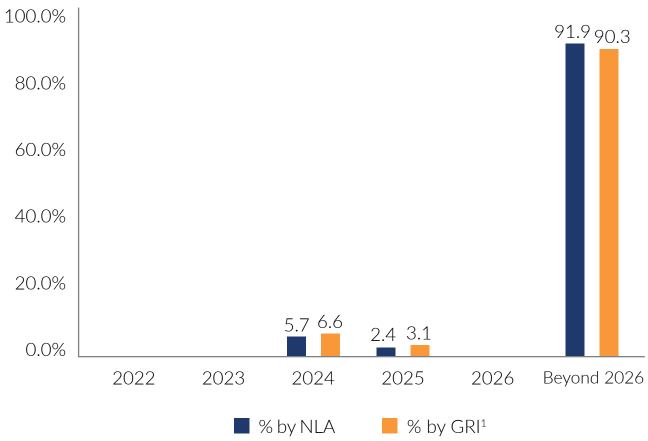
GROCERY & NECESSITY PROPERTIES

PRICE CHOPPER PLAZA

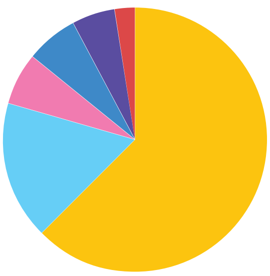
Price Chopper Plaza is a Grocery & Necessity property situated on State Route 94 in the Town of Warwick, Orange County, New York. The property is anchored by Price Chopper Supermarkets and contains five single-storey buildings. The area surrounding Price Chopper Plaza is considered rural in character.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

Location	**142-146 State Route 94, Warwick, New York 10990**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,295**
Property Value (US$ Million)	**20.9**
WALE by GRI[1] (years)	**10.9**
Number of Tenants	**8**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Grocery & Wholesale	**62.7%**
Auto Supply Store	**16.8%**
Fitness	**6.6%**
Financial Services	**6.2%**
Consumer Services	**5.3%**
Food & Beverage	**2.4%**

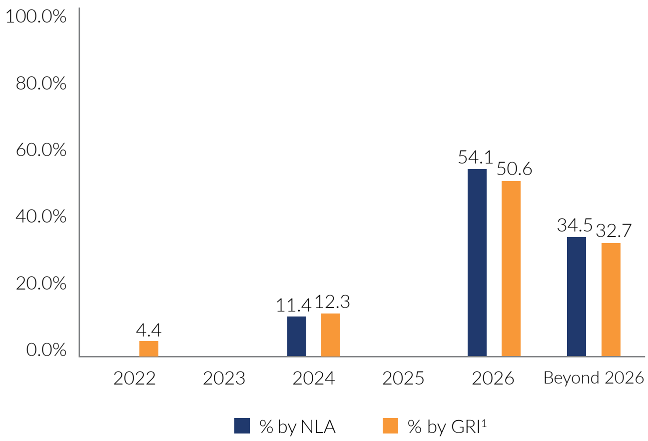
1 Based on base rental income for the month of December 2021.

WALLKILL PRICE CHOPPER

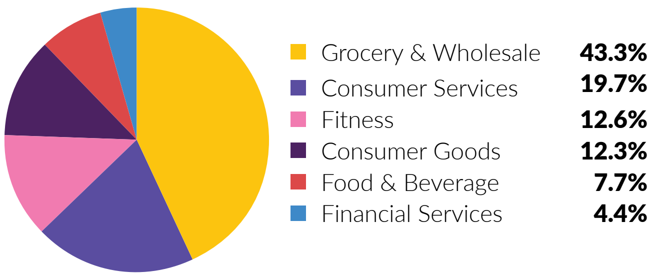
Wallkill Price Chopper is a single-storey Grocery & Necessity property located in the Town of Wallkill, Orange County, New York. Price Chopper Supermarkets anchors the property which is surrounded by other retail uses including Dunning Farms Shopping Center and Orange Plaza. Wallkill Price Chopper is 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.

Location	**505-511 Schutt Road, Middletown, Orange County, New York 10940**
Land Tenure	**Freehold**
Occupancy	**95.8%**
NLA (sq ft)	**137,795**
Property Value (US$ Million)	**13.0**
WALE by GRI[1] (years)	**5.7**
Number of Tenants	**8**
Key Tenant	**Price Chopper Supermarkets**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

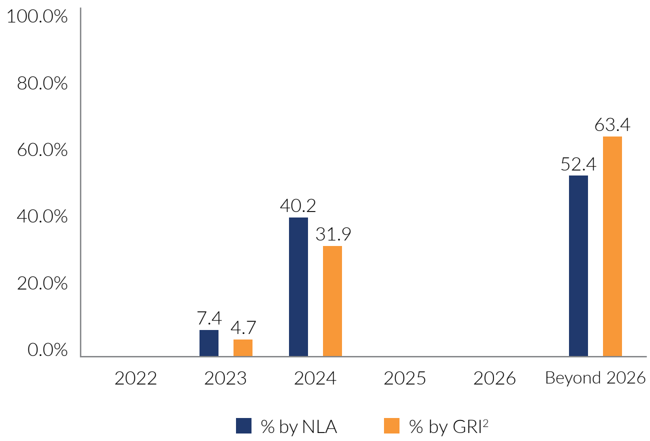
GROCERY & NECESSITY PROPERTIES

HUDSON VALLEY PLAZA

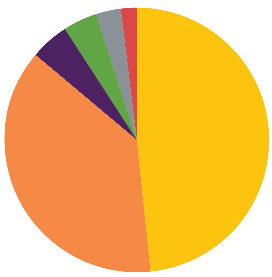
Hudson Valley Plaza is a regional center which was developed between 1996 and 1998. It is the largest property by NLA in our portfolio. The property is located in the Town of Ulster, Ulster County, New York and comprises five buildings. Walmart, Lowe's Home Center, Sam's Club and PetSmart are the anchor 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.

Location	**401 Frank Stottile Boulevard, Kingston, Ulster County, New York 12401**
Land Tenure	**Freehold**
Occupancy	**88.3%[1]**
NLA (sq ft)	**673,370**
Property Value (US$ Million)	**49.2**
WALE by GRI[2] (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 2021)



TRADE SECTOR BREAKDOWN
(By GRI[2])



Grocery & Wholesale	**48.1%**
Home Improvement	**37.6%**
Consumer Goods	**4.8%**
Discounter/Outlet	**4.1%**
Consumer Services	**3.0%**
Others	**1.8%**
Food & Beverage	**0.6%**

1 The occupancy rate of Hudson Valley Plaza is calculated based on the NLA of 673,370 sq ft minus the non-functional static space of 67,616 sq ft.

2 Based on base rental income for the month of December 2021.

WALLINGTON SHOPRITE

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.

Location	**375 Paterson Avenue, Wallington, Bergen County, New Jersey 07057**
Land Tenure	**Leasehold (expiring in 2040 with two consecutive 10-year extensions after 2040)**
Occupancy	**100.0%**
NLA (sq ft)	**94,027**
Property Value (US$ Million)	**16.3**
WALE by GRI[1] (years)	**18.5**
Number of Tenants	**1**
Sole Tenant	**ShopRite**
Property Manager	**The Hampshire Companies, LLC**

[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

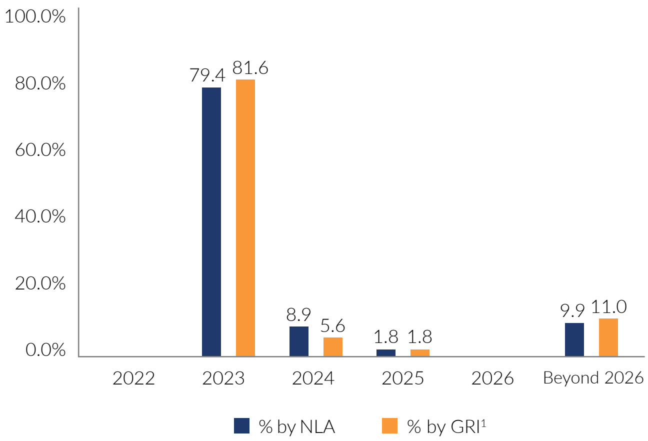
GROCERY & NECESSITY PROPERTIES

STOP & SHOP PLAZA

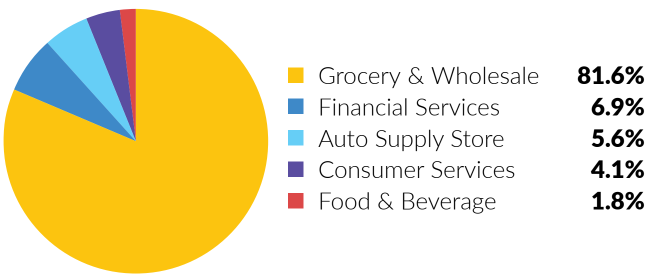
Stop & Shop Plaza is a Grocery & Necessity property located in Piscataway Township, Middlesex County, New Jersey. Anchored by Stop & Shop Supermarket, the property comprises three single-storey buildings. The surrounding area contains residential, industrial, retail and office uses. The neighbourhood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

Location	**581 Stelton Road, Piscataway, Middlesex County, New Jersey 08854**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,167**
Property Value (US$ Million)	**25.5**
WALE by GRI[1] (years)	**2.6**
Number of Tenants	**5**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



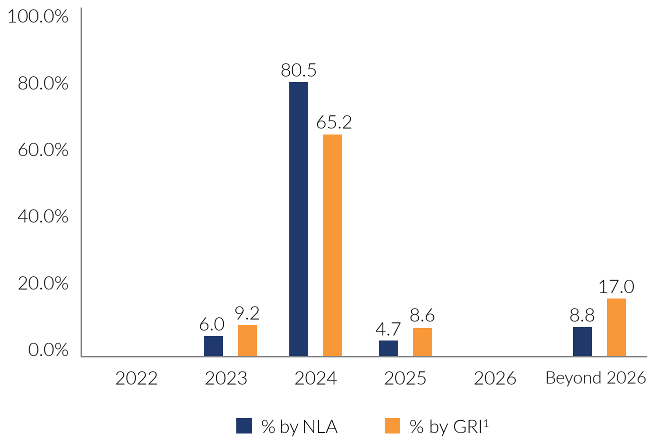
[1] Based on base rental income for the month of December 2021.

TOWNE CROSSING

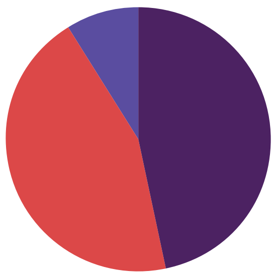
Towne Crossing is a Grocery & Necessity property that is part of a larger shopping center made up of five single-storey buildings located in Burlington Township, Burlington County, New Jersey. The property is anchored by Dick's Sporting Goods and is shadow anchored by Home Depot, Target and Kohls. Towne 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.

Location	**2703 Burlington-Mount Holly Road, Burlington, Burlington County, New Jersey 08016**
Land Tenure	**Freehold**
Occupancy	**67.9%**
NLA (sq ft)	**92,000**
Property Value (US$ Million)	**12.3**
WALE by GRI[1] (years)	**3.6**
Number of Tenants	**5**
Key Tenant	**Dick's Sporting Goods**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Consumer Goods	**46.8%**
Food & Beverage	**44.5%**
Consumer Services	**8.7%**

1 Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

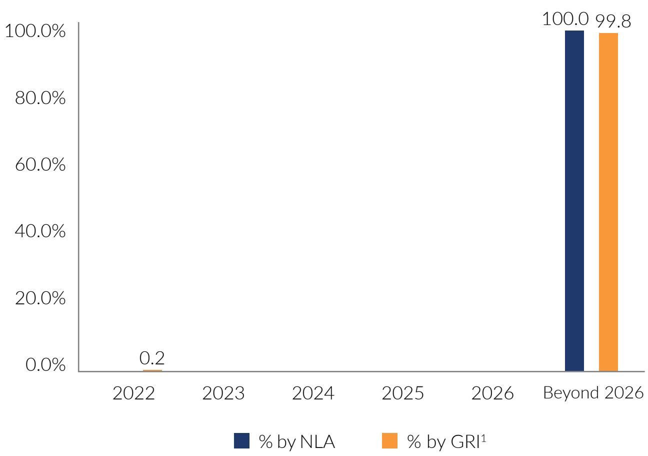
GROCERY & NECESSITY PROPERTIES

LAWNSIDE COMMONS

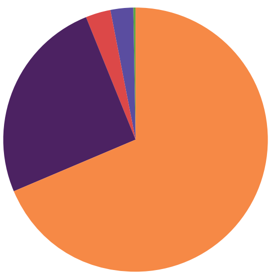
Lawnside Commons is a one-storey Grocery & Necessity property located along White House Pike in Lawnside, Camden County, New Jersey. The property is anchored by Home Depot which occupies 111,300 sq ft. The property contains four other tenants including PetSmart, Inc, Wendy's International, LLC, Sleepy's 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.

Location	**310 North White Horse Pike, Lawnside, Camden County, New Jersey 08045**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**151,076**
Property Value (US$ Million)	**34.6**
WALE by GRI[1] (years)	**6.7**
Number of Tenants	**5**
Key Tenants	**Home Depot, PetSmart**
Property Manager	**MCB Property Management, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Home Improvement	**68.7%**
Consumer Goods	**25.2%**
Food & Beverage	**3.1%**
Consumer Services	**2.8%**
Discounter/Outlet	**0.2%**

[1] Based on base rental income for the month of December 2021.

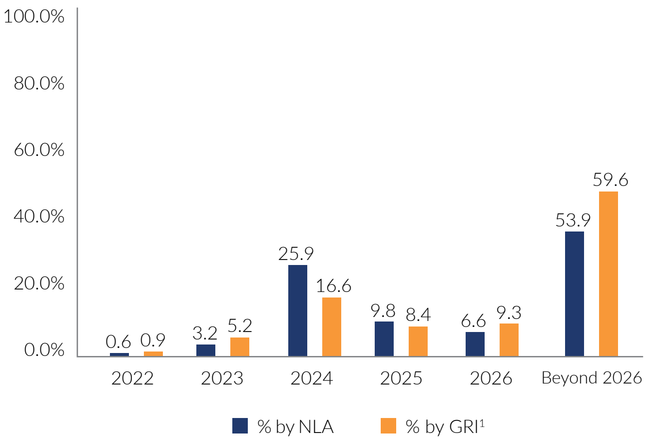
ST. LUCIE WEST

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 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.

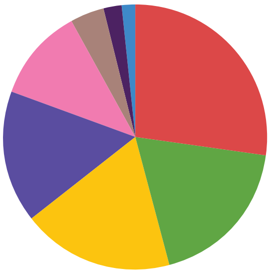
Location	**1315-1497 St. Lucie West Blvd, Port St. Lucie, St. Lucie County, Florida 34986**
Land Tenure	**Freehold**
Occupancy	**96.6%**
NLA (sq ft)	**318,323** (including New Publix Store)
Property Value (US$ Million)	**86.1**
WALE by GRI[1] (years)	**8.0**
Number of Tenants	**42**
Key Tenants	**Publix, LA Fitness, Burlington, HomeGoods**
Property Manager	**The Hampshire Companies, LLC**

[1] Based on base rental income for the month of December 2021.

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Food & Beverage	**27.4%**
Discounter/Outlet	**18.7%**
Grocery & Wholesale	**18.4%**
Consumer Services	**16.2%**
Fitness	**11.5%**
Dental Services	**4.1%**
Consumer Goods	**2.3%**
Financial Services	**1.4%**

PROPERTY SUMMARY

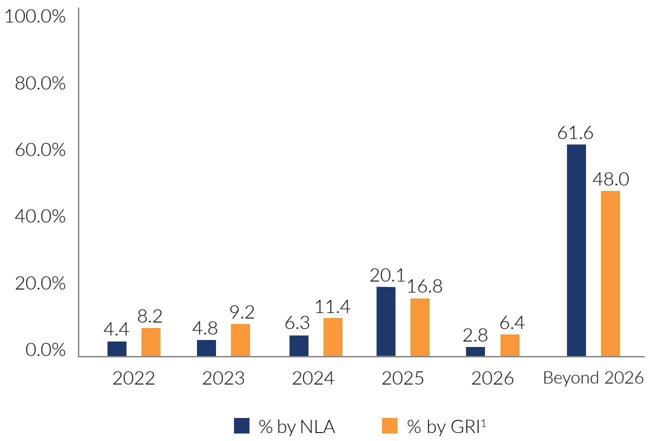
GROCERY & NECESSITY PROPERTIES

BIG PINE CENTER

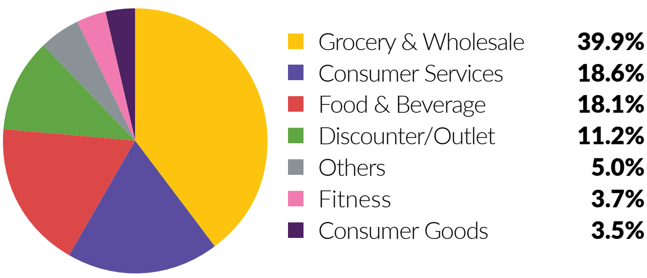
Big Pine Center is a Grocery & Necessity property in Monroe County, Florida that was renovated in 2018. The property comprises three single-storey buildings and is anchored by Winn Dixie and Beall's Outlet Stores. Big Pine Center is surrounded by residential uses with commercial and retail uses along 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.

Location	**251 Key Deer Boulevard, Big Pine Key, Monroe County, Florida 33043**
Land Tenure	**Freehold**
Occupancy	**92.3%**
NLA (sq ft)	**93,150**
Property Value (US$ Million)	**9.1**
WALE by GRI[1] (years)	**4.7**
Number of Tenants	**18**
Key Tenants	**Winn-Dixie, Beall's Outlet Store**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



[1] Based on base rental income for the month of December 2021.

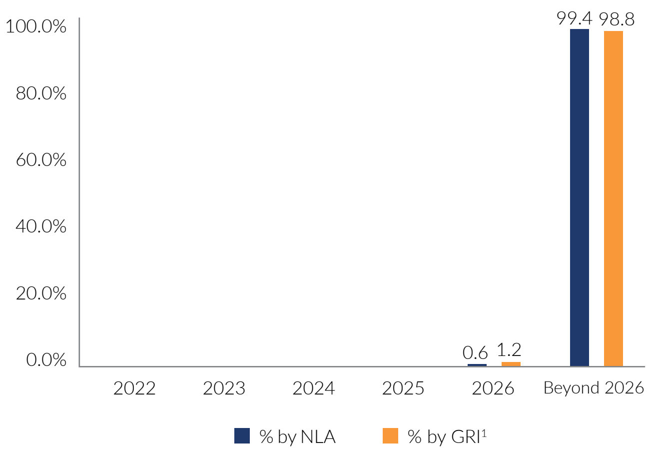
ARUNDEL PLAZA

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.

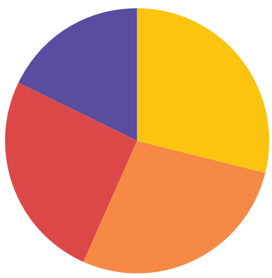
Location	**6604-6654 Ritchie Highway, Glen Burnie, Anne Arundel County, Maryland 21061**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**282,039**
Property Value (US$ Million)	**45.2**
WALE by GRI[1] (years)	**9.8**
Number of Tenants	**15**
Key Tenants	**Lowe's, Giant Food**
Property Manager	**MCB Property Management, LLC**

[1] Based on base rental income for the month of December 2021.

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Grocery & Wholesale	**29.1%**
Home Improvement	**27.6%**
Food & Beverage	**25.7%**
Consumer Services	**17.6%**

PROPERTY SUMMARY

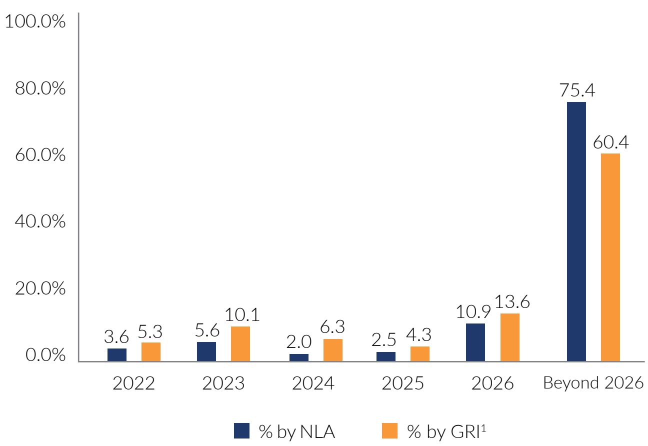
GROCERY & NECESSITY PROPERTIES

PARKWAY CROSSING

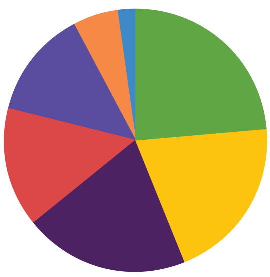
Parkway Crossing is a Grocery & Necessity property located in Parkville, Baltimore County, Maryland. It is anchored by Home Depot, ShopRite and Big Lots. Parkway Crossing is surrounded by a mix of residential uses. It is located near Morgan State University and Towson, and is also approximately five 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.

Location	**2331-2535 Cleanleigh Drive, Parkville, Baltimore County, Maryland 21234**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**260,241**
Property Value (US$ Million)	**27.3**
WALE by GRI[1] (years)	**6.4**
Number of Tenants	**23**
Key Tenants	**ShopRite, Home Depot, Big Lots**
Property Manager	**MCB Property Management, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



Discounter/Outlet	**23.8%**
Grocery & Wholesale	**20.3%**
Consumer Goods	**20.3%**
Food & Beverage	**14.7%**
Consumer Services	**13.2%**
Home Improvement	**5.7%**
Financial Services	**2.0%**

[1] Based on base rental income for the month of December 2021.

BJ'S QUINCY

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.

Location	**200 Crown Colony Drive, Quincy, Norfolk County, Massachusetts 02169**
Land Tenure	**Freehold**
Occupancy	**100.0%**
NLA (sq ft)	**84,360**
Property Value (US$ Million)	**34.8**
WALE by GRI[1] (years)	**8.3**
Number of Tenants	**1**
Sole Tenant	**BJ's Wholesale Club**
Property Manager	**The Hampshire Companies, LLC**

[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

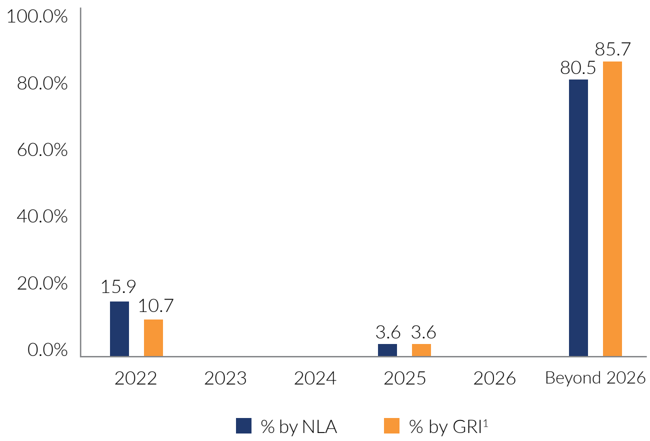
GROCERY & NECESSITY PROPERTIES

FAIRHAVEN PLAZA

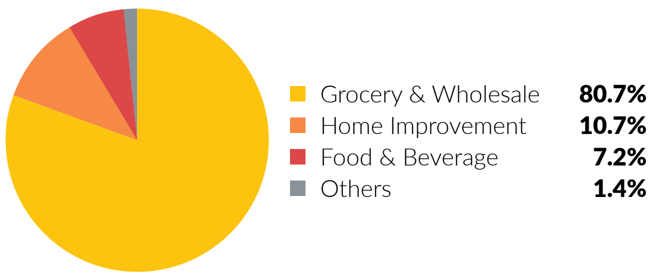
Fairhaven Plaza is a one-storey Grocery & Necessity property located along Huttleston Avenue in Fairhaven, Bristol County, Massachusetts. The property is anchored by Stop & Shop and other tenants include a hardware store and pizza restaurant. Fairhaven Plaza is immediately surrounded by retail uses which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

Location	**221 Huttleston Avenue, Fairhaven, Bristol County, Massachusetts 02719**
Land Tenure	**Freehold**
Occupancy	**96.7%**
NLA (sq ft)	**80,989**
Property Value (US$ Million)	**19.5**
WALE by GRI[1] (years)	**7.1**
Number of Tenants	**5**
Key Tenant	**Stop & Shop**
Property Manager	**The Hampshire Companies, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



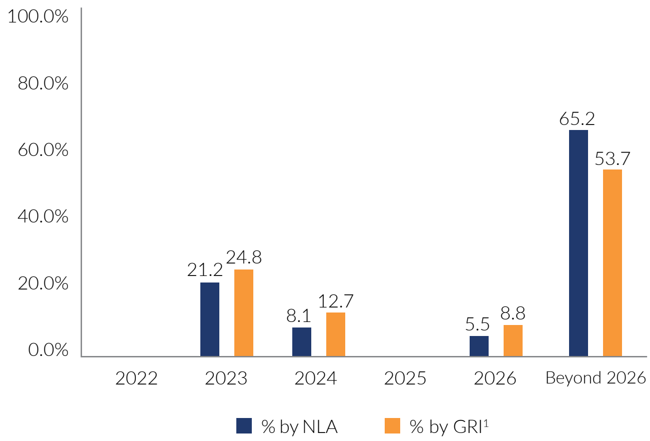
[1] Based on base rental income for the month of December 2021.

LYNNCROFT CENTER

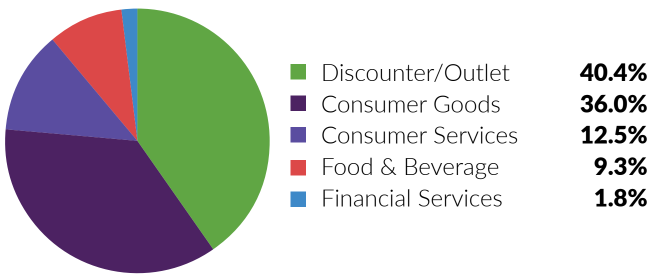
Lynncroft Center is a Grocery & Necessity property located along Evans Street in Greenville, Pitt County, North Carolina. It consists of six single-storey buildings and is anchored by Marshalls, Michaels, Best Buy, Ross and Bed Bath & Beyond. Lynncroft Center is surrounded by shopping centers, single-family 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.

Location	**3120-3160 Evans Street, Greenville, Pitt County, North Carolina 27834**
Land Tenure	**Freehold**
Occupancy	**97.7%**
NLA (sq ft)	**182,925**
Property Value (US$ Million)	**25.0**
WALE by GRI[1] (years)	**4.7**
Number of Tenants	**16**
Key Tenants	**Best Buy, Ross, Bed Bath & Beyond, Ulta, Marshalls, Michaels**
Property Manager	**MCB Property Management, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

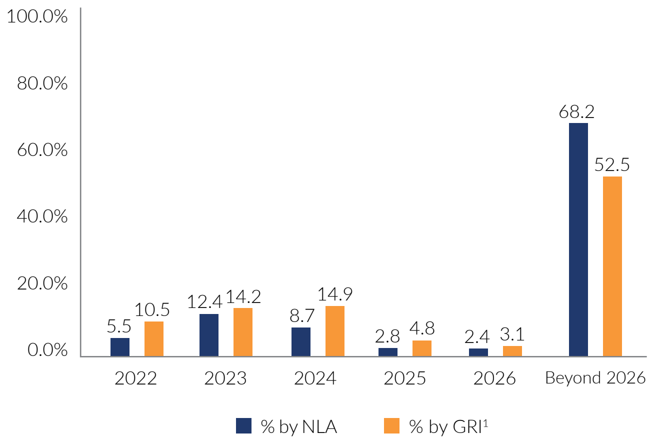
GROCERY & NECESSITY PROPERTIES

COLONIAL SQUARE

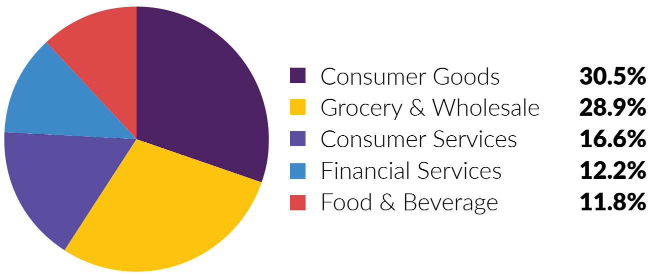
Colonial Square is a dominant grocery-anchored shopping center located in the centre of Colonial Heights, which is approximately 20-minute drive to Downtown Richmond, Virginia. It is strategically located at the intersection of Boulevard and East Ellerslie Avenue, offering superior access from surrounding neighbourhoods and main commuting corridors such as Boulevard, I-85 and I-95. Colonial Square is anchored by Publix and Locke Supply Co. There are relatively few grocery stores in the vicinity, and they do not have the reputational strength and superior inventory offerings as Publix.

Location	**3107 Boulevard, Colonial Heights, Virginia 23834**
Land Tenure	**Freehold**
Occupancy	**97.4%**
NLA (sq ft)	**168,326**
Property Value (US$ Million)	**26.4**
WALE by GRI[1] (years)	**6.1**
Number of Tenants	**19**
Key Tenants	**Publix, Locke Supply Co., Wells Fargo, Dollar General**
Property Manager	**MCB Property Management, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



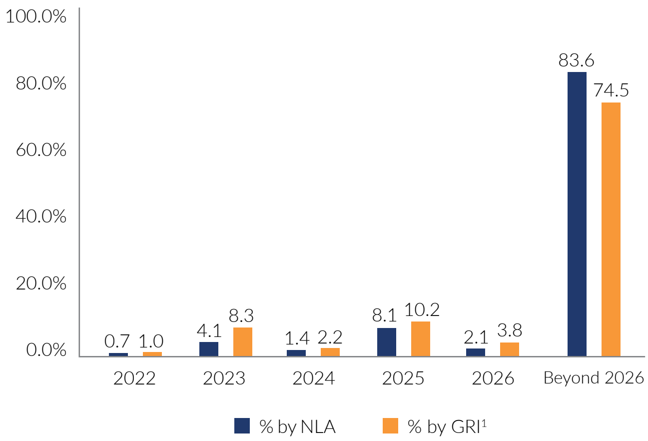
[1] Based on base rental income for the month of December 2021.

PENROSE PLAZA

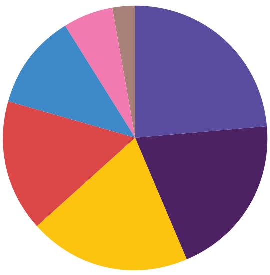
Penrose Plaza is a grocery-anchored community shopping center, positioned as the dominant retail destination serving the Eastwick section of Southwest Philadelphia, Pennsylvania. It is anchored by ShopRite, dd's Discounts and other national retailers. Penrose Plaza is strategically located at the intersection of Island Avenue and Lindbergh Boulevard and is minutes from the Philadelphia International Airport and major highway arteries, including I-76, I-95 and I-476. The neighbourhood is densely populated with limited retail options, and many consumers are within walking distance of Penrose Plaza.

Location	**2900 - 3000 Island Ave, Philadelphia, Pennsylvania 19153**
Land Tenure	**Freehold**
Occupancy	**94.1%**
NLA (sq ft)	**258,494**
Property Value (US$ Million)	**55.1**
WALE by GRI[1] (years)	**8.3**
Number of Tenants	**27**
Key Tenants	**ShopRite, dd's Discount, Dollar Tree, Citi Trends**
Property Manager	**MCB Property Management, LLC**

LEASE EXPIRY PROFILE
(As at 31 December 2021)



TRADE SECTOR BREAKDOWN
(By GRI[1])



[1] Based on base rental income for the month of December 2021.

PROPERTY SUMMARY

SELF-STORAGE PROPERTIES

CARTERET SELF-STORAGE

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.

Location	**6640 Industrial Highway, Carteret, Middlesex County, New Jersey 07008**
Land Tenure	**Freehold**
Occupancy	**88.1%**
NLA (sq ft)	**74,125**
Property Value (US$ Million)	**22.2**
Property Manager	**Extra Space Storage Inc.**

MILLBURN SELF-STORAGE

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, motionsensor lighting and a comprehensive sprinkler system.

Location	**30 Bleeker Street, Millburn, Essex County, New Jersey 07041**
Land Tenure	**Freehold**
Occupancy	**94.8%**
NLA (sq ft)	**80,943**
Property Value (US$ Million)	**24.5**
Property Manager	**Extra Space Storage Inc.**

ELIZABETH SELF-STORAGE

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.

On 23 February 2022, UHREIT announced the proposed sale of Elizabeth Self-Storage and is expected to complete the sale in 2Q 2022.

Location	**1189 Magnolia Avenue, Elizabeth, Union County, New Jersey 07201**
Land Tenure	**Freehold**
Occupancy	**64.1%**
NLA (sq ft)	**76,308**
Property Value (US$ Million)	**24.0**
Property Manager	**Extra Space Storage Inc.**

PERTH AMBOY SELF-STORAGE

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.

On 23 February 2022, UHREIT announced the proposed sale of Perth Amboy Self-Storage and is expected to complete the sale in 2Q 2022.

Location	**900 State Street, Perth Amboy, Middlesex County, New Jersey 08861**
Land Tenure	**Freehold**
Occupancy	**44.8%**
NLA (sq ft)	**68,898**
Property Value (US$ Million)	**20.4**
Property Manager	**Extra Space Storage Inc.**

INDEPENDENT MARKET RESEARCH

By Cushman & Wakefield
February 2022

EXECUTIVE SUMMARY

Key Findings & General Conclusions

Grocery-Anchored & Necessity Retail

- **Consumer Shopping Behavior Evolves** – COVID converted many dedicated in-store shoppers to fans of BOPIS, curbside pickup, and same-day delivery service. Of the $8.6 billion in online food sales in August 2021, $6.6 billion consisted of orders placed for pickup or home delivery by nearby retailers. Some of the largest retail chains are even drawing more foot traffic to their physical stores than prior to the pandemic. Curbside pick-up is one of many consumer behaviors that will endure after the pandemic. Much of this foot traffic is from curbside and BOPIS order fulfillment[1]. Target, Walmart, Best Buy, and Lowe's all embraced omnichannel in high profile ways, and all reported strong online and physical store sales growth in 2021[2].

- **Omnichannel Benefits from Micro-fulfillment** – Micro-fulfillment emerged as an essential component of omnichannel, providing scalable and flexible solutions for both retailers and consumers. Though the practice originated in the grocery sector, all types of retailers have deployed micro-fulfillment strategies. Micro-fulfillment centers typically are created within existing retail space and operate as a dedicated space to fill online and in-store orders that will be picked up via curbside, BOPIS, or delivery. Micro-fulfillment provides convenience to consumers and efficiency/cost savings to retailers. Target was one of many retailers that benefitted from implementing micro-fulfillment processes. When online orders are shipping from a Target store, fulfillment costs are 40% cheaper than orders shipping from a warehouse.

- **Grocery's Crucial Role in Retail's Recovery** – Grocery stores were among the first retailers to adopt omnichannel strategies even prior to the pandemic. Grocery-anchored shopping centers provide a substantially more integrated, streamlined shopping experience for consumers, compared to standalone grocery stores. As retail rebounded throughout 2021, investors have responded accordingly by targeting grocery- and necessity-anchored retail centers, especially those with discount retailers and off-price apparel tenants.

- **Essential Retailers Lead the Way** – Grocery & Necessity tenants provided stability to existing shopping centers, and their resilience has fueled much of the recovery's leasing activity. Grocers, discount retailers and off-price apparel (Dollar General, Family Dollar, Ross Dress for Less, Marshalls) drove the majority of shopping center leasing activity nationally, making 2021 the best year for retail leasing since 2017.

- **Omnichannel Helps Physical Stores Maintain Dominance, Thrive and Expand** – The role of physical space in delivering convenience and anchoring destinations is clearer now than it was prior to the pandemic. Brick-and-mortar stores are expected to play a growing role in cementing Amazon's dominance in convenience to consumers. Amazon operates 100+ physical locations throughout the U.S. in varying formats. Amazon Fresh stores are the most rapidly growing format, reflecting the ecommerce giant's bid to compete with traditional supermarkets (Stop & Shop, Publix) and big box retailers with major grocery components (Target and Walmart).

- **Curbside Pick-up Is Here to Stay** – Curbside pick-up is one of several consumer behaviors that will endure after the pandemic. Among Top 1000 retailers, the option of curbside pick-up fulfillment increased from 6.6% in early 2020 to 50.7% in early 2021[2]. Among retail categories, food/beverage retailers are the most likely to offer curbside pick-up with 70.0% of retailers in this category offering this omnichannel option, followed by toys/hobbies retailers (66.7%), sporting goods (60.0%) and health/beauty (57.1%)[2].

- **Retailers Adapt to the Present and Prepare for the Future** – The pandemic forced retailers to innovate solutions, adapt and refine their fulfillment strategies to accommodate consumer demand for a flexible, omnichannel shopping experience. Many retailers are emerging from the pandemic stronger than they were before it. COVID-19's shock to retail brought overdue changes that will bolster the sector's resilience, such as major investments in technology, artificial intelligence, omnichannel expansion, new methods to connect with consumers, and optimizing online delivery.

- **Ecommerce Sales Activity Peaks** – The plateauing of e-commerce's portion of overall retail sales in 2021 suggests a renewed balance between online and brick & mortar sales. As a result of the pandemic, e-commerce will retain a permanently larger share of overall sales, but the line between brick & mortar and pure online retail will continue to blur. Instead, these channels will emerge as powerful complements rather than substitutes in a retail space where consumers desire increasing flexibility.

[1] Digital Commerce 360; US Online Food Report; data as of October 2021
[2] Digital Commerce 360; Omnichannel Report; data as of March 2021

- **Retail Foot Traffic Rebounds** – In-store sales and foot traffic rebounded across all retail segments in 2021; according to Placer.ai, foot traffic at major discount stores like Burlington Coat Factory and Marshalls was up 3-8% from 2019 levels during Black Friday weekend. Even indoor malls, which experienced some of the sharpest decreases in foot traffic during the pandemic, were within 5% of 2019 levels[3].

- **Shopping Center Reconfiguration Is Part of the New Normal** – Shopping center design and configurations are shifting to accommodate the post-COVID world, adapting to the lingering consumer habits developed over the past several years. Many big box essential retailers like Walmart are seeking additional space on-site for fulfillment and expansion into health and wellness offerings such as primary and urgent care centers. Pharmacies and drug stores, many of which are already located within grocery stores, have been expanding their service offerings to include more healthcare services such as doctor's appointments and lab work.

- **The New Economy** – The pandemic accelerated many trends, particularly the increasing value in digital platforms and intangible investments. Today, the new economy refers to different aspects of technology that have emerged since the tech boom of the 1990s, such as the sharing economy, the streaming economy, the gig economy, the ecommerce economy, cloud computing, and artificial intelligence. More recently, the new economy has been used to refer to redesigning and reconfiguring existing systems and business models around sustainability and ESG considerations. Retailers' agility and consolidation of space helped it recover, and more diverse and compelling tenant mixes that will drive more resilient and sustainable shopping centers. Grocery- and necessity-anchored retail are more driven by demographics than economic growth, reducing volatility over typical business cycles.

Self-Storage Sector Trends

- **The Five D's are Primary Drivers of Self-Storage Demand** – Self-storage real estate benefits from broad-based demand, due to the ubiquitous need to store goods, particularly during major life events. 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.

- **Small Businesses Emerge as Target Demographic** – Small businesses, especially residential contractors and subcontractors, experienced widespread supply chain disruptions that adversely impacted construction operations. Delays in one building component can cause entire projects to be put on hiatus, and many small businesses relied on self-storage to store materials in the interim. Month-to-month flexibility, short lease terms, and convenience of access made self-storage an attractive and financially feasible alternative to leasing warehouse space.

- **Self-Storage Fueled by Increased Homeownership Rates** – Suburban migration trends, especially increased homeownership rates, have boosted self-storage utilization rates. More than 60% of all self-storage users have access to storage space in their own home (garage, basement, crawlspace, attic), and approximately 70% of self-storage users own single-family homes.

- **Working from Home Enhances 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. The surge in remote work caused homeowners to increase the amount of dedicated space for home offices and home gyms in their residences, driving massive demand for self-storage.

- **Self-Storage Inventory Increases Expected to Be Modest** – New self-storage deliveries are expected to be muted over the next three years through 2024. Construction delays, materials and labor shortages, and backlogs in permitting have constricted supply and will hinder near-term development of new inventory. Green Street forecasts a 3.0% overall growth in supply for 2022, a modest decrease from inventory growth in 2021.

- **Move-In Rates Surpass In-Place Rents** – Historically, move-in rates have trailed in-place rates. However, strong demand, all-time high occupancy levels, and limited new supply to meet the surge in demand caused move-in rates to exceed in-place rents.

[3] "148 Million Americans Plan to Shop Super Saturday." National Retail Federation, 14 Dec. 2021.

INDEPENDENT MARKET RESEARCH

U.S. Economy

- **Nearing Full Employment** – Through December 2021, the U.S. labor market recovered almost 19 million of the 22 million jobs lost in March and April 2020 due to the pandemic. Unemployment is declining nationwide; by November 2021, unemployment rates in every metro area of the U.S. were lower than a year earlier.

- **Strong GDP Growth Projected** – GDP growth for 2021 showed the strongest increase in nearly 40 years. Forecasts for 2022 are positive and GDP growth is projected to be strong but steadily slowing, though still above the U.S. economy's long-term average. Higher wages, high savings rates, increased business investment and homebuilding are major factors driving near-term growth. In 2022, real GDP is expected to grow from 4.0% to 5.0%.

- **Inflation on the Horizon** – Elevated inflation is being driven by both demand (stimulus, re-opening, excess savings, shifts in spending patterns) and supply-side factors (labor shortages, supply chain disruptions). These factors may keep inflation uncomfortably high in the coming quarters, but the underlying pressures will fade as pandemic-related disruption fades and as the supply-side of the economy rushes to meet demand.

- **Temporary Problems, Permanent Solutions** – The supply chain disruptions contributing to inflation are unlikely to be permanent, but the outsized supply chain stress of 2021 will likely lead to permanent changes in how companies manage their supplier relationships and how they manage inventory levels. Inflation is expected to persist in driving above-trend inflation in the coming quarters, and likely into 2023 before stabilizing thereafter.

- **Elevated Savings Rates and Pent-Up Consumer Demand** – Savings rates, although below peak levels recorded during the height of the pandemic, remain elevated (approximately 10%) compared to historic averages of approximately 7% (1991-2019). U.S. consumers have a tremendous amount of buying power and pent-up demand heading into 2022.

- **Real Estate Fundamentals Are Solid** – Real estate fundamentals for retail on a national basis have been strong with absorption and rents growing and vacancy continuing to fall. Consumers have shown strong demand to return to stores, and they are well situated to resume that trend as the effects of the pandemic recede.

STATE OF THE U.S. ECONOMY & CONSUMER

U.S. Economy and Macroeconomic Trends

a) GDP growth for all of 2021 reflected the strongest increase in nearly 40 years. Forecasts for 2022 are positive, and GDP growth is projected to be strong and slowing steadily though still above the U.S. economy's long-term average. Higher wages, high savings rates, increased business investment and homebuilding will drive near-term growth. Real GDP is expected to grow from 4.0% to 5.0% in 2022.

b) Through December 2021, the labor market has recovered almost 19 million of the 22 million jobs lost in March and April 2020 due to the pandemic. Steady declines in unemployment rates and strong wage growth indicate that the job market is rapidly approaching full employment. Additionally, the pandemic may have triggered 2.5 million excess retirements. The COVID recession was abnormal in that despite sharp decreases in employment and general economic activity, the values of assets (e.g., housing and stocks) rose substantially. There is some evidence that changes to asset values during a recession have an impact on labor force participation rates, especially for those closest to retirement.

c) Elevated inflation is being driven by both demand (stimulus, re-opening, excess savings, shifts in spending patterns) and supply-side factors (labor shortages, supply chain disruptions). These factors may keep inflation uncomfortably high in the coming quarters, but the underlying pressures will fade as pandemic-related disruption fades and as the supply-side of the economy rushes to meet demand. Although inflation has weighed on consumer confidence, it did not weaken consumer spending activity.

d) Savings rates, although below peak levels recorded during the height of the pandemic, remain elevated compared to historic averages (1991-2019). Current savings rates are almost at 10% and peaked at 26% during the pandemic, compared to the historical average at approximately 7%[4]. U.S. consumers have a tremendous amount of buying power and pent-up demand heading into 2022.

e) The success of COVID-19 vaccine rollouts helped fuel GDP growth during the recovery, a trend that is expected to continue throughout 2022, though not as dramatically as the growth in 2021. The Omicron variant presents potential risk to the current economic rebound; as of February 2022, COVID-19 cases nationwide are high but declining. However, increasing vaccination rates and

[4] Cushman & Wakefield, 10 Things to Watch in 2022 (Published Jan. 25, 2022)

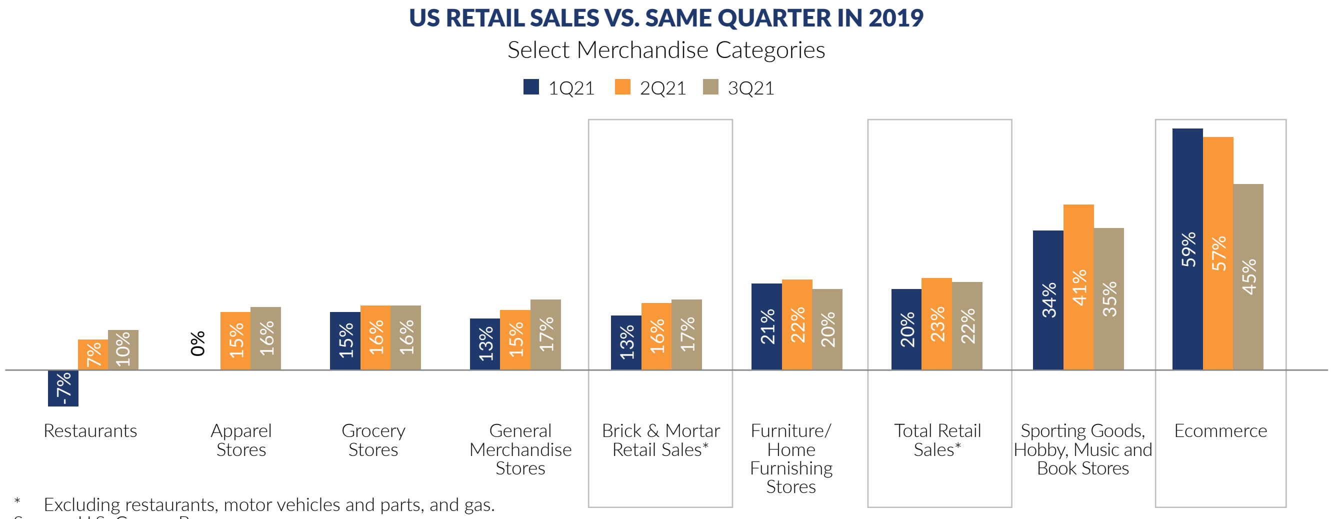
implementation of public health measures that reduce virus transmissibility (social distancing, mask-wearing, etc.) should help mitigate the risk of another major lockdown.

Retail Sales Trends

a) Retail sales in 2021 increased 19.3% year-over-year to $7.4 trillion; retail sales excluding autos and gas were up 16.5%; retail sales excluding food services were up 17.9% over the same period[5]. Despite challenges posed by the Omicron COVID-19 variant and supply-chain constraints to conventional shopping habits, consumer demand during the holiday season was the strongest it has been in years. Holiday sales (retail excluding autos) for November 1 through December 24 rose 8.5% year-over-year – the fastest pace in 17 years.

b) Moody's Analytics estimates that sales at retail stores and restaurants jumped from $1.63 trillion in the fourth quarter of 2020 to $1.92 trillion in the fourth quarter of 2021, an annual growth rate of 18.4%. While e-commerce's portion of total retail sales rose dramatically during 2020, there has been a notable plateauing of this share in the following year. E-commerce accounted for about 21% of total holiday sales, only marginally higher than in 2020, but up substantially from the 14.6% share in 2019, according to Mastercard SpendingPulse[6]. When compared to third quarter 2019, e-commerce sales in third quarter 2021 grew by 45%. E-commerce penetration accounted for 13% of total retail sales in third quarter 2021, compared to just 10.9% in third quarter 2019, but appears to plateau in the 13% watermarks for five consecutive quarters[7].

c) U.S retail sales in 2021 vs. same quarter in 2019 for various retail categories are summarized as follows[8]:



* Excluding restaurants, motor vehicles and parts, and gas.
Source: U.S. Census Bureau

d) A notable consumer behavior trend that has developed is a wider shopping window that began in late September, compared to previous years. Many consumers did in-person and online shopping earlier than in previous years, anticipating logistics and delivery challenges. This wider time frame allowed logistics and warehousing firms to alleviate delays[3]. Retailers prepared for the holiday season months in advance by offering their seasonal inventory earlier than previous years and taking proactive measures to avoid supply-chain challenges.

e) Additionally, a National Retail Federation survey reported that 65% of consumers planned to shop the week after Christmas[3], widening the holiday shopping window even further. For many consumers, this led to a more enjoyable and less stressful shopping experience. This trend is likely to continue in the post-pandemic retail landscape.

Consumer Income & Spending Trends

a) Although the stimulus impacts have already materialized, households have been accumulating savings during the past two years which will support retail growth and expansion in 2022. Particularly, travel, dining and entertainment sectors are expected to recover thanks to strong wage growth and favorable job market that empowers consumers. Robust consumer spending has driven much of 2021's economic growth[4].

[5] Cushman & Wakefield National Retail Analysis, Valuation & Advisory Research (February 2022)
[6] Mastercard SpendingPulse: "U.S. Retail Sales Grew 8.5% This Holiday Season" (December 26, 2021)
[7] Fahey, Ashley. "How Will Property Owners and Cities Fill in the Holes Left behind by Malls?" The Business Journals, 22 Nov. 2021
[8] Green Street REIT Strip Center Sector Update (December 3, 2021)

INDEPENDENT MARKET RESEARCH

b) Throughout most of the pandemic, service-industry based consumer spending decreased while spending for durable goods skyrocketed. Changes to the U.S. economy's wage, stimulus-fueled consumer spending, and price dynamics led to outsized increases inflation as labor shortages and supply-chain disruptions strained production and sales of goods and services demanded by consumers[9]. Real spending on durable goods was nearly 20% higher than it was pre-pandemic, while spending on services was down 2%[10].

c) Historically, consumer spending on durable goods contracts during recessionary periods; consumer spending under the recessionary conditions caused by the pandemic were an anomaly. The increased demand for durable goods was not expected based on historical behavioral trends. The cost of services has increased over the pandemic, but they have simply returned to prepandemic levels. The cost of durable and non-durable goods, however, has increased to the highest levels in 40 years[10].

d) Consumers continue to shift spending to digital, in part due to concerns about in store shopping and store closures related to the pandemic, but also because of the increased convenience due to multiple fulfillment options and a better consumer experience.

e) Savings rates, although below peak levels recorded during the height of the pandemic, remain elevated compared to historic averages (1991-2019). U.S. consumers have a tremendous amount of buying power and pent-up demand heading into 2022[4].

Employment/Unemployment Trends

a) Through December 2021, the labor market has recovered nearly 19 million of the 22 million jobs lost in March and April 2020 due to the COVID-19 pandemic. Labor force participation was at 61.9% as of December 2021, only slightly lower than pre-pandemic labor force participation rate at 63.0%[11]. Employment figures surveyed from households rather than employers in November 2021 showed the largest increase since October 2020[11]. Additionally, monthly job growth revisions have been higher than normal – revised job growth for October 2021 increased by more than 100,000[11]. Revised job numbers for December 2021 likewise may be significantly higher than initially reported.

b) Retail employment increased substantially month-over-month in October 2021 (+50.6%) before dipping slightly in November (-13.3%) and December (-2.1%). Within retail, warehouse clubs and supercenters (Costco, BJ's, Walmart, Target) posted the highest month-over-month employment increases in December 2021 at 15.0%. Miscellaneous store retailers posted a 5.8% increase, and non-store retailers posted the most modest increase at 0.5%[12].

c) Food service employment rebounded significantly year-over-year (+16.6%) and month-over-month (+42.6%) in December 2021[13]. This segment of the accommodations industry struggled throughout the pandemic, but experienced steady gains and increased job stability throughout 2021 despite the economic impacts of the Delta and Omicron COVID-19 variants.

d) Average weekly hours worked in the retail trade sector have rebounded[13], another positive sign for employment and evidence that increased retail economic activity and consumer spending enabled retailers to hire and rehire employees to work at least 30 hours per week on average.

e) All nonfarm industry sectors showed year-over-year stability in hours worked[13]. Most jobs held by workers with only a high school diploma are concentrated in the hospitality and retail industries, which experienced some of the most pronounced employment volatility during the pandemic. BLS data indicates a strong correlation between education levels and reported employment changes due to reduction in hours. The stabilization of hours worked in the service industries coincides with the positive employment growth in this sector; although there is still progress to be made, the majority of jobs in the service industry have returned.

[9] Inflation Remains Wild Card in U.S. GDP Outlook for 2022. Federal Reserve Bank of St. Louis, 13 Jan. 2022.

[10] Cushman & Wakefield Research; Inflation Spotlight (November 2021)

[11] PNC Financial Services, Global Economic Highlights (January 2022)

[12] U.S. Bureau of Labor Statistics, "The Employment Situation" (December 2021)

[13] Alison Auginbaugh and Donna S. Rothstein, "How did employment change during the COVID-19 pandemic? Evidence from a new BLS survey supplement," Beyond the Numbers: Employment and Unemployment, vol. 11, no. 1 (U.S. Bureau of Labor Statistics, January 2022), https://www.bls.gov/opub/btn/volume-11/how-did-employment-change-during-the-covid-19-pandemic.htm

CUSHMAN & WAKEFIELD

Inflation Trends

a) Inflation, and even consumer price inflation, has been substantial over the past year; the consumer price index for all urban consumers (who represent 93% of the total U.S. population[14]) increased 7.0%[15].

b) The strong rebound in real GDP growth in 2021 has been accompanied by high inflation, a development that was not anticipated by most forecasters[9]. The primary driver of inflation in the U.S. and globally has been supply-chain disruptions[10].

c) Supply-chain disruptions depressed consumer purchases of durable goods, homebuilding, business fixed investments and business inventory accumulation. Vaccine-fueled openings along with federal aid led to a surge in spending in Spring 2021[16].

d) The consumer price index rose to a near 40-year high of 7.1% in December, as clogged U.S. ports as well as a shortage of truck drivers and other labor caused major delays in moving products across the country resulting in a shortage of goods[5].

e) Much of the inflation occurring is demand-pull, which occurs when consumers have more money and want to spend it, but in an environment with too few goods and services available to purchase[14].

f) The resulting price increases in early 2021 were limited to specific consumer segments, such as new and used cars, rental cars (many of which were sold at the onset of the pandemic), and airfare. However, prices are increasing more rapidly for many more items due to supply and demand mismatches, higher input prices, and higher labor costs[16].

g) Inflation remains a wild card and is on track to be the highest it has been in 30 years. Rising inflation expectations may mean that households, organizations and financial market participants expect inflation to persist for longer than Fed policymakers expect. Measures that the Fed has signaled they will be taking to curb inflation include ending asset purchases and potentially raising interest rates.

Overall Consumer Outlook

a) Repeated surges in demand for durable goods are unlikely; households do not require multiples of most durable goods. As consumer spending gradually shifts back towards services rather than durable goods, supply chain pressures will ease, and rapidly increasing prices caused by surges in demand for these goods should abate.

b) The near-term outlook is cautiously optimistic; higher wages will support consumer spending and GDP growth[9], as increases in labor costs generally benefit households who will spend more freely in their local and regional economies.

c) Real estate fundamentals for retail on a national basis have been strong with absorption and rents growing and vacancy continuing to fall. Consumers have shown strong demand to return to stores, and they are well situated to resume that trend as the effects of the pandemic recede. As cases eventually decline, consumers will be armed with spending power in the form of rising incomes and wealth, improved confidence and excess savings[17].

POST-COVID OUTLOOK & IMPACT

COVID Variants and Impact

After several false starts to the recovery, the economy rebounded in earnest throughout 2021. There will not be a return to normal – and this is not a bad thing. Flexibility and convenience will drive the shape of things to come for at least the next decade, which will better prepare every property sector for future disruption.

There is now much greater understanding of the coronavirus than at the onset of the pandemic – how it is transmitted, how it can be controlled, and how to carry on despite its presence. The latest wave of Omicron cases did not shake retail as much as the Delta variant did during summer of 2021[18]. Consumer spending held up remarkably well even as infections from the Delta variant surged this summer, and spending continued to revert from goods to more normal levels of services like travel and spas – very positive signs for the economy. But rising infection levels risked triggering another pullback in consumer spending, but consumer spending surged to record levels throughout the holiday shopping season.

[14] A Dollar's Worth: Inflation Is Real. Federal Reserve Bank of St. Louis (October 2021)
[15] U.S. Bureau of Labor Statistics, Consumer Price Index Report – December 2021 (January 2022)
[16] PNC Financial Services, National Economic Outlook (December 2021)
[17] Cushman & Wakefield U.S. Shopping Centers MarketBeat Report (4Q 2021)
[18] Green Street US Strip Center Sector Outlook (January 2022)

INDEPENDENT MARKET RESEARCH

While future mandatory lockdowns remain unlikely, travel restrictions and capacity constraints could remain for a long time and negatively affect retail performance. Better knowledge of the virus has reduced but by no means eliminated the uncertainty. Global supply chain disruptions remain a material risk, especially due to its impact on inflation. Companies will need to reconfigure and be strategic with their vendor relationships to prevent supply-chain bottlenecks that can potentially depress consumption of durable and non-durable goods.

New business formations are at their highest level in two decades, with a large share in retailing. This spike in entrepreneurship has been one of the lesser known but critical drivers of the economic recovery, particularly for the retail sector. Multiple factors account for this spike, which is highly unusual during recessions, but generally involve the highly unusual nature of this recession. Wealth and savings increased, for example, providing capital for budding entrepreneurs. Moreover, large portions of the economy remained strong throughout the pandemic while income rose, providing a solid base of demand for new businesses.

As retail continues through a stage of evolution, new concepts, technologies, and distribution strategies are radically changing the way Americans consume, and will continue to do so as new innovations emerge. Consumers continue shifting to digital, partly due to public health concerns but also because of the increased convenience options and better consumer experience. To survive, the best and most agile brands will embrace these changes and adapt with new omnichannel strategies. The winners will be quality concepts and projects that blend convenience with experience as the gap in performance between Class A retail real estate and other retail products widens. Necessity-based retail including good grocery anchored neighborhood centers are expected to remain the investment of choice. Investors look for credit and term and are very attracted to retailers deemed essential.

The pandemic has widened the delta between the "haves" and "have-nots" and this trend will continue to persist in the foreseeable future. Unkept class B/C properties in older, lower income neighborhoods will continue to struggle, while newer "destination" type properties will reap the benefits of a populous excited to get out of their homes, socialize, and spend. After being on a downtrend since 2016, employment in the retail sector is projected to rise to new record levels over the next few years. Stronger consumer spending will drive retail business expansion and new concepts, creating more jobs and higher demand for retail space. Post-pandemic, consumers will be spending more than ever at brick-and-mortar stores.

Retailers Adapt, Recover and Thrive

Many retailers are emerging from the pandemic stronger than they were before it. COVID-19's shock to retail brought overdue changes that will bolster the sector's resilience, such as major investments in technology, artificial intelligence, omnichannel expansion, new methods to connect with consumers, and optimizing online delivery[19].

Challenges for retail remain, but the sector is evolving. The role of physical space in delivering convenience and anchoring destinations is clearer now than it was prior to the pandemic. The retail market recovery will be polarized, but necessity-anchored assets will continue performing well. The recovery of tenants adjacent to these necessity-focused retailers will also benefit these grocery and necessity-anchored spaces by generating additional foot traffic from customers and nearby businesses that depend on their goods and services.

E-commerce remained a driving force of retail sales activity and has emerged as a powerful complement to in-store shopping rather than a competitor. The pandemic forced retailers to innovate solutions, adapt and refine their fulfillment strategies to accommodate consumer demand for a flexible, omnichannel shopping experience. Retailers who have outperformed in omnichannel offerings are likely to continue to gain market share and expand their store footprints. Many of these strategic solutions have become the new normal. Consumers have benefited immensely from the time saved by shopping online and picking up in-store or curbside, and they are likely to maintain their preferences even after the pandemic has subsided due to the time and energy savings.

The plateauing of e-commerce's portion of overall retail sales in 2021 suggests a renewed balance between online and brick & mortar sales. As a result of the pandemic, e-commerce will retain a permanently larger share of overall sales, but the line between brick & mortar and pure online retail will continue to blur. Instead, these channels will emerge as powerful complements rather than substitutes in a retail space where consumers desire increasing flexibility. Traditional retail centers should continue to experience strong foot traffic. According to Placer.ai, foot traffic at leading discount stores during Q4 2021 was up between 3-8% from 2019 levels during Black Friday weekend. Indoor malls were only 5% below 2019 levels for foot traffic[17].

[19] Townsend, Matthew. "Retail's Battle With Covid Actually Saved Its Stores." Bloomberg, 21 Dec. 2021.

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GROCERY & NECESSITY RETAIL

Grocery-Anchored and Necessity Retail Trends

a) Throughout the pandemic, grocery- and necessity-anchored properties remained the investment of choice. Essential retailers like grocers, warehouse clubs and sellers of discount durable and non-durable goods outperformed during lockdowns and provided stability as retail overall underwent major contractions and changes.

b) Robust sales drove increased demand for retail space throughout 2021, accelerating retail rent growth and occupancy rates. Occupancy has generally returned to pre-pandemic levels due to the mass of consumers returning to their normal shopping habits; neighborhood shopping center occupancy was at approximately 94.0% in the first quarter of 2020, dropped to approximately 92.0.% in the second quarter of 2021, and by the third quarter of 2021 rose to 93.0%[18]. Shopping centers saw the highest demand for space and the highest year-over-year rent increases at 3.4% and 3.2%, respectively[20].

c) Certain types of retail have understandably struggled to survive the pandemic, while other segments such as food & beverage, big-box stores, digitally native brands and medical retail have thrived amid shifting consumer demand. On net, there are more positive than negative demand drivers for retail real estate leasing. Store openings at last surpassed store closings after a net loss of more than 15,900 stores in 2020. By the end of December 2021, major retailers had announced 5,083 store openings as opposed to 5,079 store closures according to Coresight Research[17]. Brand identity, consumer experience, and the physical store have proven essential to profitability and even digitally native brands are opening brick-and-mortar shops.

Malls vs. Shopping Centers

a) 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.

b) 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.

c) 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.

d) 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[21].

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: ICSC

20 Matthews Real Estate Investment Services, Retail End of Year Report: 2021

21 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.

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Physical Store Remains Epicenter of Consumer's Shopping Experience

a) The physical store remains the anchor of consumers' shopping experience. Of the $8.6 billion in online food sales in August 2021, $6.6 billion consisted of orders placed for pickup or home delivery by nearby retailers. As mask mandates receded, pre-pandemic shopping behavior for groceries still did not resume – BOPIS and curbside omnichannel methods remained the method of choice for most shoppers who had been using them during lockdowns[1].

b) Retailers like Dollar General, TJX Companies, and major grocers powered an outsized share of leasing activity in 2021. Overall brick and mortar retail sales reached historic numbers with discount retailers, grocers, and off-price apparel stores were among the best-performing retailers[20]. Digitally native brands, including Warby Parker, Glossier, Brooklinen, Birchbox, and Allbirds, are adding brick-and-mortar locations. The physical store, especially in open-air shopping centers, remains an essential part of retailers' real estate strategies for maximizing market penetration.

c) The challenges facing retail are now structural, not cyclical and the acceleration of online retail sales is one catalyst for the disruption. While some retail sectors are already operating at 40% online penetration, it is unlikely that total e-commerce penetration for all retail will surpass the 20% mark in the next decade. Digital channels will not replace bricks and mortar, but most retail categories will not need as many stores[5].

d) The pandemic changed the way we shop, and many of these changes involve improvements to the in-store shopping experience. Some of the largest retail chains are even drawing more foot traffic to their physical stores than prior to the pandemic. Much of this foot traffic is from curbside and BOPIS order fulfillment[1].

e) Brick-and-mortar stores are expected to play a growing role in cementing Amazon's dominance in convenience to consumers. Amazon operates 100+ physical locations throughout the U.S. in varying formats. Amazon Fresh stores are the most rapidly growing format, reflecting the ecommerce giant's bid to compete with traditional supermarkets (Stop & Shop, Publix) and big box retailers with major grocery components (Target and Walmart)[22].

Omnichannel and Micro-Fulfillment

a) The pandemic accelerated what has been a steady increase in consumer demand for contact-free and omnichannel shopping options. COVID converted many dedicated in-store shoppers to fans of BOPIS, curbside pickup, and same-day delivery service. The physical store plays a critical role in the sustainability of these new shopping preferences and plays an essential role in successful ecommerce growth for retailers. Target, Walmart, Best Buy, and Lowe's all embraced omnichannel in high profile ways, and all reported online and physical store sales growth in 2021[2].

b) Micro-fulfillment emerged as an essential component of omnichannel, providing scalable and flexible solutions for both retailers and consumers. Though the practice originated in the grocery sector, all types of retailers have deployed micro-fulfillment strategies. Micro-fulfillment centers typically are created within existing retail space and operate as a dedicated space to fill online and in-store orders that will be picked up via curbside, BOPIS, or delivery.

c) Micro-fulfillment provides convenience to consumers and efficiency/cost savings to retailers. Increased digital sales can adversely impact profitability, since shipping costs shrink overall profit margins. Target, which saw 145.0% web sales growth in 2020, was one of many retailers that benefitted from implementing micro-fulfillment processes. When online orders are shipping from a Target store, fulfillment costs are 40% cheaper than orders shipping from a warehouse. Fulfilling same-day orders through Shipt, a third-party delivery service, costs 90% less than shipping from a warehouse[23].

In-Store Shopping

a) Pricing and merchandising strategies have historically fueled the success of discount and off-price retailers (Ollie's, Beall's, Ross Dress for Less). These strategies pre-date the pandemic and have helped them remain e-commerce resistant while appealing to a broad base of consumers with curated, rotating inventory.

b) Retailers in this category made having fun a priority for their in-store shopping experiences by stocking unique, dynamic products from hundreds of vendors at affordable prices. The "treasure hunt" style of shopping experience ensures that consumers will almost always find something new and interesting, resulting in repeat trips to the store.

[22] Digital Commerce 360; The Amazon Report; data as of September 2021

[23] Digital Commerce 360; Top 500 Report; data as of April 2021

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Curbside Pick-up

a) Curbside pick-up is one of several consumer behaviors that will endure after the pandemic. Of the 210 retail chains within the top 1000 retailers, the number of retailers offering of curbside pick-up fulfillment increased from 6.6% in early 2020 to 50.7% in early 2021[2]. Among retail categories, food/beverage retailers are the most likely to offer curbside pick-up with 70.0% of retailers in this category offering this omnichannel option, followed by toys/hobbies retailers (66.7%), sporting goods (60.0%) and health/beauty (57.1%)[2]. Research by GlobalData suggests that 68% of U.S. shoppers plan to use curbside pickup at stores more in the future and roughly 60% say they will collect more of their online purchases from inside stores[5].

b) Curbside pick-up helped retailers mitigate store sales losses due to lockdown mandates. Mass merchants like Target and Walmart, home goods chain Bed Bath & Beyond, and crafts retailer Michaels launched curbside pick-up service in March 2020. Cosmetics chain Ulta Beauty introduced curbside pick-up at 70 stores in April 2020, and expanded this service offering to more than 800 locations – or two-thirds of the retailers' total locations[2].

BOPIS (Buy Online, Pick-up in Store)

a) 31% of shoppers surveyed reported using BOPIS for non-grocery items and 22% had used BOPIS for groceries. Comparatively, 19% of respondents ordered groceries via home delivery, a shopping method that is expected to see incremental growth going forward due to its convenience and largely positive customer experiences[2].

Delivery & Third-Party Shopping Services

a) A notable trend that emerged during the pandemic was the increase of on-demand delivery service for more than groceries. Consumers began purchasing apparel/accessories, consumer electronics, housewares, health/beauty goods and goods form mass merchants through these third-party shopping apps that relied on physical stores for micro-fulfillment.

b) To reach customers who cannot or do not want to drive to physical stores, may retailers expanded or created on-demand local delivery service. Many of these retailers utilized third-party on-demand platforms like Instacart, Postmates, DoorDash and Shipt to interact with and deliver goods to customers. Consumers have also shown interest in same-day delivery; 26% use same-day delivery with Amazon, 20% with store-based retailers, and 8% with web-only merchants[2].

GROCERY/NECESSITY ANCHORED SHOPPING CENTERS LEAD THE RETAIL RECOVERY

Tenancy Strengths & Challenges

a) Necessity and grocery tenants provided stability to existing shopping centers, and their resilience has fueled much of the recovery's leasing activity. Grocers, discount retailers and off-price apparel (Dollar General, Family Dollar, Ross Dress for Less), Marshalls drove the majority of shopping center leasing activity nationally, making 2021 the best year for retail leasing since 2017[20].

b) Tenancy challenges in 2021 were predominantly limited to retailers that were slower to adopt and implement omnichannel options for consumers, non-essential retailers of durable and non-durable goods, and service-based tenants whose businesses were adversely impacted by pandemic-related lockdowns and mandates. Going forward, a challenge facing retail tenants will be strong demand for junior anchor box spaces with few availabilities.

c) Omicron will indeed have a near-term impact on retail markets, but not nearly to the extent that was seen in 2020. Markets with UHREIT portfolio properties have not been adversely affected by the Omicron variant, although some major markets in the U.S. have re-introduced mask mandates and other "soft" restrictions, leading to reduced traffic for restaurants and some retailers. According to OpenTable, the occupied percentage of restaurant seats compared to 2019 values fell from near 100% for Q2 and Q3 2021 to around 90% in December. However, Omicron's effects on retail will likely be limited and temporary, as a higher number of vaccinated Americans should keep hospitalization rates manageable[17].

Innovation and Reinvention in the Retail Sector

a) Shopping center design and configurations are shifting to accommodate the post-COVID world, adapting to the lingering consumer habits developed over the past several years. Retail reconfigurations are trending toward incorporating mixed-use elements, new amenities and on-site services, and offerings that draw foot traffic to retailers. Investors continue targeting mixed-use projects that incorporate culture, community, and retail in one location, with increasing interest in how sustainability, wellbeing and healthcare offerings can be integrated[20].

b) Many big box essential retailers like Walmart are seeking additional space on-site for fulfillment and expansion into health and wellness offerings such as primary and urgent care centers. Pharmacies and drug stores, many of which are already located within grocery stores, have been expanding their service offerings to include more healthcare services such as doctor's appointments and lab work.

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c) Some retailers have considered developing or opening micro-fulfillment centers in locations close to customers but that are removed from their retail footprints. Other retailers have explored the possibility of converting back-room storage in some stores into fulfillment areas that function as a last-mile distribution center for customers. However, fulfillment operations are labor-intensive, and persistent labor challenges in retail may not make these options feasible[7].

d) Other innovative trends in retail include the implementation of robots and artificial intelligence. Walmart and Amazon are two major retailers deploying robotics in their business operations. Walmart has tested helicopter-style drones to deliver grocery and household essentials and has announced plans to test long-range drones that can deliver within a 50-mile radius of a store[24]. In addition to groceries, these drones will make on-demand deliveries of health and wellness products, with the potential to expand to general merchandise.

e) Robotic delivery technology is also an opportunity for retailers to expand omnichannel options for consumers, reduce waste and environmental damage and align with ESG initiatives. Lightweight, battery-powered bots can fulfill orders with lower environmental impact and for less money than cars with human delivery drivers[24].

f) This technology has been slower to adopt than other types of robotics; government regulations for drone delivery flights are not yet complete, and widespread drone deliveries could still be years away due to regulatory hurdles. Though they will be more cost-effective to utilize in the long term, manufacturing of robotic delivery vehicles are still expensive to manufacture. Another challenge facing robotics is integrating delivery bot services into online retail ordering platforms[24].

g) Approximately 37.5% of consumer goods/retail industry respondents surveyed by McKinsey indicated their business operations relied on AI for at least one business function[25]. AI and machine learning have played a major role in studying retail foot traffic data. Placer.ai foot traffic data is based on geolocation and proximity data collected from 30 million mobile devices in the U.S. This data is used to make foot traffic estimates about overall visits to any location. Sensormatic is a company that tracks store visitors using traffic county devices at entrances and throughout the store to provide insight into consumer behaviors[26].

h) Foot traffic data gathered via artificial intelligence in 2021 is likely to shape retailers' holiday shopping season in the future. Consumers are shopping more throughout the month rather than concentrating on Black Friday[26]. This trend is likely to continue, as shoppers and retailers both benefited from the increase in flexibility and more manageable consumer demand.

ESG Initiatives and New Economy Trends

a) Market priorities are shifting - profit and return motives are often the least-cited motivator for ESG activity and investments. Client, investor and stakeholder demand is overwhelmingly the number one driving force behind increased interest in ESG as an investment consideration. The pandemic did not dampen the importance of ESG for; enthusiasm for green assets increased. There was only a 5% decrease in occupier demand for green buildings, and only a 6% decrease from the investor side[25].

b) As a result of new user patterns and a demand for greater sustainability, reworking existing properties and building more effectively will be a priority and an opportunity, especially in core markets that have had less focus on ESG to date[27].

c) Some ESG trends also focus on the health and social equity aspects of properties, such as accessibility via public transit (which has fueled the transit-oriented development trend), property tech that supports public health and wellbeing (e.g., building certifications such as WELL/Fitwel responded to the pandemic by recommending strategies that mitigate the spread of infectious disease[28]), and strategic tenant mixes that serve a broad range of community needs. Grocery-anchored retail does more than provide integrated shopping experiences for consumers; it increases access to jobs, economic opportunity, and services for residents who may have limited time or mobility options.

d) Currently, electric vehicle owners have limited public charging options, relying heavily on overnight charging at their private residences. Big-box retailers such as Walmart, Target, or Costco, are increasingly offering a solution by integrating EV charging with consumers' errands. This option is appealing to retailers, as 89% of EV drivers typically make a purchase while charging on location and the addition of them makes comparatively little difference to a site's monthly electricity use[29]. The inclusion of EV charging stations on retail sites continues a trend of

24 Digital Commerce 360; Fulfillment Report; data as of August 2021
25 RICS World Built Environment Forum 2021 (Surveys Conducted in Q2 2021)
26 Salois, Gretchen. "Black Friday 2021 foot traffic rebounds after last year's sharp decline." Digital Commerce 360, 2 Dec. 2021.
27 Cushman & Wakefield: The Signal Report (January 2022)
28 Urban Land Institute, Health and Social Equity in Real Estate: State of the Market (November 2020)
29 Madeline Gilleran, Eric Bonnema, Jason Woods, Partha Mishra, Ian Doebber, Chad Hunter, Matt Mitchell, Margaret Mann, "Impact of electric vehicle charging on the power demand of retail buildings", Advances in Applied Energy, Volume 4, 2021.

providing access to vehicle fuel access to shoppers. The U.S. government's $1T infrastructure bill includes a $5B investment to build electric vehicle charging stations nationwide to ease dependence on gas-powered cars.

e) New, high-growth industries that proactively integrate technology into their present and future operations have been considered major driving forces behind economic growth and productivity. As technology and the Internet transformed the way that companies do business, traditional manufacturing fell out of favor, and operating models of the past became obsolete. The pandemic accelerated many trends, particularly the increasing value in digital platforms and intangible investments. REITs have increasingly focused on the sustainability of their portfolio assets, a strategy which has expanded to considering not just which property types to include but also how homogenous groups of assets have prepared for technological, environmental and social disruption.

f) Today, the new economy refers to different aspects of technology that have emerged since the tech boom of the 1990s. These aspects include the sharing economy, the streaming economy, the gig economy, the ecommerce economy, cloud computing, and artificial intelligence. More recently, the new economy has been used to refer to redesigning and reconfiguring existing systems and business models around ESG considerations.

Sustainability and Retail

a) Compared to other asset types, retail is an emerging opportunity for sustainability gains. Historically, the focus has been on large institutional buildings, but smaller commercial buildings are an untapped market for energy conservation efforts.

b) Buildings that serve businesses with lower profit margins and high energy costs, such as grocery stores and restaurants, often stand to gain the most from energy conservation. Grocery stores and fast-food restaurants, particularly freestanding locations on shopping center outparcels, have substantial opportunities for increased sustainability practices[30]. Daylighting, increased insulation, and high-efficiency upgrades are simple ways to achieve these effects. Lighting, heating and cooling loads are immediate opportunities for energy-efficient improvements.

c) Studies of building retrofit potential indicate an average of 27% savings in energy consumption and 45% for fast food restaurants. Grocery stores can increase their profits by 16% and sales per square foot by $50 with just a 10% reduction in energy costs[31]. The opportunity to directly increase business profitability, and in turn ensure that tenants are profitable enough to remain in or expand their existing footprints, is highest in these buildings[32]. These energy conservation initiatives are a major draw for tenants, especially in areas of the country with higher-than-average or volatile energy costs.

d) A large percentage of retail tenants pay for their own separately metered utilities, and energy-saving building features reduce overhead costs for tenants, strengthening their overall operating performance, resilience and long-term sustainability. Retail tenants are also attracted to centers with electric vehicle charging stations which can increase foot traffic and shopping trip duration, as well as centers with integrated waste reduction initiatives.

DEMAND DRIVERS AND OUTLOOK

Suburban Migration Trends

a) The shift to remote work during the pandemic provided opportunities for workers to move out of dense, costly metros into lower-cost areas, and frequently within those same metros. The emergence of working from home/working from anywhere/hybrid work models shifted demand to the suburbs where housing is often less expensive and larger.

b) However, the urban/suburban distinction has become less of a competition, and investors see viable opportunities for long-term growth in both environments. Suburban areas have experienced robust recoveries, but long-term massive suburban shifts are still uncertain. Decentralized hub-and-spoke office models have yet to gain traction.

c) Cities are regaining their vibrancy and young professionals have returned to many of these gateway markets – even before office re-openings occurred. The pandemic-fueled exodus facilitated a reset for many gateway markets, making some of them more affordable and attainable to people with a wider range of incomes. Downtown locations are also still the superior option for most companies because their locations are accessible to the greatest number of workers.

30 As of January 24, 2022, retailers within the UHREIT portfolio who are part of the Environmental Protection Agency's Green Power Partnership National Top 100 include: Walmart (#4; renewable energy is 14% of total electricity use), Target (#25; renewable energy is 19% of total electricity use), and Best Buy (#47; renewable energy is 56% of total electricity use). Rankings are by annual green power usage (kWh).

31 U.S. Department of Energy National Renewable Energy Laboratory, "Advanced Energy Retrofit Guide: Practical Ways to Improve Energy Performance – Grocery Stores" (July 2013)

32 National Trust for Historic Preservation: Preservation Green Lab & New Buildings Institute, "Realizing the Energy Efficiency Potential of Small Buildings" (June 2013)

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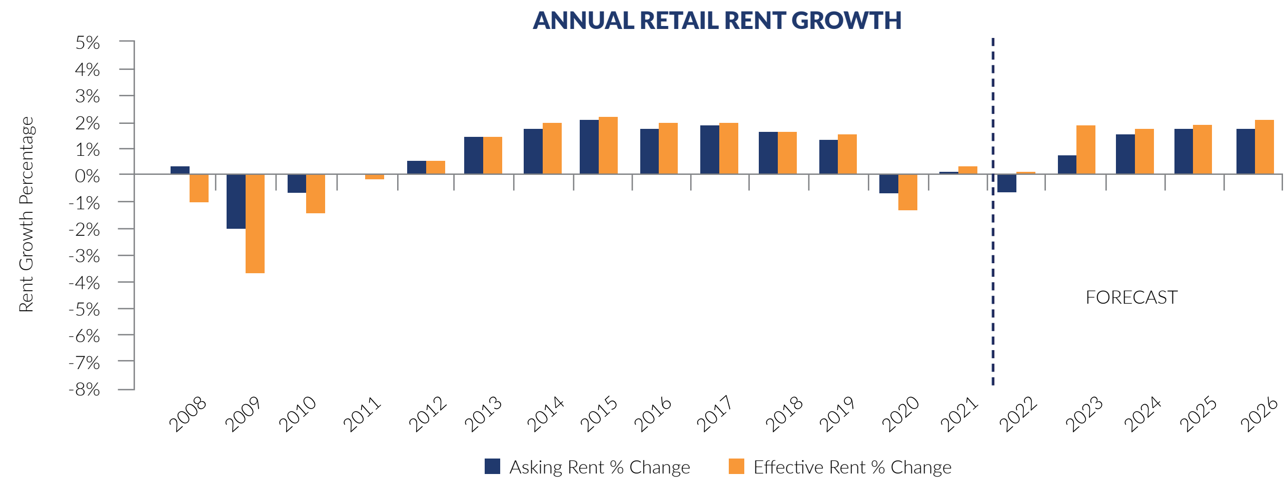
d) Younger generations are especially attracted to city life, but this is not exclusive to Millennials and Gen Z. Most people, regardless of age, want walkable, amenitized communities that enable them to live fuller, more integrated lives rather than car-dependent fragmented lifestyles.

Occupancy and Rental Growth Trends/Opportunities

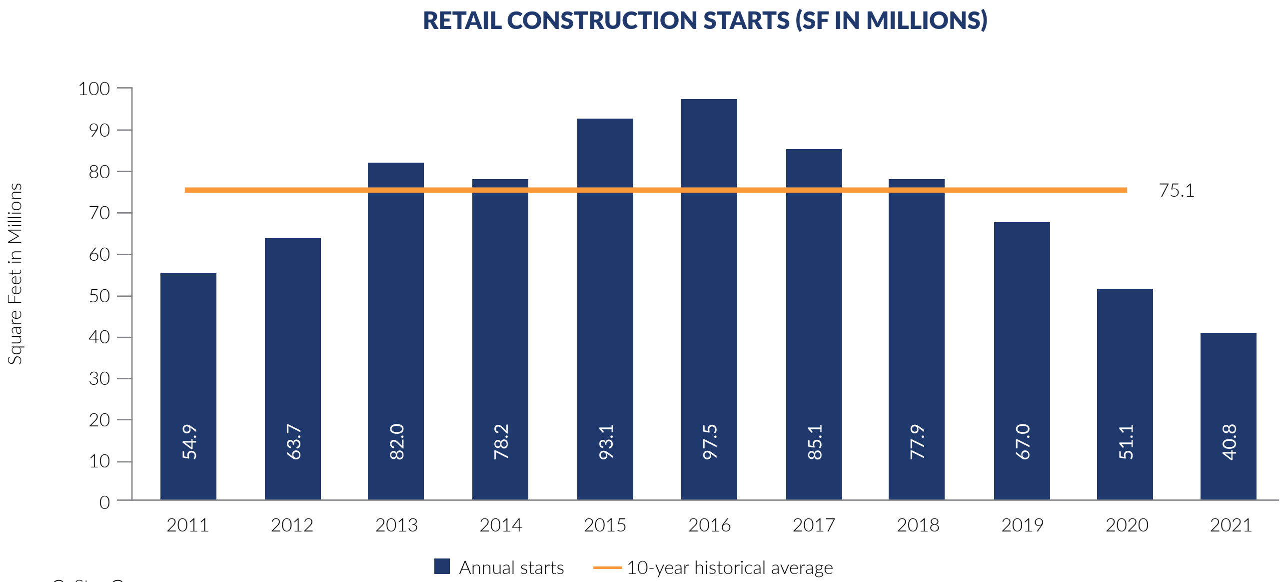
a) Robust consumer spending has increased tenant demand for retail space, accelerating retail rent's growth and occupancy rates in 2021. Neighborhood centers, which are typically anchored by grocers, and shopping centers saw the largest rental increases compared to other shopping center types. Consumer activity also bolstered investor confidence in retail; mixed-use assets, open-air shopping centers, and grocery-anchored centers were the primary focus for investors[20].

b) Demand for smaller spaces (~5,000 SF) stemming from a wide range of tenants, many of which are necessity-oriented and ecommerce-resistant, diversifies revenue streams and yields higher rents per square foot. Additionally, a higher proportion of inline tenants results in lower maintenance expenses, shorter re-leasing downtime, and smaller tenant improvement packages[18].

c) Both asking and effective rents are not expected to see meaningful growth until 2023. New construction of retail property is significantly down, which will help keep retail rents stable. The following graph shows a composite of asking and effective annual rent growth within retail markets across the U.S. (only including community and neighborhood shopping centers)[5]:



Source: Reis, Real Estate Solutions by Moody's Analytics; 80 of 190 Retail Markets
Note: Data only include Community and Neighborhood Centers



Source: CoStar Group

d) Medical retail has emerged as a rent growth opportunity for owners of grocery-anchored assets. These tenants command higher rents and strengthen the overall usability of a center's offerings. As an essential aspect of living, not just shopping, proximity to medical services (urgent care, dental care, primary care) captures more consumer foot traffic and spending. The more that shopping center tenant mixes become responsive to the daily needs of the whole customer, the more competitive they will be in the future.

Retail Valuation Trends

a) Grocery-anchored retail saw a 71% year-over-year increase in transaction volume at $16.2B in 2021 and comprising approximately 21.1% of all retail deals. Single-tenant net lease properties emerged as the primary investment of choice in the early stages of the pandemic, but investor risk tolerance improved enough to include multi-tenant assets.

b) Despite the rapid spread of the Omicron variant over the final weeks of 2021, retail property fundamentals continued to recover. For Q4 2021, asking rents for shopping centers rose broadly nationwide while vacancy fell close to its pre-pandemic level and net absorption neared the previous quarter's high watermark[17]. With healthy NOI gains, retail asset values are expected to rise over the next several years.

WEIGHTED AVERAGE CAP RATE*				
	Market Category			
Property Type	Gateway	Primary	Secondary	Tertiary
Grocery-Anchored Neighborhood Center (15% of REIT Assets)	4.7%	4.9%	5.2%	5.5%
Grocery-Anchored Community Center (25% of REIT Assets)	5.1%	5.3%	5.7%	6.6%
Power Center (35% of REIT Assets)	5.6%	6.0%	6.8%	7.8%

* Cap rates are indicative of "B /B+" quality assets.

Gateway Markets = Boston, D.C. Metro, Los Angeles, New York, San Francisco, Seattle

Primary Markets = Austin, Chicago, Dallas, Denver, Hawaii, Houston, Long Island, Northern NJ, Oakland, Orange County, Portland, San Diego, San Jose, South Florida

Secondary Markets = The remaining markets within Green Street's top 50 U.S. markets

Tertiary Markets = Assets not located within Green Street's top 50 U.S. markets, or an hour or more drive outside of a CBD

Source: Green Street US Strip Center Outlook Report - January 28, 2022

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

a) Stabilized grocery-anchored centers in the trade areas/ regions where these open-air retail assets are located serve affluent communities and boast high occupancy rates. As of January 2022, grocery-anchored retail centers in the New York metro, Northern New Jersey and Central New Jersey averaged occupancy rates of 94%[33].

b) Strip center M-RevPAF[34] growth forecasts, which combine changes in occupancy and market rents into a single metric, for 2021-2025 have increased substantially as the outlook for this retail sector is markedly healthier than it was in early 2021[35]. Of the top 50 strip center markets tracked by Green Street, Northern New Jersey has the third-highest projected M-RevPAF growth rates for 2022 at 7.2%; annualized growth projections for 2022-2026 are 2.6%[18].

SELF-STORAGE

Self-Storage Overview

The Five D's of Self-Storage Demand

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. 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 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.

In addition to 'life event' demand drivers (e.g., moving, divorce, home ownership, etc.), the storage industry continues to benefit from Covid-related needs, including: 1) businesses storing inventory; 2) decluttering for home offices; and 3) storage of apartment furnishings for those who moved temporarily. As such, storage rates continue to rise, notably moving in lock step with apartment rents, the closest substitute for storage space nationally[36]. Suburban migration trends, especially increased homeownership rates, have boosted self-storage

[33] Green Street data as of February 2022; survey of 69 grocery-anchored shopping centers

[34] M-RevPAF: Market Revenue per Available Foot

[35] Green Street US Strip Center Sector Outlook (January 2022); in January 2021, M-RevPAF growth for 2021-2025 was expected to be 0.0%. As of January 2022, growth was projected at 2.3%

[36] Green Street U.S. Self-Storage Outlook (January 2022)

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utilization rates. More than 60% of all self-storage users have access to storage space in their own home (garage, basement, crawlspace, attic), and approximately 70%[36] of self-storage users own single-family homes.

Another new major demand driver is from small businesses who have been impacted by supply chain disruptions. Businesses are increasingly reliant on self-storage for stockpiling inventory and materials to avoid inflated future costs in the near or mid-term, and to protect themselves from supply-chain disruptions. Contractors and subcontractors for housing construction are a key player in this trend[37]; when one component of building is delayed, entire projects can be put on hold until windows, doors, or other crucial building materials are acquired. According to ENR, 52% of 1,489 AGC member contractors have reported a project delay due to a shortage of construction materials, parts or equipment[38].

A key driver for small business users is the flexibility of self-storage versus short- and mid-term leases of industrial space. Month-to-month flexibility of self-storage affords small businesses the option to store materials for what will be a shorter period than a typical lease. Additionally, small businesses do not typically require the amount of space in an industrial or office-warehouse property. The dwindling availability of industrial tenant spaces suited for small businesses makes self-storage an attractive, flexible and financially feasible alternative.

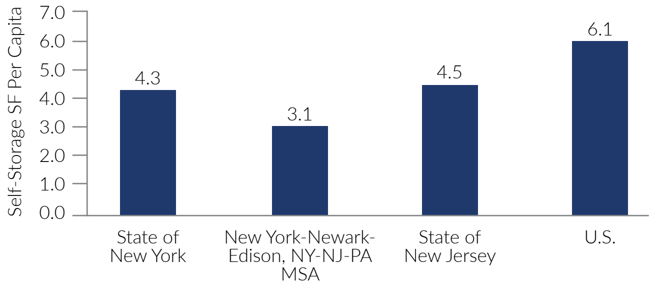
The pandemic was an unexpected short-term force that is now shaping long-term self-storage demand. COVID-related demand materially increased storage utilization rates, and much of this demand is likely to become sticky consumer behavior. The surge in remote work caused homeowners to increase the amount of dedicated space for home offices and home gyms in their residences, driving massive demand for self-storage. Green Street forecasts that 70% of U.S. employees will work from home at least one day per week in the near future, a substantial increase from a 12% projection prior to the pandemic[37].

Self-Storage Sector Characteristics, Occupancy and Rent Growth Trends

Supply Trends

According to Cushman & Wakefield's Self-Storage Data Services, as of Q4 2021 the New York-Newark-Edison, NY-NJ-PA metro area has 3.09 rentable SF per person compared to 6.05 nationally, making it an undersupplied region. This is based on a sample size of approximately 50% of facilities in the metro. Of the top 20 supply-heavy self-storage markets, Green

SELF-STORAGE SUPPLY SQUARE FEET PER CAPITA



Source: Cushman & Wakefield Self-Storage Data Services

Street predicts that although supply in New York will increase by 5% (2022-2026 CAGR), New York is still significantly lower than less populated metros. At 24 msf, supply in the New York metro area amounts to less than half of supply in Dallas Fort-Worth (56 msf) and Houston (52 msf)[36].

From 2022 to 2026, Green Street projects that storage square footage per capita on a nationwide basis will steadily increase. Currently, self-storage square feet per capita is at 6.0, and Green Street estimates that this will grow to approximately 7.5 square feet by 2026[36]. Of the self-storage development currently under construction, only 15% is attributable to the conversion of retail space[36]. Most empty strip center boxes are in central locations of commercial corridors and are often the ideal size for storage development (between 45,000 and 100,000 square feet). New self-storage deliveries are expected to be muted over the next three years through 2024 (less than 15% of existing supply). Construction delays, materials and labor shortages, and backlogs in permitting have constricted supply and will hinder near-term development of new inventory. Green Street forecasts a 3.0% overall growth in supply for 2022, a modest decrease from 2021[36].

Occupancy & Rent Growth Trends

Operating fundamentals exceeded even the most optimistic forecasts for self-storage in 2021. The pricing power that accompanied 95% and above occupancy surpassed expectations, causing cumulative rent growth estimates through 2025 at 45% higher than forecast for 2025 one year earlier[36]. Move-in rates have historically trailed in-place rates. However, strong demand, all-time high occupancy levels, and limited new supply have caused overall move-in rates to surpass in-place rents[39]. Non-coastal markets have outperformed due to favorable in-migration away from coastal markets. Coastal markets have higher barriers to entry and barriers to supply growth. Though coastal market assets lag on recent move-in rate growth, they will also likely experience less rate volatility[36].

[37] Green Street Real Estate Alert (Dec. 14, 2021)

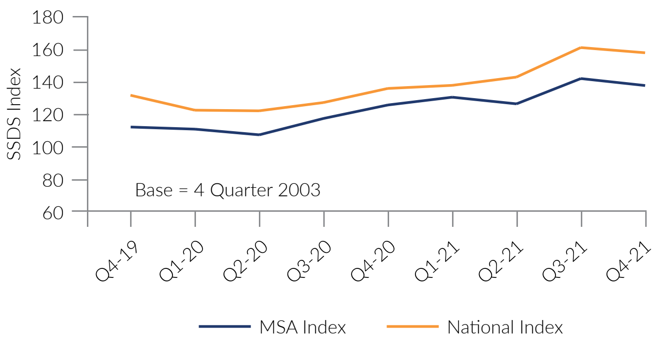
[38] Cushman & Wakefield, Commodities Volatility Report (June 2021)

[39] Green Street U.S. Self-Storage Outlook (November 2021)

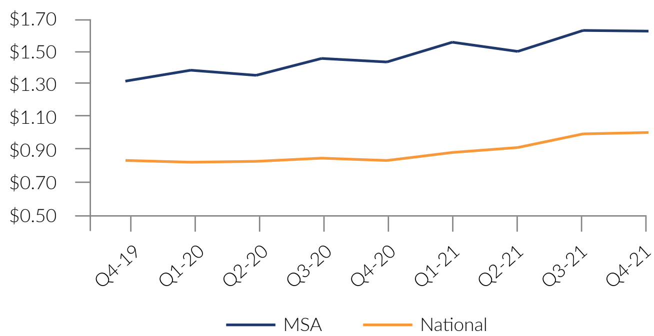
CUSHMAN & WAKEFIELD

According to Cushman & Wakefield's Self-Storage Data Services, self-storage asking rental rates as of Q4 2021 for the New York-Newark-Edison, NY-NJ-PA were up 2.1% from Q3 2021, and up 12.4% from Q4 2020. Physical occupancy has been relatively stable over these same periods, decreasing slightly from Q3 2021 but unchanged compared to a year earlier.

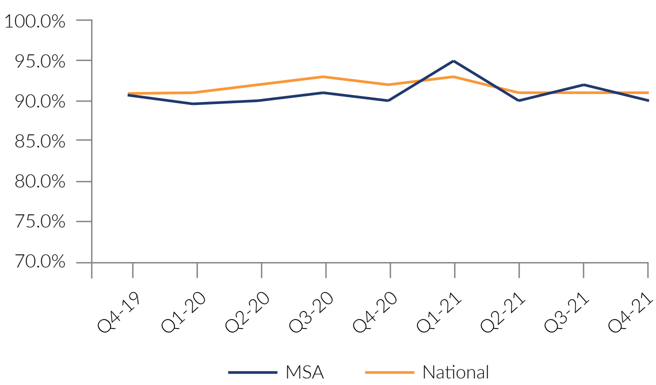
SELF-STORAGE PERFORMANCE INDEX
(SSPI)®



RENT PER AVAILABLE SQUARE FOOT
(based on 100 square foot units)



PHYSICAL OCCUPANCY



Source: Cushman & Wakefield Self-Storage Data Services

Self-Storage Valuation and Capital Market Trends

Self-storage is a niche asset that has seen occupancy gains and massive rent growth due to structural and lifestyle changes stemming from the pandemic. Historically, self-storage has performed well, but recent demand drivers may become long-term demand drivers.

Regionally, nominal cap rates for self-storage are lowest in coastal markets with New York boasting the lowest average nominal cap rate at 4.2%, a 50 bps decrease year-over-year (2Q 2020 to 2Q 2021)[40]. Rent growth in this market is somewhat limited due to existing high in-place and move-in rents; New York has the second-highest market rent per square foot at $3.10[40].

Sales of self-storage properties skyrocketed in 2021 and strong investor demand for self-storage assets compressed cap rates. The NYC metro experienced the highest volume of self-storage asset sales in 2021, with $3.78B in sales compared to $945M in 2020 and $565M in 2019. Self-storage valuations increased by 66% in 2021 – a sharper increase than in any other real estate sector[36].

Another factor driving investor demand is the increased emphasis on ESG. Self-storage properties by design have limited adverse impact on the environment and many facilities are ahead of the curve regarding green building features. Installing solar panels on the rooftops of self-storage properties has become commonplace, along with the transition to LED lighting and addition of electric vehicle charging stations.

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[41]. 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. While its returns continue to lead the market, the sector maintains the lowest default rate of all asset classes.

40 Green Street U.S. Storage Sector Snapshot (September 2021)

41 National Association of Real Estate Investment Trusts (NAREIT), Cushman & Wakefield Valuation & Advisory

INDEPENDENT MARKET RESEARCH

MARKET SNAPSHOT					
	Last Four Quarters	YOY Change	Q4 '21	YOY Change	Q1 '22 to Date & Pending
Volume ($)					
Individual Property Volume	**$7,699.1**	119.6%	**$2,734.4**	63.2%	**$85.6**
Portfolio Volume	**$13,700.8**	191.1%	**$8,568.1**	144.8%	**n/a**
Total Volume	**$21.399.9**	160.6%	**$11,302.6**	118.4%	**$85.6**
#Props	**1,585**	77.7%	**603**	31.7%	**5**
Square Feet	**116,901,746**	99.4%	**50,589,863**	59.0%	**381,223**
Pricing					
Avg Price per sf	**$175**	31.5%	**$236**	51.4%	**$229**
Avg Cap Rate	**5.5%**	-54 bps	**5.3%**	-38 bps	

Source: Real Capital Analytics

Trade Areas / Regions Where Assets are Located – Data and Key Highlights (Northern New Jersey Supply & Demand Trends)

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 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.

Northern and Central New Jersey combined have a total population of nearly 6.4 million. The region's growth rate has lagged the U.S. for many years, yet its sheer size and diversity drive a formidable economic engine. Proximity to the nation's business capital has benefited Northern New Jersey, especially during a pandemic that catalyzed urban flight. New Jersey passed a 7-year, $14B tax incentive (NJ Economic Recovery Act 2020) to encourage businesses to stay in or move to the state. While this should increase economic activity, a concerning fiscal health environment looms. The growing state debt burden exceeds $200B and unfunded pensions have risen to approximately $100B[42]. Recovery in the Northern New Jersey market may lag other top markets, but it should recover quicker than larger gateway markets and its population is expected to remain generally stable.

Notwithstanding the fiscal health issues, the market boasts a well-educated and high-income population. Life sciences, notably biopharma, continue to be growth drivers for the market with clusters along the waterfront. The region overall has high spending power and dense population that supports intermediate-term shopping center rent growth, and it remains a more affordable alternative to New York City. Hiring has picked up in the region's financial and professional & business services sectors, both of which continue to support the region's above-average earnings. The area's highly educated population could help attract additional investment in these areas. Additionally, given the region's convenient access to shipping infrastructure, transportation and warehouse-using industries will drive much of the region's economy through the near term, and construction will rise with long-term infrastructure and development projects.

[42] Green Street Northern New Jersey Market Snapshot (January 2022)

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present United Hampshire US REIT's ("UHREIT") inaugural Sustainability Report for Financial Year 2021 ("FY2021"). 2021 was a challenging year for all businesses globally but one which demonstrated the resiliency of UHREIT's portfolio of Grocery & Necessity and Self-Storage properties. UHREIT's financial and operational performances remained strong and UHREIT's FY2021 Distributable Income exceeded the IPO forecast, even though the forecast was made during a much stronger macroeconomic backdrop, prior to the outbreak of COVID-19.

Although UHREIT's Manager is relatively young as an organization, it has adopted where relevant, much of the sustainability culture of UHREIT's two Sponsors, UOB Global Capital LLC ("UOBGC") and The Hampshire Companies, LLC ("THC"). UOBGC is a global asset management subsidiary of United Overseas Bank Limited ("UOB"), a leading bank in Asia. UOBGC was founded in 1998 and is an originator and distributor of private equity, hedge funds, fixed income and real estate products. THC is a privately held, fully integrated real estate firm and real estate fund manager and has a track record of over 60 years of meaningful, sustainable development.

We aim to conduct business in service to all of our stakeholders, including our Unitholders, employees, tenants and vendors. Our success is intrinsically linked to the people we work with, and the markets in which we operate. By valuing our employees and the communities they are linked to, we envision sustainable growth, which will deliver superior returns for our Unitholders.

Global events in 2021 have underlined the urgency of environmental and climate action. To succeed, we endeavour to take action against climate change as a key agenda of our business. At UHREIT, we believe that environmentally friendly and resilient properties will not only deliver cost savings but enhance our property values and provide risk mitigation.

The above policies would be meaningless without strong and reliable governance ensuring their implementation. We strive to establish sound managerial structures in order to offer greater transparency and insight for our Unitholders, creating a greater alignment and sense of purpose between UHREIT and its Unitholders.

In FY2021, we have determined four Environmental, Social and Governance (ESG) matters, namely Economic Performance, Energy Efficient Operations and Greenhouse Gas ("GHG") Emissions, Anti-Corruption and Employee Engagement, as material to our business for reporting. The Board will continue to maintain oversight of the integration of pertinent ESG practices and monitor the non-financial performance across business operations.

With an aim to create sustainable value in the long-term for our stakeholders, the following report summarises UHREIT's sustainability commitments, approach for managing the material ESG matters and performance for the year.

ABOUT THE REPORT

Reporting Scope

This report is UHREIT's inaugural Sustainability Report detailing policies, practices, performance and goals with regards to ESG matters most material to UHREIT's operations. The report has been prepared with reference to the Stock Exchange of Singapore ("SGX-ST") Mainboard listing rules 711A and 711B and draws on the guidance set out by the SGX-ST Practice Note 7.6 Sustainability Reporting Guide.

Listed on the Mainboard of SGX-ST on 12 March 2020, UHREIT's inaugural report covers the ESG performance for the period from 1 January 2021 to 31 December 2021. The scope of this report is focused on UHREIT's business operations for its 20 Grocery & Necessity and four Self-Storage properties located across densely populated and affluent East Coast markets of the U.S. unless otherwise stated. A full list of the properties covered in this Sustainability Report is available on page 36 and 37.

Reporting Standards

This report is prepared in accordance with the Global Reporting Initiatives ("GRI") Standards[1]: 'Core Option'.

The GRI standards were selected by UHREIT for its universal application and international recognition to report on material sustainability matters. GRI reporting principles on defining report content and quality were used as guidance in writing this report.

[1] GRI Standards pertain to both 2016 and 2018 versions (applicable to 2016 Standards that have been superseded effective from 1 January 2021).

SUSTAINABILITY REPORT

Feedback

The Manager welcomes feedback from all stakeholders on UHREIT's sustainability growth. Any questions and comments can be directed to IR@uhreit.com.

YEAR IN REVIEW

US$55.2 MILLION
Group Revenue in 2021

12
Employees in U.S. and Singapore

0
Work-related injuries and fatalities

802 tCO_2e
Carbon emissions from properties in U.S.

UHREIT's Sponsors and Manager

United Hampshire US REIT Management Pte. Ltd. is the Manager ("We" or "Our"), and UOBGC and THC are the Sponsors of UHREIT.

The Manager has general control over the management and execution of UHREIT's investment and portfolio management strategy. The services provided by the Manager include investment management, property management, capital management, internal audit, compliance, accounting, investor relations and sustainability management and reporting. The Manager sets the strategic guidance including requirements relating to location, sector-type, and other characteristics of UHREIT's portfolio. The Manager works closely with the Property Managers to execute UHREIT's property management strategy. The Manager is a joint venture between the Sponsors and is 50:50 owned by UOBGC and The Hampshire U.S. Holdco, LLC, a wholly owned subsidiary of THC.

The Manager has also appointed THC as its U.S. Asset Manager to provide certain property management functions in the U.S., including those relating to property management, leasing oversight, investments, audit and accounting.

UHREIT's Property Managers

THC and MCB Property Management, LLC ("MCB") are the Property Managers of the Grocery & Necessity properties and Extra Space Storage Inc. is the Property Manager of the Self-Storage properties (collectively "The Property Managers"). THC and MCB have also incorporated a joint venture vehicle, MCB-THC Property Manager, to serve as an integrated property management and leasing services platform.

The responsibilities of the Property Managers include maintaining long-term relationships with tenants, conducting day-to-day management, operation, maintenance and servicing of the properties. The Property Managers also help to ensure that properties obtain the necessary licenses and are compliant with all applicable laws and regulations.

OUR SUSTAINABILITY APPROACH

UHREIT's sustainability approach is aligned with that of its Sponsors. THC is a signatory to the United Nations Principles for Responsible Investing ("PRI"), as well as the Letter to the Governments of G7/G20 nations on the Support for the Paris Agreement. While the above agreements do not apply directly to UHREIT, the same conscientiousness guides UHREIT to make deliberate efforts in limiting the environmental footprint of UHREIT operations and properties that are within our control. It also drives us to impart a positive influence on our key stakeholders in making them more aware of the benefits of conservation and sustainability.

The Sustainability Steering Committee ("SSC") was formed to set overall sustainability strategy and direction for UHREIT. Made up of a cross-functional team of senior staff headed by Robert Schmitt, Chief Executive Officer ("CEO") of the Manager, the SSC meets regularly, engages employees and stakeholders, sets priorities and budgets, and monitors progress and performance across properties and programs.

Figure 1: UHREIT Sustainability Approach

MANAGEMENT OVERSIGHT

Establishing sound governance, diversity, compliance, and managerial practices creates greater transparency and insight for our stakeholders with the assurance of the integrity of our business transactions, and ensures that all parties are working towards the same objectives, with a common purpose.

ENVIRONMENTAL STEWARDSHIP

Understanding and implementing green building and environmentally friendly practices not only delivers cost savings and improved operating income, but mitigates risks, enhances asset value, and creates a more compelling and competitive product in line with community desires.

COMMUNITY ENGAGEMENT

Serving the needs of our stakeholders, communities and employees is a critical part of our success. Through our "in service" mindset, UHREIT passionately and relentlessly strives to create industry goodwill. Our internal culture and emphasis on employee growth recognizes that our success is critically linked to the people we work with and the markets in which we operate.

Sustainability Governance

The Board of Directors are entrusted with the responsibility of overall management and strategic direction of UHREIT. All Board members are involved in matters related to economic, environmental, social and governance risks and opportunities and meet quarterly or as and when necessary to review both financial and non-financial performance of UHREIT.

The CEO of the Manager who leads the Sustainability Steering Committee works closely with the Board of Directors to set the tone and drive future strategic developments and sustainability within UHREIT. The CEO also works with the Chief Financial Officer ("CFO"), Vice President of Investor Relations and Corporate Development, the U.S. Asset Manager and Property Managers to ensure that UHREIT operates in accordance with the Manager's stated investment and sustainability strategy.

The Sustainability Working Committee is responsible for the day-to-day execution and compliance of sustainability matters which includes the monitoring and reporting of the performance of the material sustainability matters selected in FY2021. The Sustainability Working Committee will also provide updates to all employees on UHREIT's sustainability journey and milestones.

Figure 2: UHREIT Governance Structure

Board of Directors

Sustainability Steering Committee

Sustainability Working Committee

All Employees

SUSTAINABILITY REPORT

Environmental Risk Management

UHREIT currently does not have in place an environmental risk management framework. However, we recognise that as environmental concerns become more and more directly relevant to our operations, reliable guidelines to assess environmental risks will be necessary. Hence, as can be found in our sustainability roadmap on page 79, we intend to implement an environmental risk management framework in FY2022.

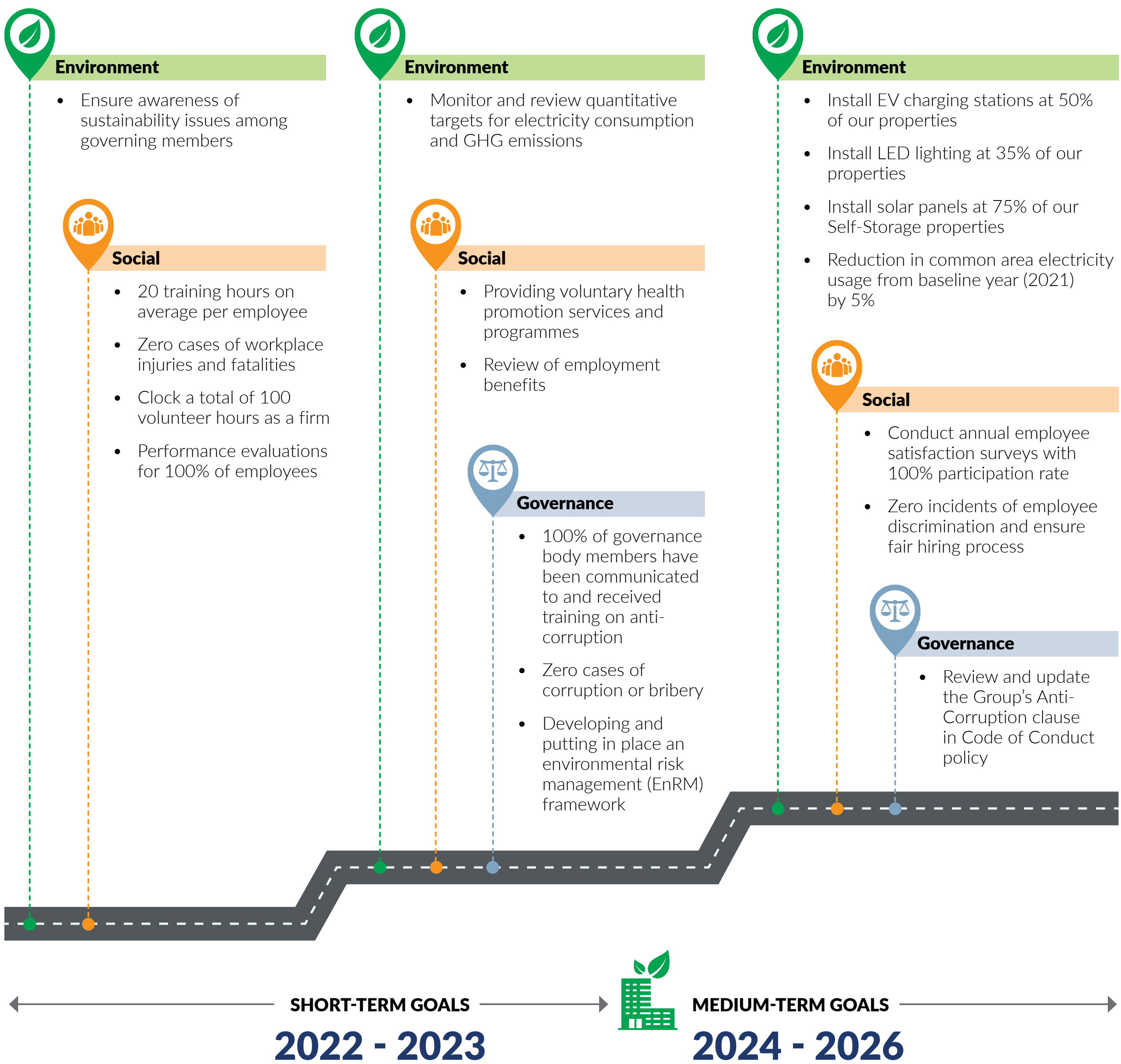
Sustainability Targets and FY2021 Progress

UHREIT Targets and Initiatives based on material topics

Material Topics	Targets and Initiatives	FY2021 Progress
Economic Performance	• Achieving sustainable economic growth and delivering long-term value for UHREIT's stakeholders.	• UHREIT's sustainability policies, practices and performances, detailed in this report, complement UHREIT's overall financial performance by providing a perspective with an emphasis on ESG impacts.
Energy Efficient Operations and Greenhouse Gas Emissions	• Install electric vehicle ("EV") charging stations at 10% of our properties by FY2022; 30% by FY2023; 50% by FY2024. • Install LED lighting at the common areas of 15% of our properties by FY2022; 25% by FY2023; 35% by FY2024. • Install solar panels at 25% of our Self-Storage properties by FY2022, 50% by FY2023; 75% by FY2024. • Reduce common area electricity usage portfolio wide by 1.5% in FY2022; 3.0% by FY2023 and 5.0% by FY2024 from baseline year (FY2021).	• As at the end of FY2021, one of our properties had an EV charging station installed. Three more properties are scheduled to receive similar upgrades by FY2022. • Three of our properties currently use LED lighting in their common areas, with LED fittings to be introduced to two more properties in FY2022.
Anti-Corruption	• To maintain zero confirmed instances of non-compliance with anti-corruption laws and regulations. • Closely monitor changes in legislations and regulations, as well as significant developments in the operating environment. • Maintain a high standard of corporate governance and transparency.	• Zero confirmed instances of non-compliance with anti-corruption laws and regulations.
Employee Engagement	• To maintain zero incidents of employee discrimination and ensure fair hiring process. • To maintain an average of 20 hours of training per employee. • To achieve 100% participation rate in the annual employee survey.	• Zero incidents of employee discrimination. • Achieved an average of 19.5 hours of training per employee. • Achieved 100% participation rate in the annual employee survey.

UHREIT recognises that the challenge of sustainable transformation is balancing the need to keep businesses in motion while making changes to reach our sustainability ambitions. UHREIT agrees that sustainability does not happen overnight and have developed our 2022 – 2026 Sustainability Roadmap in Figure 3 (below). Through the roadmap, UHREIT will take steps in our ongoing sustainability journey with the commitment to take UHREIT into a sustainable future. The following roadmap summarises our targets and initiatives that UHREIT has committed to achieve within the next five years.

Figure 3: UHREIT 2022 - 2026 Sustainability Roadmap



SUSTAINABILITY REPORT

ENGAGING OUR STAKEHOLDERS

The Manager of UHREIT is committed to creating value for stakeholders over the long-term and driving sustainable growth. The Manager engages in frequent and proactive engagement and values feedback raised by stakeholders. The table below details UHREIT's engagement approach for each stakeholder group, including mode of engagement and action plans for areas of interest.

Our stakeholder engagement approach

Legend (Engagement Frequency):	● Ad hoc	● Weekly	● Monthly	● Quarterly	● Annually

TENANTS		
Engagement methods		**Key concerns raised by stakeholder group**
• Meetings with tenants • Physical inspection of buildings at least once every quarter	● ●	• Competitive rental rates • Maintenance of building quality • Health and safety

UHREIT's Response:

UHREIT conducts physical building inspections to ensure that the quality of the properties is kept at a high standard, to ensure the quality-of-life as well as the health and safety of our tenants and their employees. We also maintain close communication with our tenants to stay abreast of any financial concerns that they might have and address those concerns swiftly and come to an arrangement amenable to both parties.

UNITHOLDERS / INVESTMENT COMMUNITY		
Engagement methods		**Key concerns raised by stakeholder group**
• Announcements • Annual reports • Publications • Meetings, webinars, seminars and conferences • Annual General Meeting	● ● ● ● ● ●	• Stable and sustainable distributions and returns • Long-term strategy and outlook • Regular, timely and transparent reporting • Good corporate governance

UHREIT's Response:

We recognise our responsibility to our Unitholders, and we are committed to providing returns in a sustainable manner. We publish regular and timely updates via SGX announcements as well as UHREIT's website. We also hold regular meetings and participate in various webinars and conferences to provide insights on UHREIT's business environment and market outlook, as well as to gather feedback from our Unitholders. The Manager is proactive in the management of UHREIT's properties, in order to be suitably prepared for any economic eventualities. The Manager is also on a constant lookout for accretive acquisition opportunities, tempered by a disciplined approach and a robust risk management framework. The fruits of our approach are reflected in our FY2021 performance, which can be found in our Annual Report.

EMPLOYEES		
Engagement methods		**Key concerns raised by stakeholder group**
• Meetings across Singapore and U.S. teams • Performance reviews • Annual town hall • Annual employee survey	● ● ● ● ●	• Compensation and benefits • Career progression • Learning and development • Work-life balance • Fair and competitive employment practices • Effective communication engagement between global teams

UHREIT's Response:

We engage our employees regularly to build a positive work environment and aim to be the employer of choice. The Manager keeps its employees updated on all the latest developments on UHREIT and its performance and organises regular team bonding events across its Singapore and U.S. offices. Regular one-on-one performance reviews serve as a platform for employees to raise any concerns to the management.

BUSINESS PARTNERS (E.G. PROPERTY MANAGERS, THIRD-PARTY SERVICE PROVIDERS)		
Engagement methods		**Key concerns raised by stakeholder group**
• Meetings, briefings and consultations	● ●	• Fair and reasonable business practices • Market compensation for services rendered • Safe working environment

UHREIT's Response:

Regular meetings, briefings and feedback with the Property Managers and third-party service providers, either face-to-face, conference calls or via emails.

REGULATORS AND INDUSTRY ASSOCIATIONS		
Engagement methods		**Key concerns raised by stakeholder group**
• SGX announcements • Annual reports • Surveys, ongoing dialogues, feedback and networking events • Circulars and electronic communication	● ● ● ●	• Compliance with rules and regulations • Strong corporate governance

UHREIT's Response:

We engage government agencies and regulators to ensure we comply with all applicable laws and regulations, and that our business practices are ethical and fair. UHREIT is a member of industry associations such as REIT Association of Singapore ("REITAS") and the Singapore Business Federation ("SBF"), and have actively participated in activities conducted by SGX, REITAS and Securities Investors Association (Singapore) ("SIAS"). In addition, we also regularly engage with regulators such as the SGX and the Monetary Authority of Singapore ("MAS").

LOCAL COMMUNITY		
Engagement methods		**Key concerns raised by stakeholder group**
• Corporate social responsibility programmes	●	• Positive impact to the community and environment

UHREIT's Response:

The Manager is committed to contributing to local communities where it operates by supporting and participating in local community programmes that generate positive socioeconomic benefits. More details on the corporate social responsibility events that our Singapore and U.S. employees take part in can be found in the Employee Engagement section.

BOARD OF DIRECTORS		
Engagement methods		**Key concerns raised by stakeholder group**
• Meetings • Email communication • One-on-one calls	● ● ● ●	• Proper governance • Regulatory matters • Strategic oversight

UHREIT's Response:

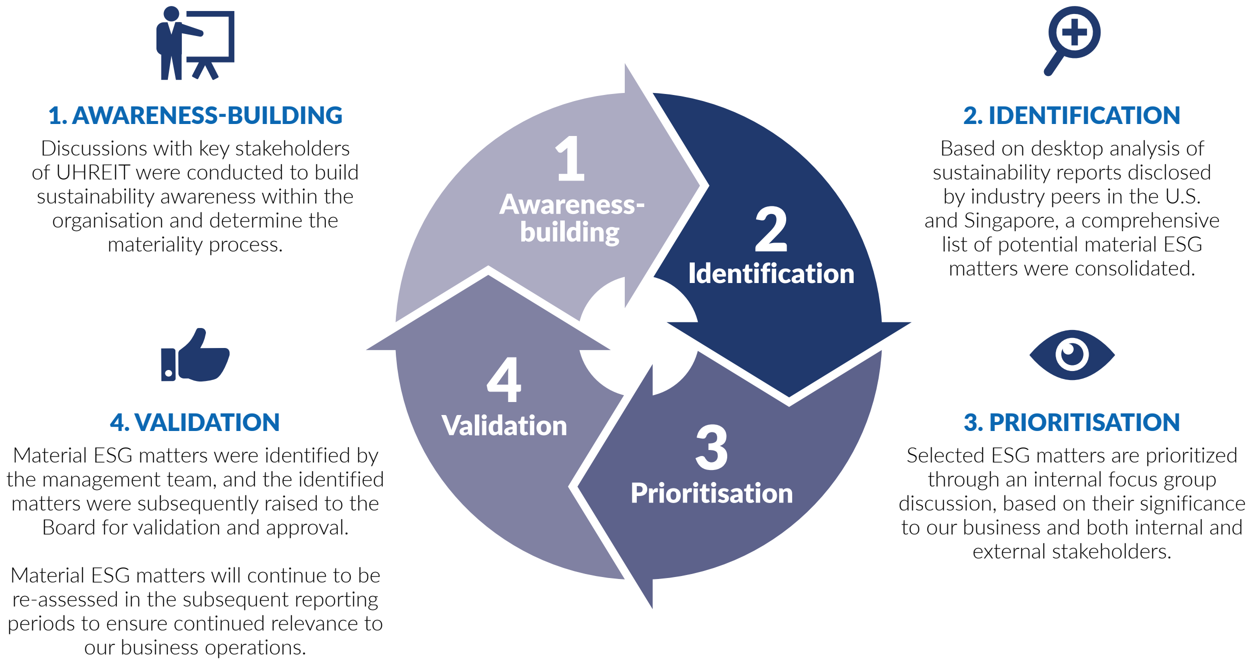
The management engages the Board of Directors regularly to keep them updated on UHREIT's performance. Detailed presentations of financial reports are conducted at Board Meetings to keep the Board of Directors apprised of UHREIT's latest developments to enable transparent and good governance on their part. The Board has oversight of major new policies, and the management also engages with Directors directly where necessary to discuss important matters or address any potential issues.

SUSTAINABILITY REPORT

Materiality Assessment

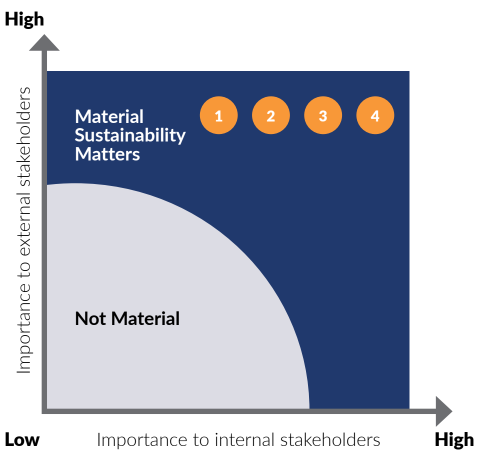
In FY2021, a materiality assessment workshop was conducted with support from an independent consultant, to identify and prioritise UHREIT's material sustainability matters. The sustainability matters were identified based on ESG matters that have the most significant impact on UHREIT's operations and key stakeholders.

Figure 4: Materiality assessment approach



The following materiality matrix in Figure 5 lists the material sustainability matters selected by UHREIT as most material to the business from both internal and external stakeholder perspectives. The material sustainability matters are mapped to specific GRI Topic Disclosures and shared within the report.

Figure 5: UHREIT's materiality matrix



1 **Economic Performance**
GRI 201: Direct economic value generated and distributed

2 **Energy Efficient Operations and Greenhouse Gas Emissions**
GRI 302: Energy
GRI 305: Emissions

3 **Anti-Corruption**
GRI 205: Anti-Corruption

4 **Employee Engagement**
GRI 401: Employment
GRI 404: Training and Education

In the materiality matrix, we have identified four material ESG matters, namely Economic Performance, Energy Efficient Operations and Greenhouse Gas Emissions, Anti-Corruption and Employee Engagement, which will be mapped respectively to their GRI Indicators, and reported in the sections below.

OUR COVID-19 RESPONSE

Focusing on Our Customers

A key testament to UHREIT's resilience to the pandemic is demonstrated by the high volume of our tenants (over 70%) that remained open even during the peak of the COVID-19 pandemic in early 2020 when many businesses were subject to government mandated closures. This was also due to the nature of our tenant's operations which were classified as essential service businesses. Throughout the pandemic, we have worked closely with our tenants to communicate and collaborate to ensure the safety and continuity of their operations. From the engagements, we identified three major tenant concerns:

- Disruptions to business due to restrictions and guidelines
- Rental assistance and deferrals
- Health and safety

UHREIT focused on addressing these concerns through several initiatives. These included establishing dedicated areas for curbside pick-up at certain properties as part of the omnichannel strategy adopted by many tenants, and allowing tenants in the restaurant business to create outdoor dining areas in the car parks. The new initiatives implemented allowed for safe distancing to protect the health of patrons during the pandemic while enabling tenants to continue their business activities to maximize productivity. In addition, all UHREIT's Grocery & Necessity properties are single-storey, open-air centers which not only provide a conducive environment for social distancing and does not require energy-consuming climate control for common areas.

Outdoor dining tents set up by Food & Beverage tenants due to COVID-19

To keep them updated on all relevant safety measures, COVID-19 related restrictions and guidelines were disseminated to our tenants via email at the onset of the pandemic, as well as through posters tagged on notice boards at all our properties. These plans include guidance for managing their patrons, which includes mandatory safe-distancing such as tape placed on floor at checkout lines to facilitate sufficient social distancing, and mask-wearing.

UHREIT will continue to collaborate and work closely with both tenants and business partners to ensure that products can be offered in a way that is safe and convenient for all patrons.

Well-being of Our Employees

The well-being of our employees both in Singapore and the U.S. is of paramount importance. The Manager has in place Business Continuity Plan ("BCP") procedures which include temperature screening and safe distancing for employees and visitors to the office, what to do if employee feels unwell and notification procedures for staff under Quarantine or Stay Home Notice ("SHN").

UHREIT views employee well-being holistically and recognise that employee concerns can stretch beyond physical health. We engage our employees during our regular meetings or team calls every week, as well as during our town halls, team bonding activities and one-on-one meetings with senior management. We have found that the pandemic brought other concerns to the forefront, namely job security and flexible working hours to care for the vulnerable members in their families. We have addressd these concerns of our employees in Figure 6.

SUSTAINABILITY REPORT

Figure 6: COVID-19 Safety measures for employees

COVID-19 Safety Measures for Employees

- Work from home ("WFH") is the default arrangement, employees only go back to office when necessary.
- Employees who require to go back office are allowed flexible workplace hours so as to avoid travelling during peak hours.
- In our Singapore office, employees are required to check in and out using the SafeEntry QRcode.
- Safe distancing policies are in place in our offices to ensure at least a 1m spacing between people.
- Hand sanitizers are place at visible areas to remind employees to observe personal hygiene, and spare masks are available in office.
- Cleaning is carried out in our Singapore offices to ensure that hygiene is maintained to UHREIT's standards.
- In our U.S. corporate office, we have engaged janitorial contractor to provide daily cleaning and weekly electrostatic disinfectant cleaning. We have also installed Rabbit Air Purifiers on all floors of our U.S. office, along with a new state-of-the-art VRF HVAC system.

Investor & Regulator Relations

UHREIT has a responsibility to its Unitholders. UHREIT maintains a prudent capital structure and proactive capital management to deliver the best possible performance to its Unitholders.

Especially in the period of economic turbulence brought about by the pandemic, our Unitholders need to be kept up to date on the latest developments of UHREIT. We publish regular and timely updates via SGX announcements as well as UHREIT's website. We also hold regular meetings and participate in various webinars and conferences to provide insights on UHREIT's business environment and market outlook, as well as to gather feedback from the investors. In FY2021, due to prevailing government regulations, our Annual General Meeting ("AGM") was held virtually, but all Unitholders could elect to attend the meeting virtually and were also able to submit any questions prior to the event.

Listed below are the areas of concerns raised by our Unitholders, along with UHREIT's responses:

UHREIT response to investor concerns

Concern	The business impact of the pandemic	The risk of tenants defaulting	UHREIT's compliance with regulations
UHREIT's response	• The Manager of UHREIT has benefited from early planning and risk management, ensuring work from home arrangements and cyber-security measures were in place. • Apart from existing IT security measures, additional IT safeguards against spam/ phishing and cyberattacks were implemented. • IT software such as Sophos and 24/7 monitoring of email security was also initiated.	• UHREIT mitigated impacts of COVID-19 on our business by closely collaborating with tenants to ensure a sustainable partnership throughout the year.	• In order to ensure compliance with all COVID-19 regulations, UHREIT has remained in close communication with regulatory bodies. • UHREIT management attends briefings and consultations with regulators such as SGX and MAS.

COVID-19 had impacted all of us, but through close and constant engagement, UHREIT has upheld the robustness and long-term viability of all its stakeholder partnerships.

ECONOMIC PERFORMANCE

GRI [103-1][103-2][103-3][201-1]

The Manager is committed to achieving sustainable economic growth and delivering long-term value for UHREIT's stakeholders. In order to achieve this goal, the Manager seeks to integrate ESG considerations into its property management strategies. The sustainability policies, practices and performances as detailed in this report complement UHREIT's overall financial performance by providing a perspective through its environmental, socioeconomic and governance impacts.

The Board of Directors which maintains oversight on the overall strategic, operational and sustainability matters meet at least once every quarter to review the financial performance of UHREIT, and respond with appropriate measures as required.

UHREIT's economic performance policies

Investment and Divestment Operating Policy	This sets out the internal processes on investment and divestment to ensure key organisational objectives and regulatory compliance are met. It is adhered to by the Manager for all proposed investment and divestment decisions of UHREIT.
Hedging Policy	This guides UHREIT in managing its interest rate and foreign currency risk position. The practices executed in line with the policy will be subject to review and monitoring on an ongoing basis by the Manager's Audit and Risk Committee.

Our Performance

Please refer to financial statements for more details on UHREIT's FY2021 financial results.

ENERGY EFFICIENT OPERATIONS & GREENHOUSE GAS EMISSIONS

GRI [103-1][103-2][103-3][302-1][305-2]

The increasing urgency of climate action is clear to us, and we understand the need to limit the environmental footprint of our operations, which we believe is imperative to generating value for our stakeholders and creating sustainable growth in the long-term.

We are committed to making a conscious effort in the management of our environmental impacts. As environmental stewards, we will impart a positive influence on our stakeholders in becoming more aware of the benefits of conservation and sustainability. We strive to make continuous efforts to green our portfolio through engagement, collaboration and consultation with industry specialists and stakeholders, in enabling UHREIT to generate positive returns while benefitting the environment.

UHREIT's energy efficient operations and Greenhouse Gas emissions policies

UHREIT Environmental Policy	The Environmental Policy serves as a framework to guide UHREIT towards a more sustainable direction and codifies UHREIT's commitment to limit our environmental footprint in a cost-effective way. More than that, it is also used to encourage tenants, employees and business partners in making the green transition operationally alongside UHREIT.

Guided by our Environmental Policy, we aim to comply with all applicable environmental legislations and regulations mandated and have in place measures to stay abreast of regulatory changes across our business operations.

During the acquisition of all UHREIT properties, environmental regulatory inspections are performed, either by UHREIT or the seller. Fire and Life Safety and roof inspections are also carried out on a regular basis by our licensed third-party contractor at all of our properties subject to the regulatory requirements of the town.

Building safety and evacuation plans are further established for all properties which the tenants are briefed on and are required to familiarise themselves with in the event of an emergency. Tenant newsletters are also distributed to tenants as necessary to inform on important events, such as maintenance work that will be carried out at the properties.

Green Initiatives

All of our properties are metered, and accordingly monitored on the electricity usage for each property since March 2020, in order to react to any unusual fluctuations in energy consumption in a timely manner as they arise. Further to that, we have set short-term energy targets which we believe to be both meaningful and achievable.

SUSTAINABILITY REPORT

While a large proportion of the energy usage in our properties comes from our tenants, which we have no direct control over, we still aim to engage with our tenants to encourage the adoption of more energy-efficient practices. Our initiative to install EV charging stations at our premises is an example of UHREIT's support in enabling the tenants and larger community to make the switch with increased convenience of charging stations within the vicinity.

Properties Enhancement

UHREIT aims to identify and transform underperforming properties to modern best-in-class ones, service the needs of tenants, provide productive workplaces and enhance the environment for the community. We will also incorporate sustainability considerations into the due diligence process in the acquisition of new properties. Our future plans for properties enhancement are detailed as follows:

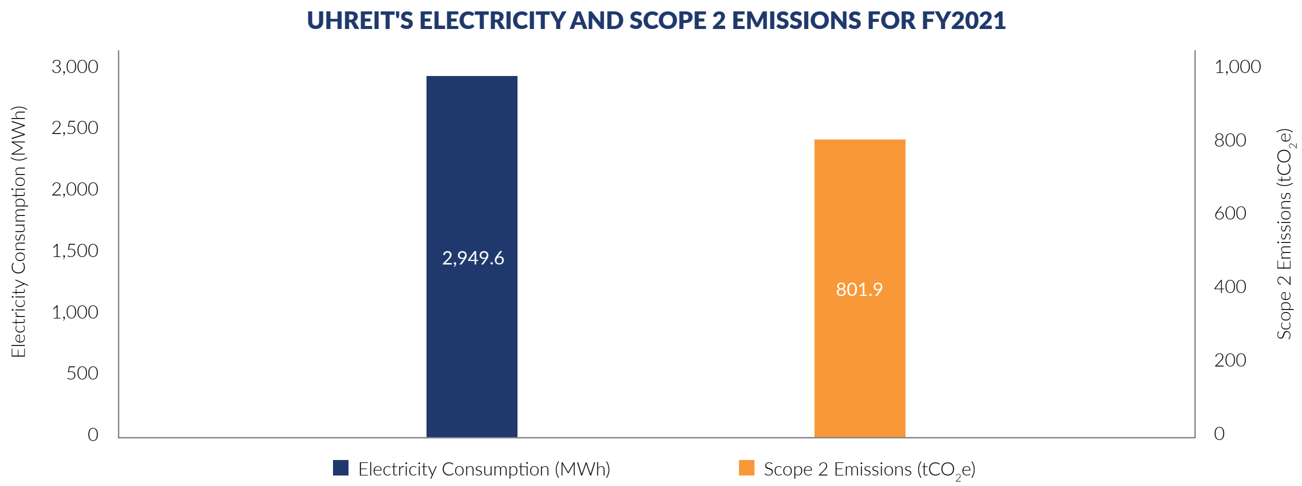
- We aim to reduce the common area electricity usage portfolio wide by 1.5% in FY2022; 3.0% by FY2023 and 5.0% by FY2024 from baseline year (FY2021).
- UHREIT to replace more energy-intensive fluorescent lighting to LED lighting at the common areas of 15% of our properties by FY2022, 25% by FY2023 and 35% of our properties by FY2024. The energy savings from this effort will be assessed on a year-by-year basis, and the proportion of our properties to be retrofitted may be adjusted as necessary to ensure our energy reduction target can be met.
- We have committed to enabling and incentivising the adoption of green transportation practices of tenants and visitors to our properties. To that end, we will be installing EV charging stations at 10% of our properties by FY2022; 30% by FY2023; and 50% of our properties by FY2024. The properties to receive these upgrades will be assessed based on the demand and prevalence of EVs where they are located at.
- Lastly, we aim to install solar panels at 25% of our Self-Storage properties by FY2022, 50% by FY2023 and 75% by FY2024 in our aim to achieve carbon neutrality. We have kickstarted the process of assessing the suitability of our properties for solar panel adaptation and have undertaken a phased approach for this project.

Our Performance

The Manager recognises the critical importance of enhancing energy efficiency and reducing overall greenhouse gas ("GHG") emissions. In FY2021, we have been tracking the electricity consumption from the landlord-controlled common areas, such as street lighting at the carpark of our properties. Tenant-controlled areas in the properties are excluded as they are not under our direct control.

UHREIT's energy consumption in FY2021, across all our properties, totalled 2,950[2] Megawatt-hour ("MWh"). This translates to energy indirect (Scope 2) Greenhouse Gas Emissions of 802 metric tons of carbon dioxide ("tCO_2e")[3] based on grid emissions factors being obtained from the USEPA eGRID 2020 data[4].

Figure 7: UHREIT's electricity consumption and Scope 2 GHG Emissions for FY2021



[2] Colonial Square and Penrose Plaza were acquired only in November 2021. As such, these two properties are excluded from the electricity consumption and Scope 2 emissions calculation for FY2021 and will be reported when full-year data is available.

[3] Carbon emission was calculated with reference to 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

[4] Source: USEPA eGRID 2020 data - https://www.epa.gov/system/files/documents/2022-01/egrid2020_summary_tables.pdf

ANTI-CORRUPTION

GRI [103-1][103-2][103-3][205-2]

Strong corporate governance is critical to every business and one of the key pillars to a successful organisation. It provides accountability and transparency to all stakeholders, and enhances investor confidence. In striving to build a transparent and honest organisational culture, UHREIT is committed to ensuring that all employees and business partners are aware of and are compliant with our policies against anti-corruption practices. UHREIT practices a zero-tolerance stance towards all forms of corruption.

UHREIT's policies against anti-corruption practices

Anti-Money Laundering Manual	The Anti-Money Laundering Manual states the legal and regulatory obligations under Singapore law as well as the internal policies and procedures instituted by UHREIT when conducting its business.
Insider Trading Policy	The Insider Trading Policy provides guidance for the directors, officers and employees of the Manager in the context of dealing in the units of UHREIT. It covers: • The obligations of the directors and CEO of the Manager to notify the Manager in relation to changes in his or her interest in Units; • The insider trading restrictions; and • Applicable trading black-out periods.
Code of Conduct	The Code of Conduct sets out the principles of conduct to guide employees and directors in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing both internal and external stakeholders.
Whistleblowing Policy	UHREIT's Whistleblowing Policy is designed to ensure employees and any other persons can raise concerns without fear of reprisal, and to provide a transparent and confidential process for dealing with concerns. All employees of the Manager and any other persons are encouraged to raise genuine concerns about possible improprieties and malpractices at the earliest opportunity, and in an appropriate way.

To maintain the continued integrity of our business and ensure that they remain up-to-date and relevant to our operations, UHREIT's anti-corruption policies are reviewed periodically by the CEO or the CFO. The policies are also reviewed in the course of internal and external audits. Moving forward, UHREIT will amend the wording in our contracts, where relevant and practicable, to ensure that all business partners are aware of our expectations for fair, transparent and ethical business dealings.

Any updates to the policies will be communicated to all employees via email, in ensuring that everyone is aware of the expectations set by the Manager. Annual employee declarations on any potential conflicts of interest are also required on a mandatory basis. Our whistleblowing statement and reporting channel can be found on our website, at https://www.uhreit.com/whistleblowing.html.

Additionally, with regards to our employees, the Code of Conduct will guide our employees to follow high ethical standards to which UHREIT is committed. This is to ensure that we maintain a well-organised, respectful and collaborative work environment. These principles of conduct are shared with all employees through the Employee Handbook and Code of Conduct which are provided to all new hires. They are expected to read and acknowledge the contents during their onboarding process. In addition, briefing sessions were also conducted during onboarding process to remind our employees on our anti-corruption policy.

SUSTAINABILITY REPORT

Our Performance

UHREIT ensures that its anti-corruption policies are communicated to both directors and employees on a regular basis. For FY2021, the board of directors have approved and put in place UHREIT's Code of Conduct Policy. We were pleased to also be able to meet our target of 100 percent completion of anti-corruption trainings and communication of anti-corruption policies to our directors and employees.

In July 2021, a training session conducted by an external consultant was organised for all employees of the Manager and the U.S. Asset Manager. This training session covered topics such as Corporate Governance, Anti-Money Laundering and Business Ethics.

In FY2021, we also had zero reported instances of non-compliance with anti-corruption laws and regulations. UHREIT also closely monitor changes in legislations and regulations, as well as significant developments in the operating environment to ensure that we will always maintain a high standard for corporate governance.

Communication and completion of training of Anti-corruption policies and procedures, by Governance bodies and Region

Communication and training of Anti-Corruption policies and procedures to Employees						
Location	Employment Category	Total	Total no. that have been communicated to	%	Total no. that have been given training	%
Singapore	Board of Directors	4	4	**100%**	4	**100%**
United States	Board of Directors	2	2	**100%**	2	**100%**

Communication and completion of training of Anti-corruption policies and procedures, by Employee Type and Region

Communication and training of Anti-Corruption policies and procedures to Employees						
Location	Employment Category	Total	Total no. that have been communicated to	%	Total no. that have been given training	%
Singapore	Executive	7	7	**100%**	7	**100%**
	Senior Management	1	1	**100%**	1	**100%**
United States	Executive	2	2	**100%**	2	**100%**
	Senior Management	2	2	**100%**	2	**100%**

Grievance Mechanism

Any possible improprieties can be reported to an independent third party via email at uhreitethicsline@kpmg.com.sg or via web portal at https://kpmgethicsline.com.sg/. Allegations will be investigated by independent parties and identities of the whistle-blowers will be kept strictly confidential to protect them from reprisal.

This web portal is managed by our outsourced provider who notifies UHREIT's senior management monthly. In addition, the chairman of the Audit and Risk Committee will be notified monthly of any whistleblowing claims.

EMPLOYEE ENGAGEMENT

GRI [103-1][103-2][103-3][401-1][401-2][404-1]

UHREIT's Manager operates on the belief that the success of UHREIT is dependent on the passion and dedication of its employees, the most valuable resource within the organisation. Being key drivers to the success and long-term growth of the organisation, it is therefore vital for us to foster a working environment that likewise empowers employees and celebrates equality, inclusivity, professional and personal growth and collaboration between departments.

UHREIT's Manager is committed to building a positive company culture and management approach, in addition to establishing the necessary policies as listed below, to meet the needs and expectations of its employees. It is paramount that our employees are shown appreciation for their work efforts and are provided the appropriate training or coaching needed to excel at their duties. To that end, check-ins are often scheduled between the employee and their direct supervisor to provide feedback and input. Periodically, town halls are also organised to align on organisational goals and initiatives or to provide updates on any significant business developments.

UHREIT's employee handbooks

UHREIT Employee Handbook	The Employee Handbook applies to the Singapore employees of the Manager, in accordance to local laws and regulations.
THC Employee Handbook	This Employee Handbook was developed by the THC and applies to the U.S. employees of the Manager and U.S. Asset Manager. It is a comprehensive manual with a description of issues that impact employees including benefits, operational policies, health & safety and talent management.

Employment and Employee Well-being

The Manager strives to create an environment that is conducive to learning and to develop and retain talent with the right set of competencies, while ensuring the mental well-being and satisfaction of all our employees. As such, the Manager is committed to the empowerment of people through equitable learning opportunities, development and remuneration packages.

UHREIT believes in sourcing and acting on employee feedback in order to refine and improve our policies for employee engagement and workplace culture. All employees are encouraged to interact closely with their respective managers and there are also periodic one-on-one meetings arranged with the CEO and CFO. In addition, annual performance reviews are conducted with the respective manager as well as senior management. The Manager practices an open-door policy that encourages employees to offer opinions or raise concerns informally.

The Manager is of the view that employees are important stakeholders in the organisation and should be kept up to date of any major shifts that would affect the environment. We seek to give our employees adequate notice for any significant operational changes in the company as mentioned in the employment contracts. In addition, annual employee satisfaction surveys and town hall sessions have been instituted to allow us to find areas for improvement in our approach. The yearly employee satisfaction survey help inform the Manager on how well the team is balanced with its core purpose of organisational excellence relative to culture, talent, strategy and performance.

Photo from town hall in December 2021

SUSTAINABILITY REPORT

In FY2021, the employee survey was held in early December, and we conducted the subsequent virtual town hall session on 16 December 2021 to discuss the results of the survey. We also used the town hall as an opportunity to carry out a refresher training session on the Code of Conduct.

As part of our commitment to create a positive work environment, we at UHREIT care about our people. We seek to improve our employee's quality of life and ensure their physical and mental well-being are taken care of. UHREIT organises events to ensure our employees feel appreciated and to instil a sense of belonging to the organisation. On 12 May 2021, we held the virtual "East Meets West Team Get Together" event to promote bonding between our U.S. and Singapore teams. This virtual event allowed our employees to share their cultures, traditions and personal interests which will promote better teamwork and communication skills.

UHREIT is also invested in the well-being and morale of our employees through the following range of employment benefits tailored to our permanent employees.

For our Singapore employees, we provide the benefits mandated by the local labour regulations such as Ministry of Manpower's ("MOM") regulation on maternity and parental leave, Central Provident Fund ("CPF") which is a mandatory social security savings scheme funded by contributions from employers and employees. The CPF will help all Singapore employees meet their retirement, housing and healthcare needs.

UHREIT also partners with reputable third-party medical and insurance organisations in providing a holistic healthcare and insurance coverage for our employees. UHREIT provide all our permanent employees with corporate medical benefits such as life insurance, medical care benefits, disability coverage, parental leave and retirement provisions. Through this, we hope to provide our employees a peace of mind when handling medical-related expenses, as well as, perform their day to day duties in an optimal manner. We will review employment benefits on a regular basis and update the insurance and medical benefits for employees, where appropriate.

Apart from the above employment benefits, we recognise that one's health and overall well-being can be impacted by lifestyle choices and habits. We thus seek to encourage healthier practices in our employees, with several well-being programs to be launched in 2022. Some of the programs are aimed at supporting our employees to better achieve a balanced work-life integration, amidst the recurring COVID-19 restrictions and work-from-home regimes which may have induced adverse effects on mental health.

Employee Training

All employees were required to complete a combination of core and supplementary hours of training. Training sessions that cover broad topics such as cyber security, anti-corruption and anti-money laundering were conducted frequently for all employees. Supplementary training sessions were also provided to employees based on their relevance to employees' areas of work, covering topics such as financial reporting and sustainability. As part of the training courses, all employees passed the tests or examinations where applicable.

Community Engagement Initiatives

Besides organising internal employee engagement events, UHREIT also invests time in giving back to the community. In June 2021, the employees from UHREIT Singapore volunteered at Willing Hearts, where the team helped in the preparation of the food ingredients and packed them into lunchboxes to be delivered for selected beneficiaries who include the elderly, the disabled, low-income families, children from poverty-stricken families, and migrant workers.

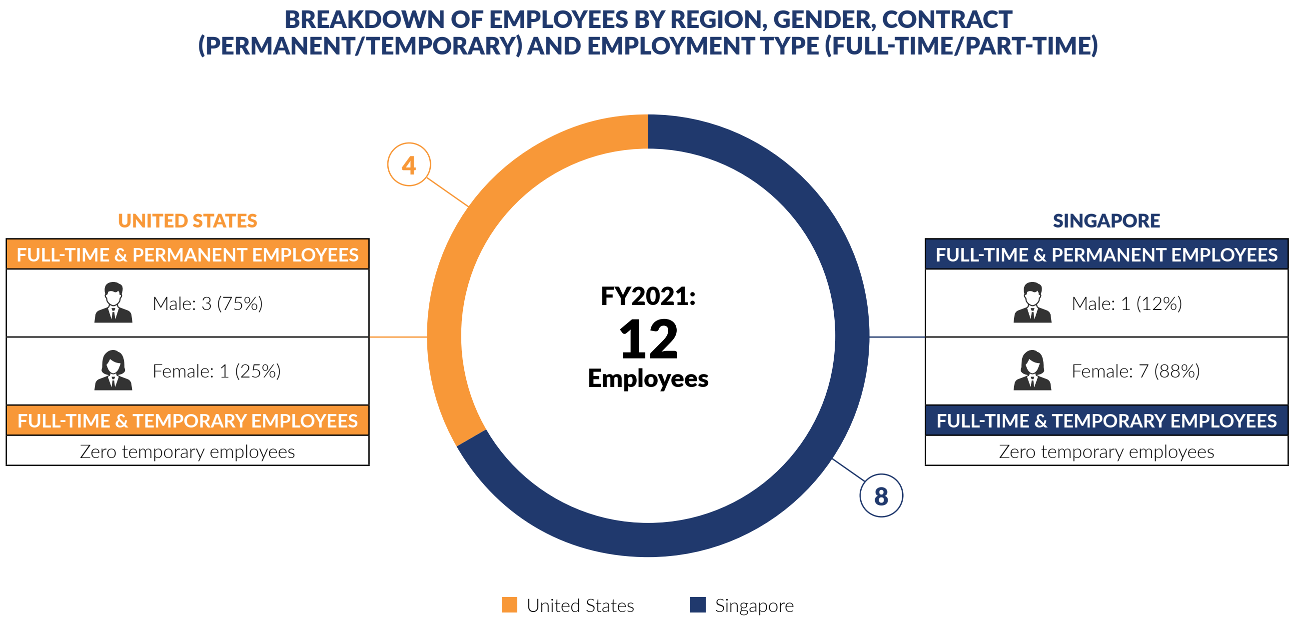
In the U.S., the CEO and certain employees of the U.S. Asset Manager participated in an event called a "Night in the Cold" to generate awareness and raise funds for a local not-for-profit organisation called Homeless Solutions that provides life skills training and housing for the homeless population in Morris County, New Jersey.

Our Performance

In FY2021, our total workforce for both operations in Singapore and U.S. totalled to 12 employees, with 67% of the employees being female and 33% are males. During the reporting period, the organisation recorded four new hires and two turnovers in FY2021. The rate of new hires joining UHREIT for FY2021 was 33% while the turnover rate was 17%[5]. By fostering a positive work culture and enhancing our employee engagement efforts, we hope to maintain a low turnover rate for coming reporting years.

All four new hires are females executives from the Singapore office with three females under the age of 30 years old and one female aged between 30 to 50 years old. The increase in our manpower resources is to meet the demands of our growing portfolio. However, we had two female executives, one from each location who resigned from UHREIT during this reporting period. They were aged between 30 to 50 years old and 50 years and above.

Figure 8: UHREIT's employee profile by region, gender, contract and employment type in FY2021



At UHREIT, we endeavour to provide ongoing upskilling and training opportunities for our employees, in enabling them to stay relevant and future-ready. In FY2021, we recorded an average of 19.5 hours of training per employee, broken down as follows:

Number of training hours based on employee category and gender for FY2021

Countries	FY2021 Training Hours (hours)[6]			
	Executive		Senior Management	
	Male	Female	Male	Female
Average number of training hours	11.5	21.4	17.2	-
Overall total number of training hours	234.0			

[5] The total number of employees as of 31 December was used as the denominator to calculate the respective new hire and turnover rates by age group and gender.

[6] For the empty cells in this table, there are no employees under that category.

SUSTAINABILITY REPORT

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102-7	Scale of the organization	Our Presence, Financial Review and Capital Management, Employee Engagement	17, 26 - 31, 91
102-8	Information on employees and other workers	Employee Engagement	89 - 91
102-9	Supply chain	UHREIT Sponsor and Property Manager	76
102-10	Significant changes to the organization and its supply chain	No significant changes to our organisation and supply chain	–
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102-12	External initiatives	Not applicable	–
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102-49	Changes in reporting	This is UHREIT's inaugural Sustainability Report.	–
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102-51	Date of most recent report	This is UHREIT's inaugural Sustainability Report.	–
102-52	Reporting cycle	On an annual basis.	–
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GRI Standards Disclosures		Report Section / Notes	Page Reference
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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 presentations, 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.

UHREIT is ranked a joint 4th on its debut in the Governance Index for Trusts ("GIFT") 2021, out of the 45 REITs and Business Trusts that were assessed. This is a testament of UHREIT's commitment to provide timely updates and high standard of disclosure to its Unitholders.

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, webinars, panel discussions and media interviews. 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. As part of our ongoing investor education effort, we participated in webinars organised by CGS-CIMB, Maybank Kim Eng, Phillip Securities and Securities Investors Association (Singapore) ("SIAS"). Despite the challenges brought upon by the pandemic, the Manager met more than 400 institutional and retail investors in FY2021, either in person or virtually. On 22 May 2021, we took part in the REIT Symposium 2021 – Online Edition jointly organised by Real Estate Investment Trust Association of Singapore ("REITAS") and ShareInvestor, which attracted over 500 unique attendees during UHREIT's live session.

UHREIT's inaugural annual general meeting ("AGM") was held virtually on 28 April 2021, where Unitholders were able to observe the AGM proceedings through the live webcast or the audio streaming. Unitholders were encouraged to submit their questions ahead of the AGM and responses to the substantial and relevant questions were posted on SGXNet and UHREIT's website prior to the AGM proceedings. All resolutions were duly passed, and results and minutes of the AGM were announced on SGXNet and made available on UHREIT's website.

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. 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
First Quarter	12 January	**CIMB Trading Representatives Briefing**
	1 March	**FY2020 post-results analysts briefing**
	2 March	**FY2020 post-results investor conference call**
	16 March	**Corporate Connect Webinar with SIAS**
Second Quarter	15 April	**Webinar with REITAS and SGX**
	28 April	**Inaugural Annual General Meeting**
	14 May	**1Q 2021 post-operational updates analysts briefing**
	18 May	**1Q 2021 post-operational updates investor conference call** **MoneyFM Radio Interview**
	22 May	**REIT Symposium 2021 jointly organised by ShareInvestor and REITAS**
Third Quarter	13 August	**1H 2021 post-results analysts briefing**
	17 August	**1H 2021 post-results investor conference call**
	18 August	**Webinar with CIMB**
	27 August	**Citi-SGX-REITAS REITS and Sponsors Forum 2021**
	14 September	**Webinar with Phillip Securities**
Fourth Quarter	5 October	**Investor briefing on the acquisitions of Colonial Square, Virginia and Penrose Plaza, Pennsylvania** **Media and analyst briefing on the acquisitions of Colonial Square, Virginia and Penrose Plaza, Pennsylvania**
	12 October	**CNBC Asia Interview with the CEO** **Panelist for "Driven to Learn" webinar series organised by CGS-CIMB**
	11 November	**3Q 2021 post-operational updates analysts briefing**
	12 November	**3Q 2021 post-operational updates investor conference call**
	23 November	**Webinar with Maybank Kim Eng**

UNIT PRICE PERFORMANCE

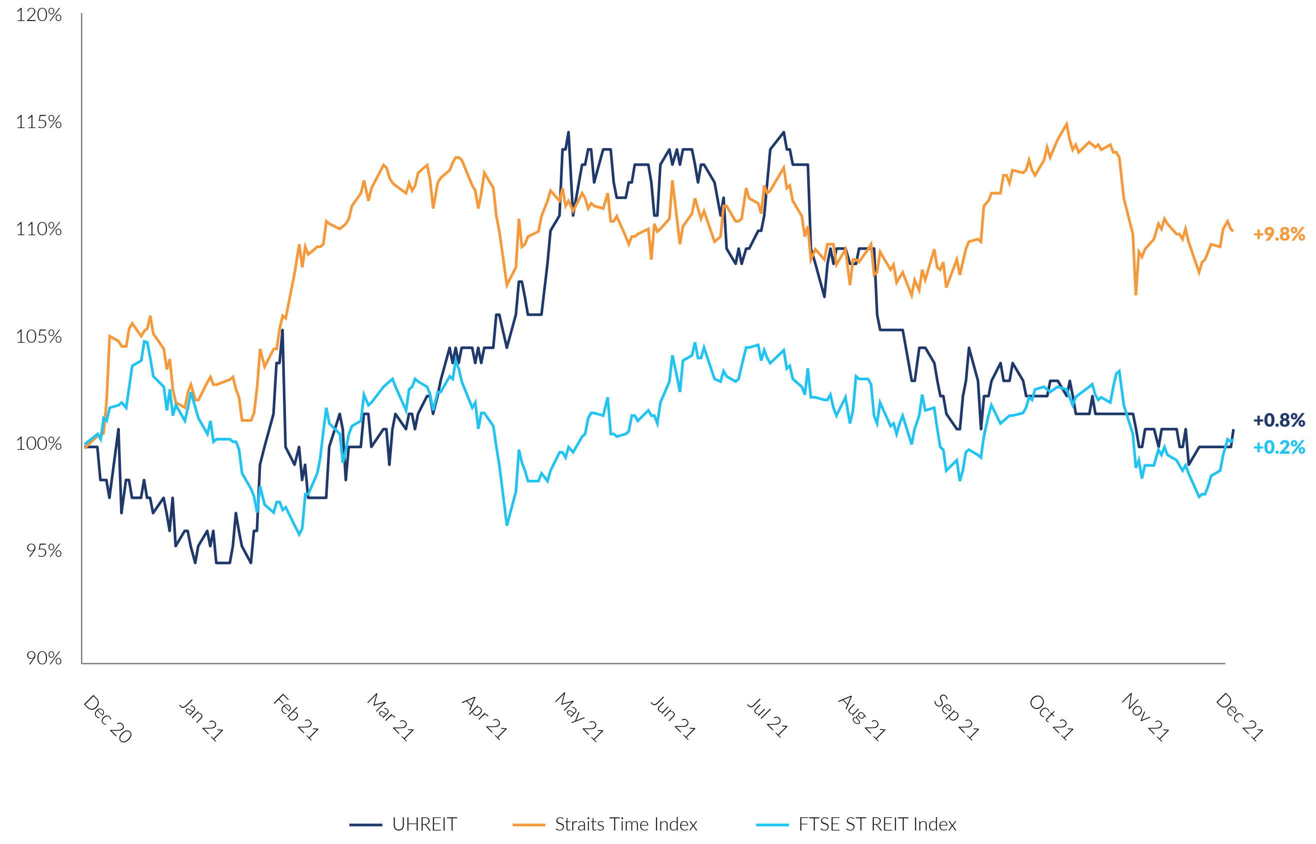
UHREIT TRADING DATA

	FY2021	FP2020[1]
Opening Unit Price on First Trading Day (US$)	0.66	0.72
Closing Unit Price on Last Trading Day (US$)	0.67	0.66
Highest Closing Unit Price (US$)	0.76	0.67
Lowest Closing Unit Price (US$)	0.63	0.47
Average Closing Unit Price (US$)	0.69	0.57
Volume Traded for the Year/Period (million units)	74.4	76.6
Average Daily Volume Traded for the Year/Period	293,970	377,122
Market Capitalisation as at Last Trading Day (US$ million)	370.7	327.4

[1] For the period from 12 March (listing date) to 31 December 2020.

COMPARATIVE TRADING PERFORMANCE FOR THE PERIOD

from 4 January to 31 December 2021



CORPORATE GOVERNANCE

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 (as amended) dated 18 September 2019 entered into between United Hampshire US REIT Management Pte. Ltd., as the manager (the "**Manager**") and Perpetual (Asia) Limited, as the trustee (the "**Trustee**") (the "**Trust Deed**"). 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 year from 1 January 2021 to 31 December 2021 (the "**FY2021**"). 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 deviation, together with details of the alternative practices which have been adopted by UHREIT which are consistent with the intent of the relevant principles 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;

CORPORATE GOVERNANCE

- *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 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;
- 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 a Code of Conduct 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 21 of this Annual Report.

CORPORATE GOVERNANCE

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 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 between pages 105 to 113 and pages 118 to 121 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 the Board, 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. Any newly-appointed Director 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.

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.

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. A cybersecurity training was conducted for the Board in September 2021 to educate the Board on key principles and good practices to combat security risks in the course of the Board's daily communications. 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 the 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:

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Name of Director	(i) had been independent from the management of the Manager and UHREIT during FY2021	(ii) had been independent from any business relationship with the Manager and UHREIT during FY2021	(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder of UHREIT during FY2021	(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder of UHREIT during FY2021	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2021
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 sponsors of and U.S. asset manager for UHREIT, and the property manager of 14 of the 24 properties in UHREIT. Mr Hanson is also a substantial shareholder of the Manager through his indirect interest of 48.4% in the Hampshire Sponsor, which in turn holds a 50% direct interest in the Manager. Pursuant to the SFLCB Regulations, during FY2021, 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 48.4% in the Hampshire Sponsor. Nonetheless, the Board is satisfied that, as at 31 December 2021, 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 sponsors of UHREIT. Pursuant to the SFLCB Regulations, during FY2021, 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 2021, 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 FY2021, 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 2021, Mr Wee was able to act in the best interests of all Unitholders of UHREIT as a whole.

[4] For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 December 2021, each of the abovementioned Directors was able to act in the best interests of all the Unitholders 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 FY2021 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.

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

CORPORATE GOVERNANCE

candidates for new appointment to the Board. The NRC has recently conducted its assessment in February 2022 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.

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 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.

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;

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- 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 and 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

(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 as to their being 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 and 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 the 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 FY2021.

An assessment was carried out on major commitments of the Directors, including employment and listed company directorships and took note of the number of 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) and the Annual General Meeting (the "AGM") during FY2021 are as recorded below:

Number of meetings held in FY2021	**Annual General Meeting**	**Board of Directors**	**Audit and Risk Committee**	**Nominating and Remuneration Committee**
	1	5	4	1
Name of Director	**Number of meetings attended in FY2021**			
Mr Tan Tong Hai	1	5^	4	1^
Mr James E. Hanson II	1	5	4*	1
Mr David Tuvia Goss	1	5	4*	1
Mr Wee Teng Wen	1	5	2*	-
Mr Chua Teck Huat Bill	1	5	4^	1
Ms Jaelle Ang Ker Tjia	1	4	4	1

^ Chairman.

* Attendance by invitation.

Based on the Directors' attendance record at Board and Board Committee meetings, the AGM, 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 FY2021. 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 21 and 188 of this Annual Report.

CORPORATE GOVERNANCE

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.

The Board had conducted a formal performance evaluation exercise to assess 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 for FY2021. The evaluations are carried out by means of a questionnaire being completed by each Director. The performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed the effective discharge of duties.

The objective performance criteria 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 generally took 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.

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, Boardroom Corporate & Advisory Services Pte. Ltd. ("**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 which 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 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 FY2021.

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 the Directors is determined at levels which enables the Manager to attract and retain the 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.

CORPORATE GOVERNANCE

The Board believes in a competitive and transparent remuneration framework. The Directors' remuneration received and receivable from UHREIT for FY2021, 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 and reported in the Annual Report:

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

Name of Director	Salary	Performance Bonus	Director's Fees	Total
Mr Tan Tong Hai	–	–	$92,000	–
Mr James E. Hanson II	–	–	–[1]	–
Mr David Tuvia Goss	–	–	–[1]	–
Mr Wee Teng Wen	–	–	$40,000	–
Mr Chua Teck Huat Bill	–	–	$75,000	–
Ms Jaelle Ang Ker Tjia	–	–	$60,000	–

Note:

1 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.

With the assistance of an external consultant, Aon Solutions Singapore Pte. Ltd. (previously known as Aon Hewitt Singapore Pte. Ltd.), which the Manager engaged, the NRC has put in place the Manager's remuneration structure which addresses 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, including but not limited to deal introduction to UHREIT, cost-savings ideas and initiatives which have the potential of increasing the performance of UHREIT and measured based on the monetary benefit or cost-savings which UHREIT receives as a result of the value-add contributed by the individual Director and a KMP.

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 CEO'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 CEO) 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 for FY2021, are provided in the remuneration table below.

Key Management Personnel	Base Salary	Variable Bonus[1]	Short term allowance and benefits-in-kind	Contingent award of units PUP[2]
Between S$750,000 to S$1,000,000				
Mr Robert T. Schmitt	55%	8%	9%	28%

[1] The quantum of performance-related bonuses earned by the CEO of the Manager includes bonuses accrued for the financial period from 12 March 2020 to 31 December 2020, which have been paid in FY2021.

[2] The proportion of value of the unit awards under the Performance Unit Plan of the Manager ("**PUP**") is based on the fair value of the units comprised in the contingent awards under the PUP at the time of grant in FY2021. The final number of units released under the contingent awards of units for the PUP will depend on the achievement of pre-determined performance targets and subject to the respective vesting period under the PUP.

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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.

Remuneration Policy in respect of Key Management Personnel

The Manager's remuneration framework 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 employees based on their individual performance. In terms of individual performance, this is designed to holistically incorporate components that measure near-term, mid-term and long-term performance. The NRC takes into consideration all aspects of the remuneration and aims to be competitive and fair while ensuring that the remuneration package aligns with the interest of UHREIT's unitholders.

The total remuneration mix comprises three components - annual fixed pay, short-term incentive and long-term incentive.

(a) The annual fixed pay component comprises the annual basic salary. The Manager uses market benchmarking to ensure external competitiveness.

(b) The short-term incentive is determined by a Balanced Scorecard ("**BSC**") which is a variable cash component that looks at UHREIT's financial and non financial performance, and is distributed to employees based on their individual performance.

The BSC bonus drives focus on short-term dynamic targets whilst ensuring a holistic assessment of performance. It also aligns the interests of UHREIT and the Manager. The Manager has identified four focus areas as key to measuring its performance.

i. Financial: This includes targets relating to key financial indicators such as the net property income of UHREIT and the income available for distribution to Unitholders;

ii. Customer / Asset Focus: This includes targets relating to the occupancy at UHREIT's properties, lease renewals, rental collections and accounts receivable;

iii. Operations / Strategic Focus: This includes targets relating to risk management, legal and regulatory compliance and investors relations; and

iv. People: This includes targets relating to talent management and retention and succession planning.

These are cascaded down throughout the organisation, thereby creating alignment across UHREIT.

After the close of each financial year, the Board reviews UHREIT's achievements against the targets set in the BSC and determine the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape and industry trends. In determining the pay-out quantum for each employee under the BSC, the Board considers the overall business performance and individual performance as well as the affordability of the pay-out for the Manager.

(c) The long-term incentive is in the form of the PUP which is applicable to KMP. The PUP has a three-year performance period and the final number of units to be granted depends on the achievement of certain performance targets at the end of the performance period. The performance targets comprise of a combination of the Absolute Total Unitholder Return ("**ATUR**"), Assets Under Management ("**AUM**") Growth and Distribution Per Unit ("**DPU**"). ATUR drives alignment of Unitholders interests with the Manager, whilst the DPU and AUM Growth complement the ATUR in capturing UHREIT's long-term value creation objectives. The Manager believes that the unit-based components of the remuneration for KMP serve to align the interests of such KMP with that of Unitholders and UHREIT's long-term growth and value.

Units were granted under the PUP in FY2021 to the KMP which is subject to the aforesaid 3-year vesting period, in respect of which the qualifying performance period has not ended as at the date hereof. No new units are or will be issued by UHREIT to satisfy the grant of the units under the PUP as the units that are granted under these plans will be taken from the units which are already owned by the Manager.

No employee share option schemes or share schemes have been implemented by UHREIT.

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 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;

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- 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. A summary of the ARC's key responsibilities under its ToR is disclosed on page 119 to 120 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.

The ERM framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within UHREIT. For FY2021, the Board, with the concurrence of the AC, 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:

1. 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.

2. 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.

3. 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.

4. Interest Rate Risk

UHREIT's exposure to changes in interest rates relates primarily to interest bearing financial liabilities. The Manager actively monitor and manage 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 2021, 79.6% of the borrowing are hedged at fixed rates.

5. 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.

6. 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.

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7. 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.

8. 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.

9. 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 also engages 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.

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 FY2021 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 Internal and 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 2021.

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 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.

Related party transactions 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.

CORPORATE GOVERNANCE

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 FY2021 are set out on page 186 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 and Touche LLP ("**Deloitte**"), and neither do they have any financial interest in Deloitte.

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 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 FY2021, four ARC meetings were held and the ARC has also met separately with the Internal and External Auditors, without the presence of Management 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.

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 FY2021. 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 FY2021 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 FY2021, 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 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;

CORPORATE GOVERNANCE

- 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 the 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 the 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 plan 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 a 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 FY2021, the ARC concludes that the Internal Audit function is adequately resourced, effective and independent.

REVIEWS CONDUCTED BY THE ARC

In FY2021, 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 and discussed with Management, among other matters, the following key audit matter(s) ("**KAM**") identified by the External Auditors for FY2021:

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 FY2021 was US$800,682, of which the audit fees amounted to US$556,500 and the non-audit fees amounted to US$244,182 mainly for general tax and GST compliance works.

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; and (b) 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 short-term or speculative considerations is strongly discouraged.

CORPORATE GOVERNANCE

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.

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 the annual general meeting in respect of FY2021 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 annual general meeting dated 4 April 2022. 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 the appointment of proxies. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

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 to 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 and will be published on SGXNET and UHREIT's website at https://www.uhreit.com/

As the Manager will be conducting the annual general meeting in respect of FY2021 via electronic means, Unitholders are therefore unable to attend the meeting in person and 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 annual general meeting dated 4 April 2022 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 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 retail investors, analysts and fund managers to solicit and understand the views of the investment community via analyst and investor briefings held after the financial results and operational updates announcements; one-on-one or group meetings, conference calls, investor luncheons, local or overseas road shows, webinars 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.

CORPORATE GOVERNANCE

More information of the Manager's IR activities can be found on pages 94 to 95 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.

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report provides UHREIT's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report will also set out the key areas of focus in relation to the management of stakeholder relationships during the reporting period. UHREIT is committed to conducting its business operations in a manner that upholds high standards of corporate governance and considers the environmental and social impact for sustainable growth resulting in UHREIT establishing a reporting team led by the CEO for formulating and implementing UHREIT's sustainability best practice. The Sustainability Report can be found on pages 75 to 93 of this Annual Report.

DISTRIBUTION POLICY

UHREIT's distribution policy is to distribute 100% of UHREIT's annual distributable income for the period from the Listing Date to the end of FY2021, 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. UHREIT made its first distribution to Unitholders on 29 September 2020.

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 144 to 147 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 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 133 to 185, 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 2022

STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 133 to 185, comprising the statements of financial position of the Group and the Trust as at 31 December 2021, 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 year ended 31 December 2021, portfolio statement of the Group as at 31 December 2021 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 2021, 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 year ended 31 December 2021 and portfolio statement of the Group as at 31 December 2021, 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 2022

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 2021, 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 year ended 31 December 2021, portfolio statement of the Group as at 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 133 to 185.

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 2021, 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 year ended 31 December 2021 and portfolio statement of the Group as at 31 December 2021.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td><u>Fair Valuation and Disclosure of Fair Value for Investment Properties</u>

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$711.7 million as at 31 December 2021.

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 external independent valuers ("Valuers") to perform the fair value assessment for all 24 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.

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.</td><td>We have assessed the Group's process of appointing and determining the scope of work of the Valuers, as well as the process of reviewing, and accepting the Valuers' investment property valuations.

We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuers with the Group to determine whether there are any matters which might affect the objectivity of the Valuers or impede their scope of work.

We have held discussions with management and the Valuers on the valuation reports, and have engaged our valuation specialists to assist in:

• Assessing the valuation methodology, key assumptions and inputs used by the Valuers 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; and
• Reviewing the integrity of the valuation calculations and inputs, including review of lease schedules and lease agreements

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 disclosures made in the consolidated financial statements.</td></tr>
</table>

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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

(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 2022

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2021

		Group		Trust	
	Note	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	11,194	13,040	1,779	1,011
Restricted cash	5	310	120	-	-
Trade and other receivables	6	4,257	5,699	4,618	113
Tax receivable		65	-	-	-
Prepaid expenses		1,671	1,783	57	2
Total current assets		**17,497**	**20,642**	**6,454**	**1,126**
Non-current assets					
Restricted cash	5	258	258	-	-
Investment properties	7	711,650	608,667	-	-
Derivative assets	13	91	-	-	-
Investment in subsidiaries	8	-	-	440,874	373,264
Total non-current assets		**711,999**	**608,925**	**440,874**	**373,264**
Total assets		**729,496**	**629,567**	**447,328**	**374,390**
LIABILITIES					
Current liabilities					
Trade and other payables	10	8,040	8,086	1,234	386
Loans and borrowings	11	6,000	-	-	-
Provision for taxation		-	473	-	-
Lease liability	14	798	779	-	-
Total current liabilities		**14,838**	**9,338**	**1,234**	**386**
Non-current liabilities					
Loans and borrowings	11	265,639	217,090	47,816	-
Preferred shares	12	125	125	-	-
Rental security deposits		789	493	-	-
Derivative liabilities	13	-	2,117	-	-
Lease liability	14	22,377	23,175	-	-
Deferred tax liabilities	9	6,469	-	-	-
Total non-current liabilities		**295,399**	**243,000**	**47,816**	**-**
Total liabilities		**310,237**	**252,338**	**49,050**	**386**
NET ASSETS		**419,259**	**377,229**	**398,278**	**374,004**
Net assets attributable to:					
Unitholders		416,999	375,319	398,278	374,004
Non-controlling interests	15	2,260	1,910	-	-
		419,259	**377,229**	**398,278**	**374,004**
Units in issue and to be issued ('000)	16	**558,660**	**497,354**	**558,660**	**497,354**
Net asset value per Unit (US$)	17	**0.75**	**0.75**	**0.71**	**0.75**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 1 January 2021 to 31 December 2021 US$'000	Group 18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Gross revenue	18	55,195	41,617
Property expenses	19	(16,276)	(11,820)
Other income	20	3,027	1,278
Net property income		**41,946**	**31,075**
Manager's base fees		(3,119)	(2,382)
Manager's performance fees		(17)	(52)
Trustee's fees		(136)	(119)
Other trust expenses	21	(2,061)	(1,445)
Finance costs	22	(7,234)	(5,594)
Finance income		14	3
Net income before tax and change in fair value of investment properties and derivatives		**29,393**	**21,486**
Fair value change in investment properties	7	18,615	(14,301)
Fair value change on derivative financial instruments		2,208	(2,117)
Net income before tax		**50,216**	**5,068**
Income tax expense	23	(6,891)	(489)
Net income after tax		**43,325**	**4,579**
Net income after tax attributable to:			
Unitholders		42,860	4,634
Non-controlling interests		465	(55)
Net income for the year/period		**43,325**	**4,579**
Basic and diluted earnings per Unit (cents)	24	8.40	0.94

See accompanying notes to financial statements.

DISTRIBUTION STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group	
	1 January 2021 to 31 December 2021 US$'000	**18 September 2019 (Date of Constitution) to 31 December 2020 US$'000**
Amount available for distribution to Unitholders at beginning of the financial year/18 September 2019 (the "Date of Constitution")	15,045	-
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
Financial year from 1 January 2021 to 31 December 2021	42,860	-
Distribution adjustments (Note A)	(11,665)	19,192
Amount available for distribution to Unitholders	31,195	23,826
Distribution to Unitholders during the financial year/period:		
Distribution of US1.78 cents per Unit for the period from the Listing Date to 30 June 2020	-	(8,781)
Distribution of US3.03 cents per Unit for the period from 1 July 2020 to 31 December 2020	(15,030)	-
Distribution of US3.05 cents per Unit for the period from 1 January 2021 to 30 June 2021	(15,205)	-
Advanced Distribution of US1.75 cents per Unit for the period from 1 July 2021 to 13 October 2021	(8,742)	-
Total distribution to Unitholders	(38,977)	(8,781)
Income available for distribution to Unitholders at the end of the financial year/period	7,263	15,045
Distribution per Unit (DPU) (cents) (1)	**6.10**	**4.81**

Footnote:

(1) The DPU relates to the distributions in respect of the financial year from 1 January 2021 to 31 December 2021 (2020: Listing Date to 31 December 2020). The distribution for the period from 14 October 2021 to 31 December 2021 (2020: 1 July 2020 to 31 December 2020) will be paid subsequent to the financial year end.

DISTRIBUTION STATEMENT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note A – Distribution adjustments comprise:

	Group	
	1 January 2021 to 31 December 2021 US$'000	**18 September 2019 (date of constitution) to 31 December 2020 US$'000**
Property related non-cash items [1]	(1,670)	(1,728)
Manager's base fees payable/paid in Units	3,119	2,382
Manager's performance fees payable/paid in Units	17	52
Trustee's fees	136	113 [2]
Amortisation of upfront debt-related transaction costs [3]	821	548
Fair value change in investment properties	(18,615)	14,301
Fair value change on financial derivatives	(2,208)	2,117
Deferred tax expense	6,469	-
Income top-ups [4]	737	1,992
Interest on lease liability	541	447
Ground lease rental payment	(1,320)	(1,061)
Net loss after tax for period prior to the Listing Date	-	29
Other net adjustments [5]	308	-
Distribution adjustments	**(11,665)**	**19,192**

Footnotes:

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

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

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

(4) Comprises income top-ups provided by the Hampshire Sponsor in relation to St. Lucie West Top-Up Agreement (2020: St. Lucie West and Perth Amboy Self-Storage).

(5) Net of non-controlling interests.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Units in issue and to be issued US$'000	(Accumulated losses)/ Retained earnings US$'000	Unitholders' funds US$'000	Non-controlling interests US$'000	Total US$'000
Group						
As at 1 January 2021		**376,851**	**(1,532)**	**375,319**	**1,910**	**377,229**
Operations						
Net income for the year		-	42,860	42,860	465	43,325
Net increase in net assets resulting from operations		**376,851**	**41,328**	**418,179**	**2,375**	**420,554**
Unitholders' transactions						
Issue of Private Placement Units	16	35,000	-	35,000	-	35,000
Issue costs	16	(1,122)	-	(1,122)	-	(1,122)
Distribution to Unitholders	16	(13,641)	(25,336)	(38,977)	-	(38,977)
Manager's base fees paid in Units	16	2,287	-	2,287	-	2,287
Manager's base fees payable in Units	16	832	-	832	-	832
Manager's performance fees payable in Units	16	17	-	17	-	17
Manager's acquisition fees paid in Units	16	783	-	783	-	783
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**24,156**	**(25,336)**	**(1,180)**	**-**	**(1,180)**
Dividends to non-controlling interests		-	-	-	(115)	(115)
As at 31 December 2021		**401,007**	**15,992**	**416,999**	**2,260**	**419,259**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Units in issue and to be issued US$'000	Retained earnings/ (Accumulated losses) US$'000	Unitholders' funds 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	4,634	(55)	4,579
Net increase/(decrease) in net assets resulting from operations		**-**	**4,634**	**4,634**	**(55)**	**4,579**
Unitholders' transactions						
Issue of new Unit prior to the Listing Date	16	- [(1)]	-	- [(1)]	-	- [(1)]
Issue of new Units on the Listing Date	16	394,622	-	394,622	-	394,622
Issue costs	16	(17,590)	-	(17,590)	-	(17,590)
Distribution to Unitholders	16	(2,615)	(6,166)	(8,781)	-	(8,781)
Manager's base fees paid in Units	16	2,382	-	2,382	-	2,382
Manager's performance fees paid in Units	16	52	-	52	-	52
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**376,851**	**(6,166)**	**370,685**	**-**	**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)**	**375,319**	**1,910**	**377,229**

Footnote:

(1) Less than US$1,000.

	Note	Units in issue and to be issued US$'000	(Accumulated losses) US$'000	Total US$'000
Trust				
As at 1 January 2021		**376,851**	**(2,847)**	**374,004**
Operations				
Net income for the year		-	25,454	25,454
Net increase in net assets resulting from operations		**376,851**	**22,607**	**399,458**
Unitholders' transactions				
Issue of Private Placement Units	16	35,000	-	35,000
Issue costs	16	(1,122)	-	(1,122)
Distribution to Unitholders	16	(13,641)	(25,336)	(38,977)
Manager's base fees paid in Units	16	2,287	-	2,287
Manager's base fees payable in Units	16	832	-	832
Manager's performance fees payable in Units	16	17	-	17
Manager's acquisition fees paid in Units	16	783	-	783
Net increase/(decrease) in net assets resulting from Unitholders' transactions		**24,156**	**(25,336)**	**(1,180)**
As at 31 December 2021		**401,007**	**(2,729)**	**398,278**

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Units in issue and to be issued US$'000	Retained earnings/ (Accumulated losses) US$'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 Units 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 fees paid in Units	16	2,382	-	2,382
Manager's performance fees paid 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 1 January 2021 to 31 December 2021 US$'000	Group 18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Operating activities			
Net income before tax		50,216	5,068
Adjustments for:			
Property related non-cash items	7	(1,670)	(1,728)
Manager's base fees payable/paid in Units		3,119	2,382
Manager's performance fees payable in Units		17	52
Fair value change in investment properties	7	(18,615)	14,301
Fair value change on financial derivatives	13	(2,208)	2,117
Finance costs	22	7,234	5,594
Finance income		(14)	(3)
Operating cash flows before working capital changes		**38,079**	**27,783**
Changes in working capital:			
Trade and other receivables		1,442	(2,953)
Restricted cash		(190)	(254)
Prepaid expenses		170	848
Trade and other payables		712	490
Rental security deposits		88	(94)
Cash generated from operations		**40,301**	**25,820**
Income tax paid		(960)	(16)
Net cash generated from operating activities		**39,341**	**25,804**
Investing activities			
Acquisition of investment properties and related assets and liabilities	a	(78,386)	(450,359)
Additions to investment properties	b	(4,241)	(7,942)
Interests received		14	3
Net cash used in investing activities		**(82,613)**	**(458,298)**
Financing activities			
Proceeds from issuance of Units	16	35,000	320,858
Payment for transaction costs relating to issuance of Units	16	(1,122)	(17,590)
Distribution paid to Unitholders		(38,977)	(8,781)
Dividends paid to non-controlling interests		(115)	-
Proceeds from issuance of preferred shares		-	125
Payment for transaction costs relating to issuance of preferred shares		-	(21)
Dividends paid to preferred shareholders		(16)	(4)
Contribution from a non-controlling interest		-	290
Proceeds from loans and borrowings		70,500	158,329
Payment of debt-related transaction costs		(2,375)	(2,205)
Finance costs paid on loans and borrowings		(5,649)	(4,406)
Repayment of loans and borrowings		(14,500)	-
Repayment of lease liability		(779)	(614)
Interest paid on lease liability		(541)	(447)
Net cash generated from financing activities		**41,426**	**445,534**
Net (decrease)/increase in cash and cash equivalents		(1,846)	13,040
Cash and cash equivalents at beginning of the year/period		13,040	-
Cash and cash equivalents at end of the year/period	**4**	**11,194**	**13,040**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

a) Acquisition of investment properties and related assets and liabilities

	Group	
	1 January 2021 to 31 December 2021	**18 September 2019 (Date of Constitution) to 31 December 2020**
	US$'000	**US$'000**
Agreed purchase consideration for investment properties	78,250	584,549
Less: Non-controlling interest	-	(1,675)
Acquisition of the properties	**78,250**	**582,874**
Add: Acquisition costs	2,753	4,198
	81,003	**587,072**
Trade and other receivables	-	19
Prepaid expenses	58	2,623
Restricted cash	-	124
Loans and borrowings	-	(60,814)
Debt related transaction costs	-	420
Trade and other payables	(1,684)	(4,734)
Rental security deposits	(208)	(587)
Net liabilities acquired	**(1,834)**	**(62,949)**
Net consideration for investment properties	**79,169**	**524,123**
Less: Acquisition fees settled through issuance of Units	(783)	-
Less: Consideration settled through issuance of Units for rollover investors	-	(73,764)
Net cash outflow for the acquisition	**78,386**	**450,359**

b) Additions to investment properties

Includes cash paid on capital expenditure, tenant improvements and leasing commissions.

See accompanying notes to financial statements.

PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2021

Description of property	Location	Tenure of land	Fair value as at 31 December 2021 US$'000	Percentage of total net assets as at 31 December 2021 %	Fair value as at 31 December 2020 US$'000	Percentage of total net assets as at 31 December 2020 %
Grocery & Necessity Properties						
Hudson Valley Plaza	New York	Freehold	49,200	11.7	45,300	12.0
Albany ShopRite – Supermarket	New York	Freehold	23,700	5.7	22,850	6.1
Albany ShopRite – Gas Station	New York	Freehold	4,400	1.0	4,050	1.1
Towne Crossing	New Jersey	Freehold	12,300	2.9	12,900	3.5
Lynncroft Center	North Carolina	Freehold	25,000	6.0	24,200	6.5
Garden City Square – BJ's Wholesale Club	New York	Freehold	48,000	11.4	45,900	12.2
Garden City Square – LA Fitness	New York	Freehold	21,000	5.0	21,100	5.6
Price Chopper Plaza	New York	Freehold	20,900	5.0	21,700	5.8
Big Pine Center	Florida	Freehold	9,100	2.2	9,200	2.4
Stop & Shop Plaza	New Jersey	Freehold	25,500	6.1	28,300	7.5
Fairhaven Plaza	Massachusetts	Freehold	19,500	4.7	19,800	5.2
Wallington ShopRite	New Jersey	Leasehold [1]	16,300	3.9	16,300	4.3
Parkway Crossing	Maryland	Freehold	27,300	6.5	24,600	6.5
Wallkill Price Chopper	New York	Freehold	13,000	3.1	13,200	3.5
St. Lucie West	Florida	Freehold	86,100	20.5	83,550	22.1
BJ's Quincy	Massachusetts	Freehold	34,800	8.3	34,500	9.1
Arundel Plaza	Maryland	Freehold	45,200	10.8	45,500	12.1
Lawnside Commons	New Jersey	Freehold	34,575	8.2	32,800	8.7
Colonial Square [2]	Virginia	Freehold	26,400	6.3	-	-
Penrose Plaza [3]	Pennsylvania	Freehold	55,100	13.2	-	-
Self-Storage Properties						
Carteret Self-Storage	New Jersey	Freehold	22,200	5.3	17,000	4.5
Millburn Self-Storage	New Jersey	Freehold	24,500	5.8	21,200	5.6
Elizabeth Self-Storage	New Jersey	Freehold	24,000	5.7	22,200	5.9
Perth Amboy Self-Storage	New Jersey	Freehold	20,400	4.9	19,300	5.1
Investment properties, at valuation [4] (Note 7)			**688,475**	**164.2**	**585,450**	**155.3**
Investment property – Right-of-use asset (Note 7)			23,175	5.5	23,954	6.3
Reclass of St. Lucie Top-Up (Note 7 and 30)			-	-	(737)	(0.2)
Investment properties, at carrying value (Note 7)			**711,650**	**169.7**	**608,667**	**161.4**
Other assets and liabilities (net)			(292,391)	(69.7)	(231,438)	(61.4)
Net assets			**419,259**	**100.0**	**377,229**	**100.0**

Footnotes:

[1] The Wallington ShopRite property consists of a 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] Acquired on 12 November 2021.

[3] Acquired on 24 November 2021.

[4] The carrying value of the Group's investment properties as at 31 December 2021 was based on the independent valuation as at 31 December 2021 undertaken respectively by Cushman & Wakefield of New Jersey LLC, Newmark Knight Frank Valuation & Advisory, LLC and CBRE, Inc. (2020: CBRE Inc.), as independent valuers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 financial year ended 31 December 2021, 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 on 18 March 2022.

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% (2020: 100.0%) of its base fee in the form of Units for the financial year ended 31 December 2021 (2020: 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 ended 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. The Manager has elected to receive 100.0% (2020: 100.0%) of its performance fee in the form of Units for the financial year ended 31 December 2021 (2020: Listing Date to 31 December 2020). Where the performance 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. The Manager has elected to receive 100.0% of its acquisition fee in the form of Units during the financial year ended 31 December 2021.

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$15.0 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1 GENERAL (CONT'D)

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

Development Management Fee (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 fee 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 1 January 2021, the Group and the Trust adopted all the new and revised IFRS that were effective from that date and were relevant to its operations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

<u>Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</u>

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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.

<u>Subsidiaries</u>

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (cont'd)

Subsidiaries (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Subsequent measurement (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Impairment of non-financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial instruments (cont'd)

Non-derivative financial liabilities (cont'd)

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.

2.5 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 assets 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Leases (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Income tax (cont'd)

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.

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$" or "USD"), which is the functional currency of the Trust and the Group. All financial information presented has been rounded to the nearest thousand (US$'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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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		Trust	
	2021	**2020**	**2021**	**2020**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash at bank	11,194	13,040	1,779	1,011

Cash at banks earns interest at floating rates based on daily bank deposit rates.

5 RESTRICTED CASH

	Group		Trust	
	2021	**2020**	**2021**	**2020**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Restricted cash analysed as:				
Current assets	310	120	-	-
Non-current assets	258	258	-	-
Restricted cash	568	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		Trust	
	2021	**2020**	**2021**	**2020**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Trade receivables	2,724	3,177	-	-
Allowance for ECL	(113)	(277)	-	-
Net trade receivables	2,611	2,900	-	-
Other receivables	1,239	1,031	193	62
Other receivables from subsidiaries	-	-	4,425	51
Top-up receivables	407	1,768	-	-
	4,257	5,699	4,618	113

During the financial year/period, the Group has granted rent abatement of US$17,000 (2020: US$626,000) and rent deferral of US$129,000 (2020: US$1,047,000) to eligible retail tenants affected by the COVID-19 pandemic.

Other receivables due from subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and to be settled in cash.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Top-up receivable is relating to the top-up income of US$407,000 attributable to Q4 2021 (2020: US$1,031,000 attributable to Q4 2020) which has been received subsequent to year end. Please see further details in Note 30 to the financial statements.

Impairment losses

The movement in impairment losses recognised in respect of trade receivables during the financial year/period is as follows:

	Group	
	2021 US$'000	2020 US$'000
At the beginning of financial year/Date of Constitution	277	-
Allowance for ECL	100	277
Write-off	(264)	-
At the end of financial year/period	113	277

The Manager believes that no allowance for ECL is necessary in respect of the remaining trade and other receivables as majority of the balances are not past due and/or relate to creditworthy debtors and counterparties with good payment record.

7 INVESTMENT PROPERTIES

	Group	
	2021 US$'000	2020 US$'000
Statements of financial position		
At the beginning of the financial year/Date of Constitution	608,667	-
Acquisition (including acquisition costs)	81,003	588,747
Additions in capital expenditure, tenant improvements and leasing commissions	1,695	10,652
Addition of a right-of-use asset [(1)]	-	24,568
Reclass of income top-ups	-	(2,727)
Fair value change in investment properties [(2)]	20,285	(12,573)
Carrying value of investment properties [(3)]	711,650	608,667
Net fair value:		
Right-of-use asset	23,175	23,954
Fair value of investment properties as at 31 December	688,475	585,450
Reclass of St. Lucie Top-Up (Note 30)	-	(737)
	711,650	608,667
Consolidated statement of comprehensive income		
Fair value change in investment properties [(2)]	20,285	(12,573)
Property related non-cash items [(4)]	(1,670)	(1,728)
Net fair value change in investment properties	18,615	(14,301)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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	
	2021	**2020**
	US$'000	**US$'000**
Fair value of investment properties (based on valuation report)	688,475	585,450
Reclass of St. Lucie Top-Up (Note 30)	-	(737)
Add: carrying amount of right-of-use asset (Note 14)	23,175	23,954
Investment properties as at 31 December	711,650	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$779,000 (2020: US$614,000) during the financial year/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 respectively by Cushman & Wakefield of New Jersey LLC, Newmark Knight Frank Valuation & Advisory, LLC and CBRE, Inc (2020: CBRE, Inc.). The independent valuers have 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.

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

7 INVESTMENT PROPERTIES (CONT'D)

- 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 6.75% – 9.0% (2020: 6.5% – 10.0%) Terminal capitalisation rate of 6.25% – 8.25% (2020: 6.0% – 9.5%) **Self-Storage Properties** Discount rate of 8.0% (2020: 7.5% – 8.0%) Terminal capitalisation rate of 5.5% (2020: 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 5.75% – 8.0% (2020: 5.8% – 9.0%) **Self-Storage Properties** Capitalisation rate of 5.25% (2020: 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$131,300,000 (2020: US$129,050,000) have been pledged as security for mortgage loan facilities granted by financial institutions to the Group (Note 11). All the investment properties are located in the U.S.

In respect of the independent valuation reports as at 31 December 2020 by CBRE, Inc, it was 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 were 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 as at 31 December 2020 would be lowered by 2.6% and 5.0% respectively.

The global economy continues to gradually recover from the impact of COVID-19 during the financial year ended 31 December 2021, this has been diligently evaluated in deriving at the fair value of investment properties as at 31 December 2021 by the independent professional valuers.

8 INVESTMENT IN SUBSIDIARIES

	Trust	
	2021	**2020**
	US$'000	**US$'000**
Unquoted equity shares, at cost	440,874	373,264

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the Trust's significant subsidiaries at 31 December are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Interest held 2021 %	Interest held 2020 %
Directly held:				
United Hampshire US REIT Sub 1 Pte. Ltd. [1]	Singapore	Investment Holding	100	100
United Hampshire US REIT Sub 2 Pte. Ltd. [1]	Singapore	Investment Holding	100	100
United Hampshire US REIT Sub 3 Pte. Ltd. [2]	Singapore	Investment Holding	100	-
Indirectly held:				
United Hampshire US Parent REIT, Inc. [3]	United States	Investment Holding	100	100
United Hampshire US Holdings LLC [3]	United States	Investment Holding	100	100
UH US Warwick 2019 LLC [3]	United States	Property Owner	100	100
UH US Wallington 2019 LLC [3]	United States	Property Owner	100	100
UH US Albany 2019 LLC [3]	United States	Property Owner	100	100
UH US Albany2 2019 LLC [3]	United States	Property Owner	100	100
UH US Big Pine 2019 LLC [3]	United States	Property Owner	100	100
UH US Millburn 2019 LLC [3]	United States	Property Owner	100	100
UH US Lynncroft 2019 LLC [3]	United States	Property Owner	100	100
UH US Hudson Valley 2019 LLC [3]	United States	Property Owner	100	100
UH US Port St. Lucie Extension 2019 LLC [3]	United States	Property Owner	100	100
UH US Colonial Square 2021 LLC [3] [4]	United States	Property Owner	100	-
UH US Penrose 2021 LLC [3] [5]	United States	Property Owner	100	-
HUH Hempstead BJ 2012 LLC [3]	United States	Property Owner	100	100
HUH Hempstead LAF 2012 LLC [3]	United States	Property Owner	100	100
Fairhaven HUH, 2014, LLC [3]	United States	Property Owner	100	100
Piscataway HUH 2014, LLC [3]	United States	Property Owner	100	100
48 Leffert Street Urban Renewal, LLC [3]	United States	Property Owner	100	100
Elizabeth SS 2018, LLC [3]	United States	Property Owner	100	100
Towne Crossing Burlington, LLC [3]	United States	Property Owner	100	100
St Lucie West 2016 LLC [3]	United States	Property Owner	100	100
BJ's Quincy 2016 LLC [3]	United States	Property Owner	100	100
Perth Amboy Self-Storage, LLC [3]	United States	Property Owner	100	100
UH US Arundel 2019 LLC [3]	United States	Property Owner	100	100
MCBH Parkway Crossing JV LLC [3]	United States	Investment Holding	90	90
MCBH Parkway Crossing LLC [3]	United States	Property Owner	90	90
HUH Wallkill Town Center 2016, LLC [3]	United States	Property Owner	97	97
MCBUH Lawnside JV LLC [3]	United States	Investment Holding	99	99
MCBUH Lawnside LLC [3]	United States	Property Owner	99	99

Footnotes:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Not audited for 2021 as the entity was newly incorporated on 9 September 2021 and its first audited financial statements will be for the financial period ending 31 December 2022.

(3) Audited by Deloitte & Touche LLP, United States for group reporting purpose.

(4) The entity was incorporated on 1 October 2021 for the purpose of the Colonial Square acquisition.

(5) The entity was incorporated on 1 October 2021 for the purpose of the Penrose Plaza acquisition.

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	
	2021 US$'000	2020 US$'000
Deferred tax assets		
Investment properties	-	2,178
Deferred tax liabilities		
Investment properties	(6,469)	(2,178)
Net deferred income tax	(6,469)	-

The following are the major components of deferred tax assets/(liabilities) recognised and movements therein during the current financial year/period:

Group	Tax depreciation US$'000	Changes in fair value of investment properties US$'000	Total US$'000
Deferred tax assets			
As at 18 September 2019 (Date of Constitution)	-	-	-
Recognised in profit or loss	-	2,178	2,178
Balance as at 1 January 2021/31 December 2020	-	2,178	2,178
Recognised in profit or loss	-	(2,178)	(2,178)
Balance as at 31 December 2021	-	-	-
Deferred tax liabilities			
As at 18 September 2019 (Date of Constitution)	-	-	-
Recognised in profit or loss	(2,178)	-	(2,178)
Balance as at 1 January 2021/31 December 2020	(2,178)	-	(2,178)
Recognised in profit or loss	(2,842)	(1,449)	(4,291)
Balance as at 31 December 2021	(5,020)	(1,449)	(6,469)

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$Nil (2020: US$1,087,000) (Note 23) arising from changes in fair value of investment properties at the end of the financial year/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 were incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Trade payables	70	166	91	76
Other payables	101	-	2	-
Deferred income	3,187	1,759	-	-
Accrued expenses	4,682	3,451	1,141	310
Accrued development costs	-	2,710	-	-
	8,040	8,086	1,234	386

Deferred income pertains to rental or recoveries income received in advance.

Accrued expenses relate to the deferred maintenance credit from the Sellers and the accrual of various professional fees for audit, tax, valuation, and other professional services incurred for the relevant period.

11 LOANS AND BORROWINGS

	Nominal interest rate per annum	Maturity	Group		Trust	
			2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Secured loans and borrowings						
Amount repayable within one year:						
Revolving Credit Facility ("RCF")	USD LIBOR + Margin	March 2023 [1]	6,000	-	-	-
			6,000	-	-	-
Amount repayable after one year:						
Term Loan 1 Facility ("TL1")	USD LIBOR + Margin	March 2023	91,500	91,500	-	-
Term Loan 2 Facility ("TL2")	USD LIBOR + Margin	March 2024	66,500	66,500	-	-
Term Loan 3 Facility ("TL3")	USD SOFR + Margin	November 2024	50,000	-	50,000	-
Arundel Plaza Mortgage Loan	3.88% and 4.23%	March 2024	21,143	21,143	-	-
St. Lucie West Mortgage Loan	3.42%	February 2028	40,000	40,000	-	-
			269,143	219,143	50,000	-
Less: Unamortised upfront debt-related transaction costs			(3,504)	(2,053)	(2,184)	-
			265,639	**217,090**	**47,816**	**-**
Total secured loans and borrowings			**271,639**	**217,090**	**47,816**	**-**

Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.

Footnote:

(1) RCF is available to the Group until March 2023.

11 LOANS AND BORROWINGS (CONT'D)

During the financial year, the Trust obtained a US$50.0 million (TL3) term loan facility to finance the acquisition of Colonial Square and Penrose Plaza. TL3 is secured by security interests in each of the property-owning entities as pledged securities.

During the prior 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 (TL1) and US$66.5 million (TL2) of floating rate borrowings drawn to part finance the acquisition of properties as well as a RCF of US$20.0 million for general corporate and working capital purposes.

RCF, TL1 and TL2 are secured by, amongst other collateral:

- A perfected first priority lien over the shares of the borrowers and the relevant subsidiaries.
- Assignments of certain bank accounts.
- Subordination of an inter-company loan within the Group.

As at 31 December 2021, the Group has US$14.0 million (2020: US$20.0 million) undrawn RCF to meet its future obligations.

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 for the financial year was 2.63% (2020: 2.83% from the Listing Date to 31 December 2020) (taking into account the interest rate swaps but excluding commitment fee on the undrawn RCF).

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.

NOTES TO THE FINANCIAL STATEMENTS

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13 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2021		2020	
	Maturity	Assets US$'000	Maturity	Liabilities US$'000
Non-current:				
Floored interest rate swaps	March 2023 – March 2024	91	March 2023 – March 2024	(2,117)
		91		**(2,117)**
Derivative financial instruments as a percentage of Group's net assets		0.02%		0.56%
Derivative financial instruments as a percentage of Trust's net assets		0.02%		0.57%

Interest rate swap contracts

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 (2020: 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 year/period.

14 LEASE LIABILITY

	Group	
	2021 US$'000	2020 US$'000
Maturity analysis:		
Due within 1 year	1,320	1,320
Due within 1 - 2 years	1,320	1,320
Due within 2 - 3 years	1,320	1,320
Due within 3 - 4 years	1,441	1,320
Due within 4 - 5 years	1,452	1,441
Due after 5 years	22,053	23,505
	28,906	30,226
Analysed as:		
Current	798	779
Non-current	22,377	23,175
	23,175	23,954
Right-of-use asset (included within Investment Properties) (Note 7)	23,175	23,954

The carrying amount of lease liabilities and the movement during the financial year/period is provided in Note 29. The interest expense on lease liabilities recognised in profit or loss for the financial year/period is provided in Note 22.

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 significant liquidity risk with regard to its lease liability. Lease liability is monitored within the Group's finance function.

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 2021 US$'000	MCBH Parkway Crossing JV LLC 2021 US$'000	HUH Wallkill Town Center 2016, LLC 2021 US$'000
Summarised statements of financial position			
Non-current			
Assets	33,401	27,294	12,990
Liabilities	(17)	(12,921)	(3,529)
Net non-current assets	33,384	14,373	9,461
Current			
Assets	2,993	1,882	1,239
Liabilities	(54)	(280)	(280)
Net current assets	2,939	1,602	959
Net assets	36,323	15,975	10,420
Summarised statements of comprehensive income			
Revenue	3,759	3,140	1,238
Total comprehensive income	4,494	4,075	420
Summarised statements of cash flows			
Net cash flows generated from operating activities	1,500	1,465	460
Net cash flows used in investing activities	-	(181)	(160)
Net cash flows used in financing activities	(1,500)	(1,000)	(300)

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15 NON-CONTROLLING INTERESTS (CONT'D)

	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
Summarised statements of comprehensive income			
Revenue	2,632	2,664	1,041
Total comprehensive income	1,137	(761)	318
Summarised statement 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			
	1 January 2021 to 31 December 2021		18 September 2019 (Date of Constitution) to 31 December 2020	
	No. of Units '000	US$'000	No. of Units '000	US$'000
Units in issue:				
At the beginning of the financial year/ Date of Constitution	496,055	376,033	- (1)	- (2)
New Units issued prior to the Listing Date	-	-	- (1)	- (2)
New Units issued on the Listing Date	-	-	493,277	394,622
New Units issued from Private Placement	55,555	35,000	-	-
Issue costs	-	(1,122)	-	(17,590)
Capital distribution	-	(13,641)	-	(2,615)
New Units issued for Manager's base fees	4,520	3,053	2,778	1,616
New Units issued for Manager's performance fees	82	52	-	-
New Units issued for Manager's acquisition fees	1,162	783	-	-
Total issued Units as at the end of the financial year/period	557,374	400,158	496,055	376,033
Units to be issued:				
Manager's base fees payable in Units (3)	1,260	832	1,217	766
Manager's performance fees payable in Units (3)	26	17	82	52
Total Units issued and to be issued as at the end of the financial year/period	558,660	401,007	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 4 March 2022 (2020: 9 March 2021).

Issue of new Units during 2021

During the financial year ended 31 December 2021, the Trust issued the following new Units to the Manager:

(i) 4,519,927 new Units as payment of 100% of Manager's base fee for the period from 1 October 2020 to 30 September 2021;

(ii) 82,153 new Units as payment of 100% of Manager's performance fee for the period from the Listing Date to 31 December 2020; and

(iii) 1,162,339 new Units as payment of 100% of Manager's acquisition fee in relation to the acquisition of Colonial Square and Penrose Plaza.

On 14 October 2021, the Trust issued an aggregate of 55,555,000 Units at US$0.6300 per Unit in connection with the Private Placement launched on 5 October 2021. The total gross proceeds raised was US$35,000,000.

1,259,934 new Units to be issued to the Manager as payment of Manager's base fee for the period from 1 October 2021 to 31 December 2021, and 26,057 new Units to be issued to the Manager as payment of 100% of Manager's performance fee for the current financial year.

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16 UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

Issue of new Units during 2020

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.

During the financial period ended 31 December 2020, the Trust issued 2,777,923 new Units to the Manager as payment of 100% of Manager's base fee for the period from the Listing Date to 30 September 2020.

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.

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.

In 2020, issue costs comprised professional, advisory and underwriting fees and other costs related to the issuance of Units. This includes 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		Trust	
	2021	**2020**	**2021**	**2020**
Net assets [1] (US$'000)	416,999	375,319	398,278	374,004
Number of Units in issue and to be issued [2] ('000) (Note 16)	558,660	497,354	558,660	497,354
NAV and NTA per Unit [3] (US$)	0.75	0.75	0.71	0.75

Footnotes:

(1) This excludes non-controlling interests' share of net assets.

(2) Based on the number of Units in issue for the financial year/period and the Units to be issued as full payment of the Manager's base fees and the Manager's performance fees.

(3) NAV and NTA are the same as there are no intangible assets as at the end of the financial year/period.

18 GROSS REVENUE

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Rental income	44,282	33,292
Recoveries income	10,684	8,208
Other operating income	229	117
	55,195	41,617

Recoveries income includes, among others, charges to tenants for reimbursements of certain property expenses primarily for common area maintenance such as repair and maintenance expenses, utilities, property management fees and reimbursements, real estate taxes and other recoverable costs and is estimated in accordance with the individual tenant leases.

19 PROPERTY EXPENSES

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Real estate taxes	7,394	5,883
Repair, maintenance and utilities expenses	4,047	2,552
Property management fees	2,210	1,646
Insurance expenses	1,171	731
Other property expenses	1,454	1,008
	16,276	11,820

20 OTHER INCOME

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Elizabeth Self-Storage Top-Up	1,159	1,278
Perth Amboy Self-Storage Top-Up	1,180	-
Compensatory stipulated damages	688	-
	3,027	1,278

Other income comprises top-ups attributable to Perth Amboy Self-Storage and Elizabeth Self-Storage (2020: Elizabeth Self-Storage) and compensatory stipulated damages received in connection with the delay in completion of construction of Perth Amboy Self-Storage (2020: US$Nil).

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21 OTHER TRUST EXPENSES

	Group	
	1 January 2021 to 31 December 2021 US$'000	**18 September 2019 (Date of Constitution) to 31 December 2020 US$'000**
Auditor's fees	557	540
Tax compliance fees	244	195
Unit registry expense	65	42
Property valuation fees	107	90
Others	1,088	578
	2,061	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 year/period.

Below is a summary of fee payable/paid to Deloitte and its overseas affiliate for various services provided during the financial year/period:

	Group	
	1 January 2021 to 31 December 2021 US$'000	**18 September 2019 (Date of Constitution) to 31 December 2020 US$'000**
Audit and other assurance services		
Auditing of financial reports	557	540
Reporting Auditor for capital raising purposes	-	631
Fee payable/paid for audit and other assurance services to Deloitte	557	1,171
Other non-assurance services		
For capital raising purposes	-	459
Compliance services	244	178
Total remuneration payable/paid to Deloitte	801	1,808

22 FINANCE COSTS

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Interest expense on loans and borrowings	5,753	4,442
Dividends paid to preferred shareholders	16	4
Commitment fees and amortisation of upfront debt-related transaction costs	924	679
Loan conversion fee	-	22
Interest on lease liability	541	447
	7,234	5,594

23 INCOME TAX EXPENSE

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Current income tax	422	489
Deferred income tax	6,469	-
Income tax expense reported in the consolidated statement of comprehensive income	6,891	489

The income tax for the period can be reconciled to the accounting result based on U.S. tax rate of 21.0% as all properties are based in the U.S., as follows:

	Group	
	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
Net income before tax	50,216	5,068
Tax calculated using U.S. tax rate of 21.0%	10,545	1,064
Tax effect of expenses not deductible for tax purposes	6,435	6,980
Tax effect of income not subjected to tax	(9,990)	(9,008)
Deferred tax assets not recognised (Note 9)	-	1,087
Utilisation of prior year's unrecognised deferred tax assets	(1,087)	-
Effect of different tax rate in state jurisdictions	988	366
	6,891	489

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23 INCOME TAX EXPENSE (CONT'D)

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.

24 BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit ("EPU") is based on the following data:

	Group	
	1 January 2021 to 31 December 2021	**18 September 2019 (Date of Constitution) to 31 December 2020**
Net income for the period attributable to Unitholders (US$'000)	42,860	4,634
Weighted average number of Units in issue ('000)	510,258	493,964
Basic and diluted EPU (US cents)	8.40	0.94

Basic and diluted EPU are calculated based on the weighted average number of Units in issue for the financial year/period.

Diluted EPU is equivalent to basic EPU as there were no dilutive instruments in issue during the financial year/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

25 SEGMENTAL REPORTING (CONT'D)

Segment profit represents the profit earned by each segment without allocation of Manager's base fees, Manager's performance fees, Trustee's fees, other trust expenses, finance costs, finance income, fair value change on derivatives and income tax expense. 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, derivative assets and liabilities, certain trade and other payables, loan and borrowings (excluding Arundel Plaza Mortgage Loan, St. Lucie West Mortgage Loan and TL3), preferred shares and deferred tax liabilities.

Revenues of US$6,461,000 and US$4,947,000 (2020: 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.

Information regarding the Group's reportable segments are presented in the tables below.

	1 January 2021 to 31 December 2021			18 September 2019 (Date of Constitution) to 31 December 2020		
	Grocery & Necessity Properties	Self-Storage Properties	Total	Grocery & Necessity Properties	Self-Storage Properties	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Gross revenue	51,424	3,771	55,195	39,644	1,973	41,617
Property expenses	(14,387)	(1,889)	(16,276)	(10,626)	(1,194)	(11,820)
Other income	-	3,027	3,027	-	1,278	1,278
Net property income	**37,037**	**4,909**	**41,946**	**29,018**	**2,057**	**31,075**
Fair value change in investment properties	7,233	11,382	18,615	(11,637)	(2,664)	(14,301)
Unallocated expenses			(17,236)			(12,195)
Net income after tax			**43,325**			**4,579**

	As at 31 December 2021			As at 31 December 2020		
	Grocery & Necessity Properties	Self-Storage Properties	Total	Grocery & Necessity Properties	Self-Storage Properties	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment assets	627,502	92,010	719,512	535,690	80,493	616,183
Unallocated assets			9,984			13,384
Consolidated assets			**729,496**			**629,567**
Segment liabilities	138,340	553	138,893	91,858	394	92,252
Unallocated liabilities			171,344			160,086
Consolidated liabilities			**310,237**			**252,338**
Other segment items						
Capital expenditures	1,677	18	1,695	10,629	23	10,652

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26 COMMITMENTS

Capital Commitments

The capital expenditure commitments which are contracted but not provided for are as follows:

	Group	
	2021 US$'000	2020 US$'000
Capital commitments in respect of investment properties	1,453	680

Operating lease commitments - as lessor

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	
	2021 US$'000	2020 US$'000
Within 1 year	44,360	37,192
Due within 1 - 2 years	43,711	35,314
Due within 2 - 3 years	38,654	31,926
Due within 3 - 4 years	37,440	27,291
Due within 4 - 5 years	35,998	26,108
After 5 years	178,851	160,303
	379,014	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 monitors 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.

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

Overview (cont'd)

The Group holds the following financial instruments:

	Group		Trust	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Financial assets				
Financial assets at amortised cost	16,019	19,117	6,397	1,124
Financial assets measured at fair value	91	-	-	-
Financial liabilities				
Lease liability	23,175	23,954	-	-
Financial liabilities at amortised cost	277,406	224,035	49,050	386
Financial liabilities measured at fair value	-	2,117	-	-

(a) Market risk management

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments fluctuates 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

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager is actively monitoring the 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 2021, the Group had gross borrowings of US$158.0 million (2020: US$158.0 million) with floating rate interest which have been hedged using interest rate swaps and US$56.0 million (2020: US$Nil) of unhedged variable rate interest loans and borrowings.

Sensitivity analysis for interest rate risk

As at reporting date, if the interest rates of borrowings had been 1.0% per annum higher/lower with all other variables constant, the Group's net profit after tax would have been US$67,000 lower/higher, arising mainly as a result of a higher/lower interest expense on floating rate borrowings that are unhedged.

(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;

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27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Credit risk management (cont'd)

- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions;
- regularly monitoring receivables on an ongoing basis; and
- requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

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 impairment loss. Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Rental 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 financial year/period, approximately 44.1% (2020: 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 has not increased, and determines that the 12-month ECL on outstanding balances is negligible as at 31 December 2021.

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:

	31 December 2021		31 December 2020	
	Gross trade receivables US$'000	**Allowance for ECL US$'000**	**Gross trade receivables US$'000**	**Allowance for ECL US$'000**
Group				
Current	1,865	(3)	2,222	(32)
Past due up to 3 months	366	(19)	395	(89)
Past due more than 3 to 6 months	248	(17)	358	(73)
Past due more than 6 months	245	(74)	202	(83)

Trade and other receivables that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record.

(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.

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Liquidity risk management (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	4,853	4,853	4,853	-	-
Loans and borrowings	271,639	291,537	11,663	238,392	41,482
Preferred shares	125	203	16	62	125
Rental security deposits	789	789	-	306	483
Lease liability	23,175	28,906	1,320	5,533	22,053
	300,581	326,288	17,852	244,293	64,143
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	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) Liquidity risk management (cont'd)

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000
Trust					
31 December 2021					
Non-derivative financial liabilities					
Trade and other payables	1,234	1,234	1,234	-	-
Loans and borrowings	47,816	52,451	850	51,601	
	49,050	53,685	2,084	51,601	-
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	386	386	386	-	-
	386	386	386	-	-

(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 39.0% as at 31 December 2021 (2020: 36.2%). The Group has complied with the Aggregate Leverage limit of 50.0% during the financial year/period.

27 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(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 (Note 13) 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 (Note 11) and lease liability (Note 14) 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), the UOB Sponsor and all subsidiaries and associates of the Hampshire Sponsor or the UOB Sponsor. They also include entities which are considered to have significant influence over the Hampshire Sponsor or the UOB Sponsor.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the CIS Code. In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year/period. All of the Trust's transactions with related parties are on normal commercial terms and conditions and at market rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28 RELATED PARTIES (CONT'D)

	Group	
Description of transactions	**1 January 2021 to 31 December 2021 US$'000**	**18 September 2019 (Date of Constitution) to 31 December 2020 US$'000**
Base fees payable/paid to the Manager	3,119	2,382
Acquisition fees paid to the Manager	783	-
Performance fees payable/paid to the Manager	17	52
Trustee's fees payable/paid to the Trustee	136	119
Property management fees payable/paid to the Hampshire Sponsor	1,501	1,163
Construction management fees payable/paid to the Hampshire Sponsor	21	256
Rental income from an affiliated fund of the Hampshire Sponsor	395	317
Advance in relation to target acquisition from subsidiary of the Hampshire Sponsor	1,300	-
Refund of advance in relation to target acquisition from subsidiary of the Hampshire Sponsor	1,300	-
Compensatory stipulated damages income received from an affiliated fund of the Hampshire Sponsor	688	-
Acquisition of investment properties from affiliated funds of the Hampshire Sponsor and the UOB Sponsor	-	548,779
Underwriting fees paid to related corporations of the UOB Sponsor	962	5,024
Joint issue managers' fees paid to related corporations of the UOB Sponsor	-	677
Financial advisory fees paid to a related corporation of the UOB Sponsor	-	300

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 1 January 2021 US$'000	Financing cash flows US$'000	Interest expense US$'000	Amortisation of upfront debt transaction costs US$'000	At 31 December 2021 US$'000
Lease liability	23,954	(1,320)	541	-	23,175
Loans and borrowings – Current	-	6,000	-	-	6,000
Loans and borrowings – Non-current	217,090	47,625	-	924	265,639
Preferred shares	125	(16)	16	-	125
Accrued interest payable	144	(5,649)	5,753	-	248
	241,313	46,640	6,310	924	295,187

			Non-cash changes				
	At 18 September 2019 (Date of Constitution) US$'000	Financing cash flows US$'000	New lease US$'000	Acquisition of investment properties and related liabilities US$'000	Interest expense US$'000	Amortisation of upfront debt transaction costs US$'000	At 31 December 2020 US$'000
Lease liability	-	(1,061)	24,568	-	447	-	23,954
Loans and borrowings – Non-current	-	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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:

	As at 31 December 2021		
	Total Top-Ups Funding US$'000	Top-Ups recognised US$'000	Balance of Top-Ups Funding US$'000
Top-Up Agreement attributable to:			
St. Lucie West	1,798	1,798	-
Elizabeth Self-Storage	2,524	2,437	87
Perth Amboy Self-Storage	2,198	2,111	87
	6,520	6,346	174

	As at 31 December 2020		
	Total Top-Ups Funding US$'000	Top-Ups recognised US$'000	Balance of Top-Ups Funding 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

	Group	
Effect of top-ups:	1 January 2021 to 31 December 2021 US$'000	18 September 2019 (Date of Constitution) to 31 December 2020 US$'000
DPU (US cents)		
With top-ups	6.10	4.81
Without top-ups	5.49	4.16

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 was occupied by the existing anchor tenant of St. Lucie West, Publix Super Markets, Inc. ("Publix"). Publix previously occupied one of the existing buildings at St. Lucie West (the "Existing Publix Store") which will be backfilled with new tenants after 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.

30 UPDATE ON TOP-UP AGREEMENTS (CONT'D)

St. Lucie West Top-Up Agreement (cont'd)

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 would be disbursed to the Group during the period from the Listing Date to 31 October 2021 ("St. Lucie Top-Up"). As at 31 December 2021, the top-up in respect of St Lucie West Expansion has been fully utilised and the Group has recognised a top-up income of US$737,000 in income available for distribution during the financial year ended 31 December 2021 (2020: US$1,061,000).

The construction of St. Lucie West Expansion was completed in March 2021 and commenced business. The Manager has secured new leases to backfill 80.0% (2020: Nil) of the Existing Publix Store and is working closely with potential tenants to backfill the remaining space within the Existing Publix Store.

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").

As at 31 December 2021, the top-up in respect of Elizabeth Self Storage has been substantially utilised and has been fully depleted in Q1 2022. The Group has recognised a top-up income of US$1,159,000 in other income during the financial year ended 31 December 2021 (2020: US$1,278,000). As at 31 December 2021, Elizabeth Self-Storage has achieved an occupancy of 64.1% (2020: 37.7%). 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 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").

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 opened for business. Since the opening was delayed beyond the contractual target dates, the Group received compensatory stipulated damages of US$688,000 (2020: US$Nil) from the Perth Amboy Self-Storage Vendor.

As at 31 December 2021, the top-up in respect of Perth Amboy Self-Storage has been substantially utilised and has been fully depleted in Q1 2022. The Group has recognised a top-up income of US$1,180,000 in other income during the financial year ended 31 December 2021 (2020: US$931,000 in income available for distribution). As at 31 December 2021, Perth Amboy has achieved an occupancy of 44.8% (2020: Nil). As the occupancy continues to trend upwards since the opening of the property, the Manager is working actively to optimise the performance of Perth Amboy Self-Storage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 FINANCIAL RATIOS

	Group	
	2021	2020
Ratio of expenses to weighted average net assets (1)		
– Including Manager's performance fees	1.39	1.32
– Excluding Manager's performance fees	1.38	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 23 February 2022, the Manager announced a distribution of US1.30 cents per Unit for the period from 14 October 2021 to 31 December 2021.

(b) Proposed divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage Properties

On 23 February 2022, the Manager announced that UHREIT, through its indirectly wholly owned subsidiaries, Elizabeth SS 2018, LLC and Perth Amboy Self Storage LLC, has entered into a conditional purchase and sale agreement (the "PSA") with Storage Post, LLC (the "Purchaser"), being an unrelated third party, in relation to the proposed divestment of Elizabeth Self-Storage and Perth Amboy Self-Storage (the "Properties", and the divestment of the Properties, the "Divestment") for a total sale consideration of US$49.0 million. The Purchaser is entitled under the PSA to carry out due diligence on the Properties from the date of the PSA to 28 March 2022 (the "Due Diligence Period") and are entitled to terminate the PSA for any reason or no reason at all and at any time during the Due Diligence Period.

(c) Distribution Reinvestment Plan

On 23 February 2022, the Manager announced the establishment of a distribution reinvestment plan ("DRP"), pursuant to which Unitholders may elect to receive new Units in respect of all or part only of the cash amount of any distribution to which the DRP applies. The DRP may be applied from time to time to any distribution declared by UHREIT as the Manager may determine in its absolute discretion.

(d) Issuance of management fees in Units to the Manager

On 4 March 2022, 1,285,991 Units were issued as payment of 100.0% Manager's base fees for the period from 1 October 2021 to 31 December 2021 and 100.0% Manager's performance fees for the financial year ended 31 December 2021.

33 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.

Effective for annual periods beginning on or after 1 January 2022

- Annual improvements to IFRS 2018-2020: IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- Amendments to IFRS 3: Reference to Conceptual Framework

Effective for annual periods beginning on or after 1 January 2023

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 year of their initial adoption.

34 COMPARATIVE FIGURES

The Group's and the Trust's current year financial statements cover the twelve-month financial year from 1 January 2021 to 31 December 2021 whilst the comparative financials presented covers the financial period from 18 September 2019 (Date of Constitution) to 31 December 2020. As such, the consolidated statement of comprehensive income may not be comparable.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year ended 31 December 2021, 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	Nature of Relationship	Aggregate value of all interested person transactions during the financial year/period under review			
		excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920		transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY2021 US$'000	**FP2020** US$'000	**FY2021** US$'000	**FP2020** US$'000
United Hampshire US REIT Management Pte. Ltd.	**The Manager of UHREIT**				
Base fee		3,119	2,382	-	-
Performance fee		17 (1)	52 (1)	-	-
Acquisition fee		783	-	-	-
Perpetual (Asia) Limited	**Trustee of UHREIT**				
Trustee fee		136	119	-	-
The Hampshire Companies, LLC	**Shareholder of the Manager/ Hampshire Sponsor**				
Property management fee		1,501	1,163	-	-
Construction management fee		21 (1)	256	-	-
HH Acquisition Partners LLC	**Subsidiary of the Hampshire Sponsor**				
Advance in relation to target acquisition		1,300	-	-	-
Refund of advance in relation to target acquisition		1,300	-	-	-

Footnote:
(1) These Interested Person Transactions include transactions of less than S$100,000 each.

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 year ended 31 December 2021, an aggregate of 5,764,419 (2020: 2,777,923) Units were issued and subscribed for in relation to the Manager’s base fees, performance fees and acquisition fees. On 4 March 2022, an aggregate of 1,285,991 Units were issued in relation to the payment of Manager’s base fees for the fourth quarter of 2021 and performance fees attributable to financial year ended 31 December 2021.

UNITHOLDING STATISTICS

ISSUED AND FULLY PAID UNITS

There were 558,660,335 Units issued in United Hampshire US Real Estate Investment Trust as at 9 March 2022 (voting rights: one vote per Unit). There is only one class of Units in United Hampshire US Real Estate Investment Trust. 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	0.06	1	0.00
100 - 1,000	213	12.97	200,400	0.04
1,001 - 10,000	890	54.20	5,380,200	0.96
10,001 - 1,000,000	514	31.31	34,380,600	6.15
1,000,001 and above	24	1.46	518,699,134	92.85
	1,642	**100.00**	**558,660,335**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name of Unitholders	Number of Units	%
1.	UOB KAY HIAN PRIVATE LIMITED	104,549,800	18.71
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	99,225,300	17.76
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	68,650,316	12.29
4.	RAFFLES NOMINEES (PTE.) LIMITED	53,450,866	9.57
5.	MERRILL LYNCH (SINGAPORE) PTE. LTD.	44,745,203	8.01
6.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	39,080,000	7.00
7.	DBS NOMINEES (PRIVATE) LIMITED	30,697,700	5.49
8.	DBSN SERVICES PTE. LTD.	24,557,900	4.40
9.	DB NOMINEES (SINGAPORE) PTE LTD	9,551,800	1.71
10.	MEREN PTE LTD	7,200,000	1.29
11.	PHILLIP SECURITIES PTE LTD	7,036,918	1.26
12.	BOUSTEAD SINGAPORE LIMITED	7,000,000	1.25
13.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	4,534,500	0.81
14.	MAYBANK SECURITIES PTE. LTD.	3,179,200	0.57
15.	UNITED HAMPSHIRE US REIT MANAGEMENT PTE LTD	2,539,031	0.45
16.	TANG WEE LOKE	2,400,000	0.43
17.	AAH INVESTMENT PTE LTD	1,767,400	0.32
18.	CHONG FOOK SENG PATRICK	1,400,000	0.25
19.	KGI SECURITIES (SINGAPORE) PTE. LTD.	1,376,200	0.25
20.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,275,600	0.23
	TOTAL	**514,217,734**	**92.05**

UNITHOLDING STATISTICS

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

(As recorded in the Register of Substantial Unitholders' Unitholdings as at 9 March 2022)

Name of Substantial Unitholders	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
U.S. RE Fund II Offshore Feeder 1 Ltd	44,395,000	7.95	-	-
United Overseas Bank Limited[2]	-	-	46,934,031	8.40
The Hampshire Generational Fund LLC[3]	-	-	44,395,000	7.95
Golden Sun (China) Limited	32,654,800	5.85	-	-

Notes:

1 The percentage is based on 558,660,335 Units in issue as at 9 March 2022.

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 2,539,031 Units held by the Manager.

3 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's and HGF Investors Fund II, LLC's direct and deemed interests in the Units.

UNITS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors' Unitholdings as at 21 January 2022)

Directors	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
James Ernest Edwin Hanson II[2,3]	-	-	1,603,243	0.29
David Tuvia Goss	-	-	-	-
Tan Tong Hai	-	-	-	-
Chua Teck Huat Bill	-	-	-	-
Wee Teng Wen	-	-	-	-
Jaelle Ang Ker Tjia	-	-	-	-

Notes:

1 The percentage is based on 557,374,344 Units in issue as at 21 January 2022.

2 Mr. James Ernest Edwin Hanson II is deemed interested in 1,603,243 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 each of these entities.

3 On 4 March 2022, the Manager received 1,285,991 Units as payment of the Manager's management fee in Units. As such, Mr. James Ernest Edwin Hanson II's deemed interested increased to 2,889,234 Units which represents 0.52% of 558,660,335 Units in issue as at 4 March 2022.

FREE FLOAT

Based on the information made available to the Manager as at 9 March 2022, approximately 77.7% of the Units in United Hampshire US Real Estate Investment Trust are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

CORPORATE INFORMATION

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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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Mr. Shariq Barmaky
Appointed:
With effect from financial period ended 31 December 2020

UNITED HAMPSHIRE US REAL ESTATE INVESTMENT TRUST

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