



 **Manulife**
US REIT

SGX-NH S-REITs Corporate Day

12 May 2020

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Holders of Units ("**Unitholders**") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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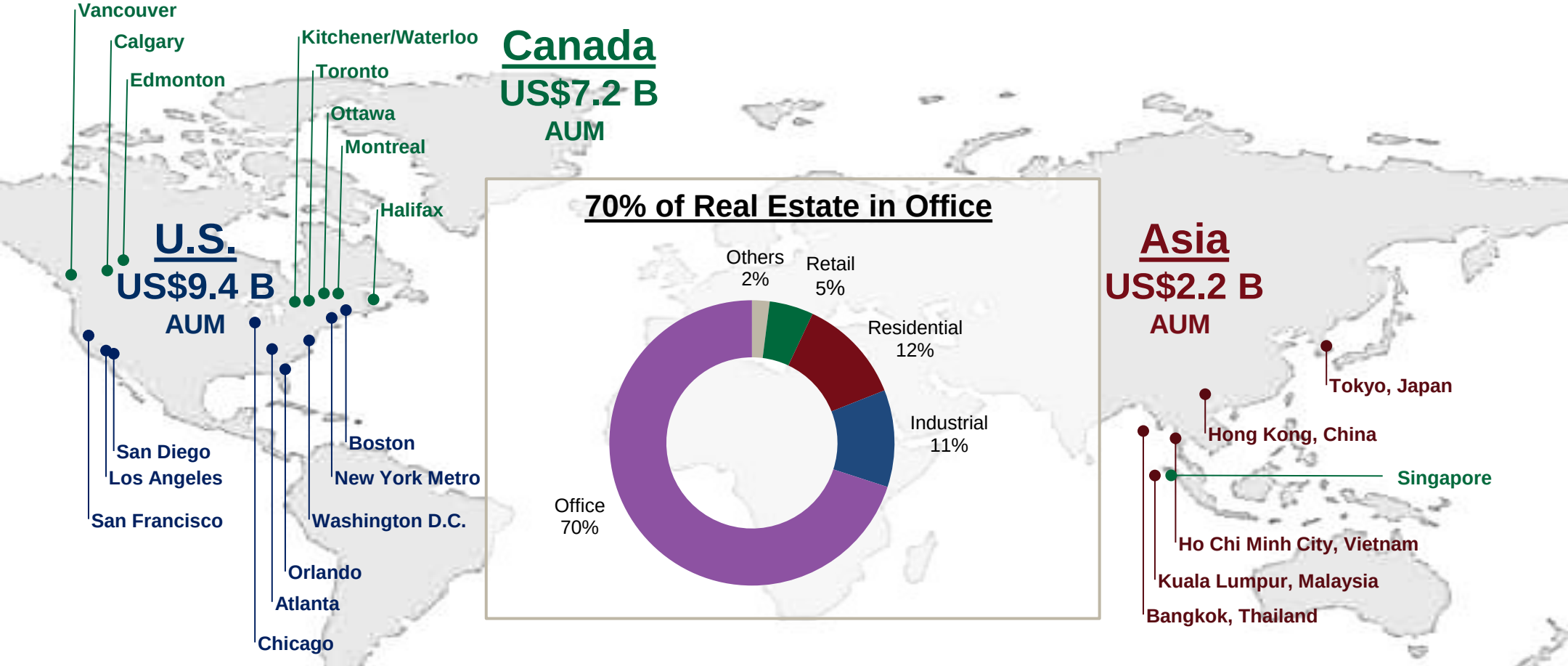
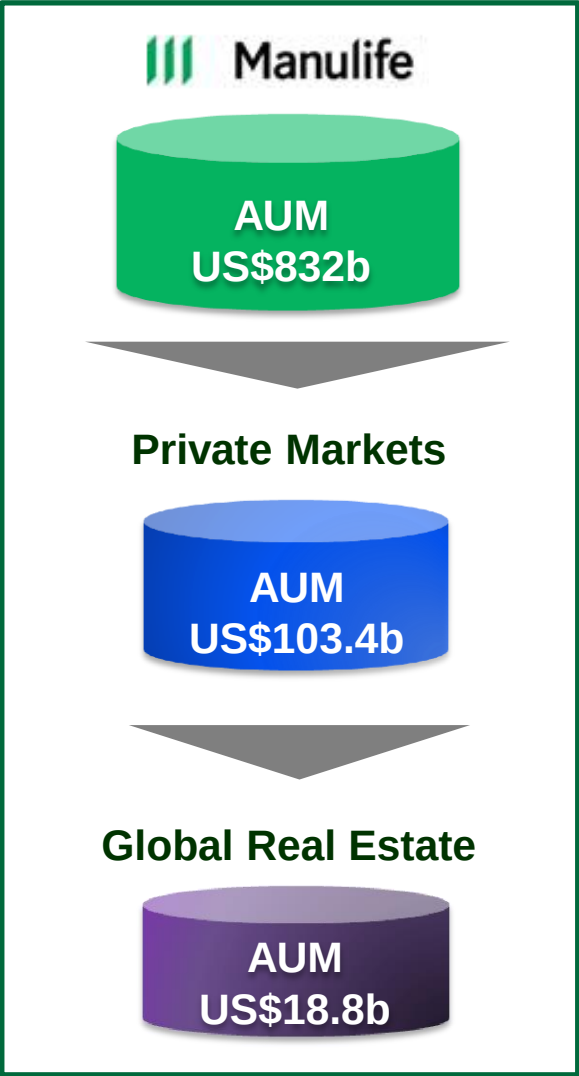
Capitol, Sacramento

01

About MUST

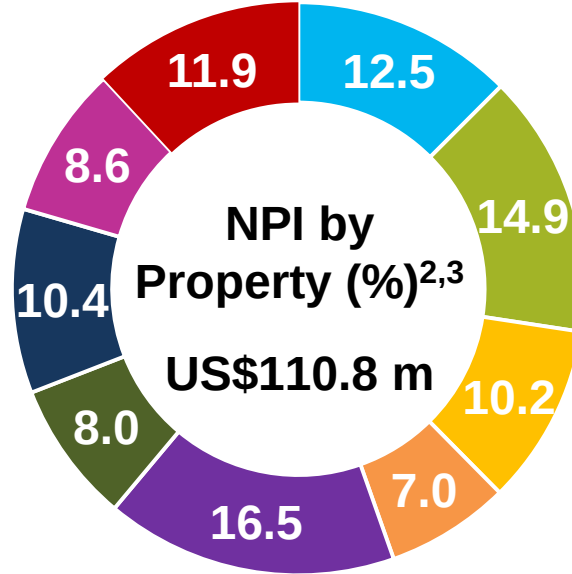
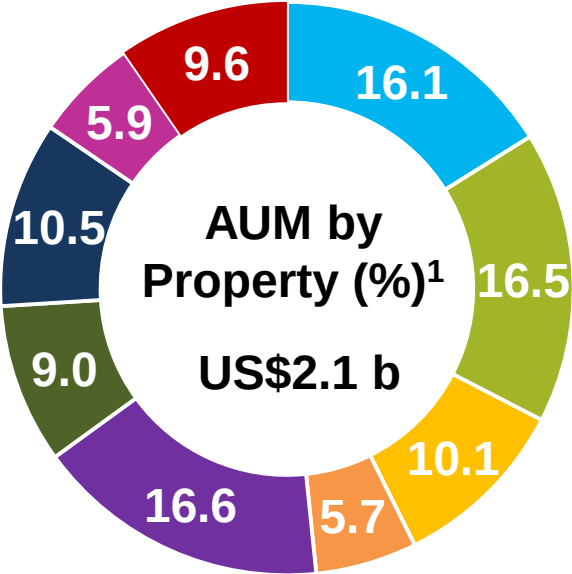
Supported by Reputable Sponsor with Proven Track Record

Vertically-Integrated Real Estate Platform: Global Real Estate AUM of US\$18.8b



Note: All AUM in fair value basis as at 31 Mar 2020

Fortified Portfolio of Trophy/Class A Assets – Strength from Diversity



■ Figuroa ■ Michelson ■ Peachtree ■ Plaza ■ Exchange ■ Penn ■ Phipps ■ Centerpointe ■ Capitol

(1) Based on fair values as at 31 Dec 2019
(2) NPI for Centerpointe was extrapolated based on actual results (for the period 10 May 2019 to 31 Dec 2019) to full year FY 2019
(3) NPI for Capitol was extrapolated based on actual results (for the period 29 Oct 2019 to 31 Dec 2019) to full year FY 2019

Key Investment Criteria

Trophy/Class A Assets Provide Strong Income in Upcycles and Remain Resilient during Market Turmoil as compared to Class B & Lower Class Business Park Assets

1

Key Locations and Strong Fundamentals

2

Trophy and Class A Assets

3

Long WALE and High Occupancy

4

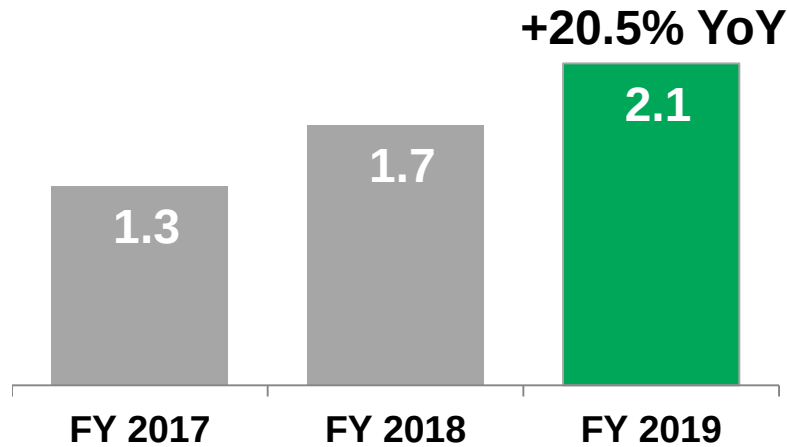
Live, Work, Play Environment



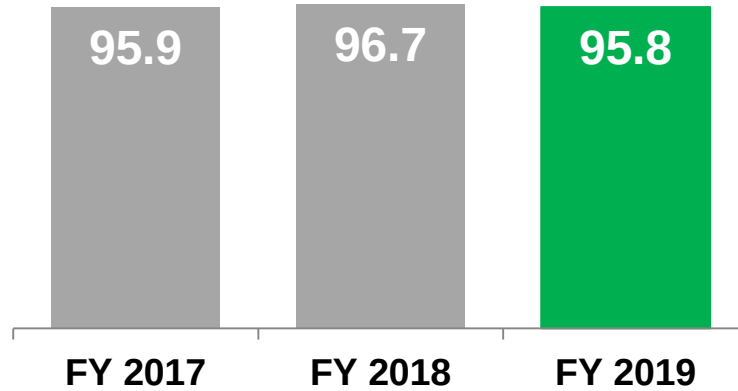
Features	State-of-the-Art architecture	High quality building finishes	Outdated features, may require renovation
Location	Great accessibility, abundant amenities	Central location, abundant amenities	Less desirable location, limited amenities
Typical Tenants	Multi-nationals	Multi-nationals	SMEs

Growing Responsibly From Strength to Strength

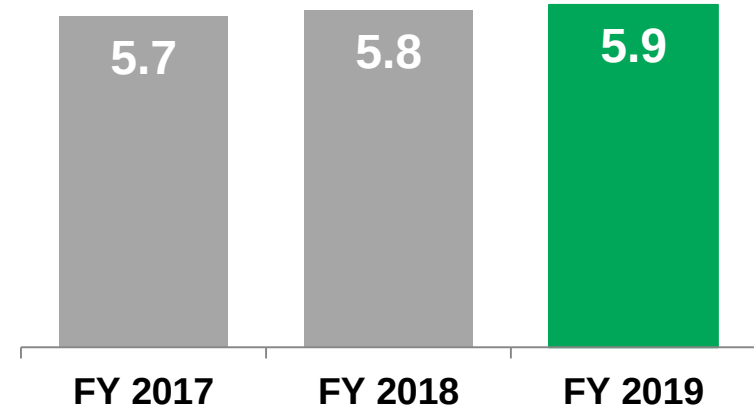
AUM (US\$ b)



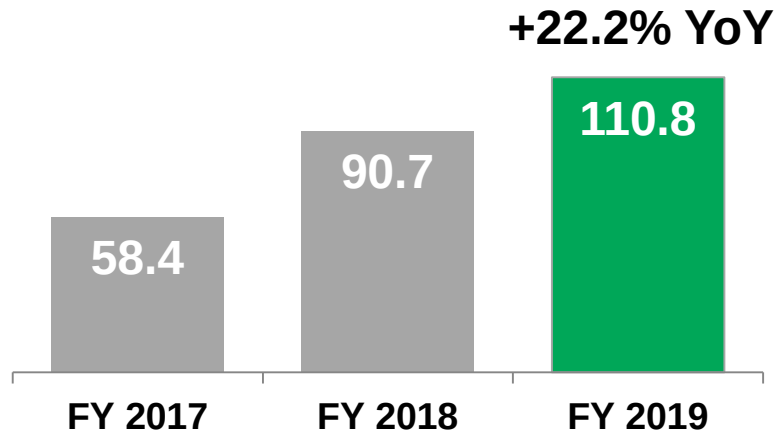
Occupancy Rate (%)



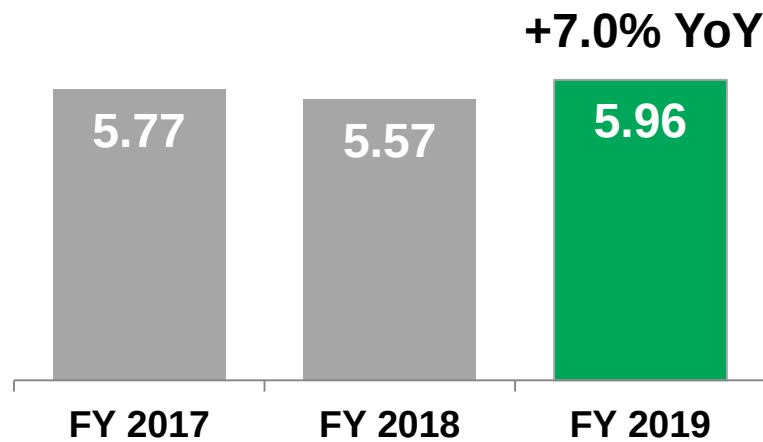
WALE (Years)



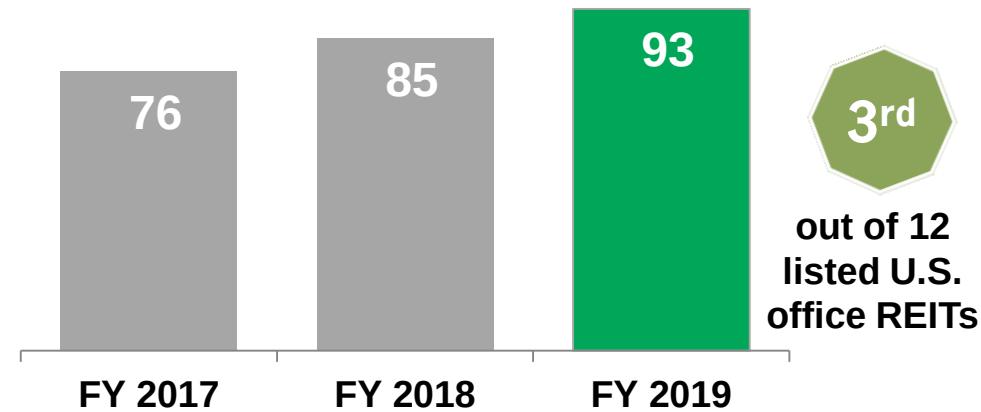
NPI (US\$ m)



DPU (US Cents)



ESG – GRESB (Score)





02

1Q 2020 Key Highlights

1Q 2020 Financial Highlights

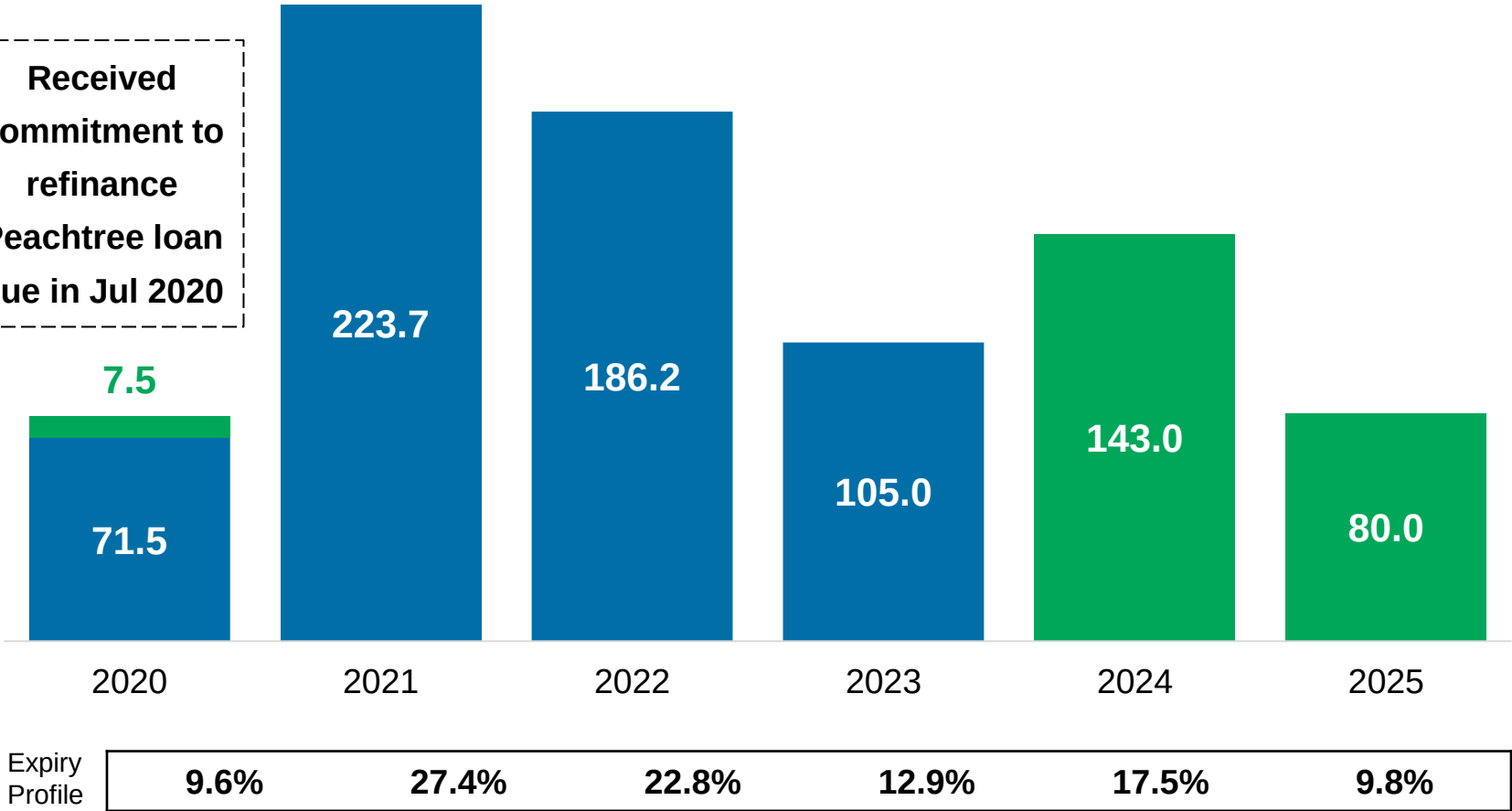
- Reverted to tax structure without Barbados entities¹, similar to that adopted during IPO
 - Net savings of approximately 0.7% of FY 2019 distributable income in FY 2021 from Barbados tax savings, net of compliance costs
- Received commitment to refinance Peachtree loan due in Jul 2020
- Gearing of 37.7% and interest coverage of 3.8 times
- 95.1% of fixed-rate loans
- Undrawn committed facilities of US\$95.5 million

(1) Please refer to announcement dated 24 Apr 2020 - Restructuring Pursuant to U.S. Tax Regulations

Strong Balance Sheet and Proactive Capital Management

95.1% Fixed-Rate Loans

Received
commitment to
refinance
Peachtree loan
due in Jul 2020



■ Property-level mortgages (US\$ m) ■ Trust-level loans without mortgages (US\$ m)



Gearing Ratio

37.7%



Weighted Average Interest Rate

3.37%¹



Interest Coverage

3.8 times

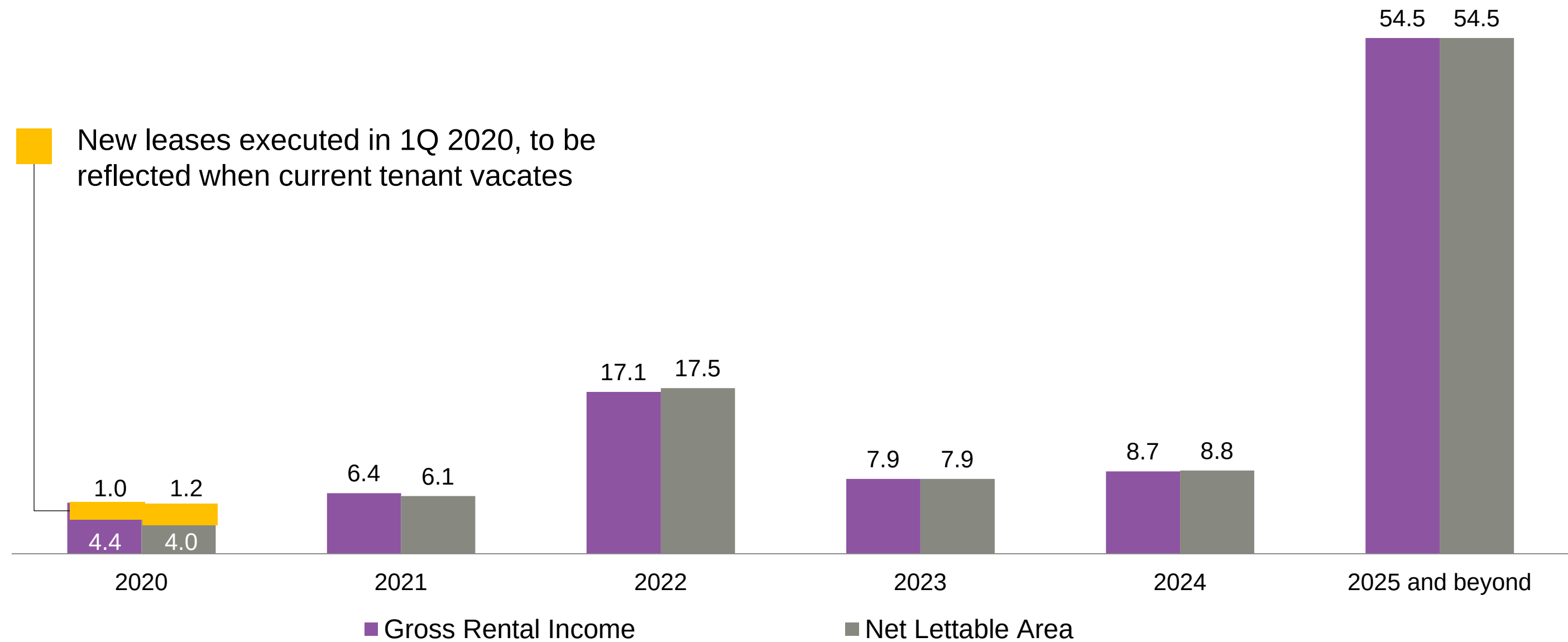
Note: All data as at 31 Mar 2020
(1) As at 31 Dec 2019

1Q 2020 Portfolio Highlights

- Increased occupancy to 96.5% from 95.8% QoQ; Long WALE of 5.7 years
- Portfolio rental escalations of 2.0% p.a.
- Executed ~147k sq ft of leases at +8.0% rental reversion with 7.8 years WALE
- Minimal 4.0% of portfolio by NLA to expire in 2020
- Well-diversified strong tenant base
- Majority of top 10 tenants are listed/HQ/government

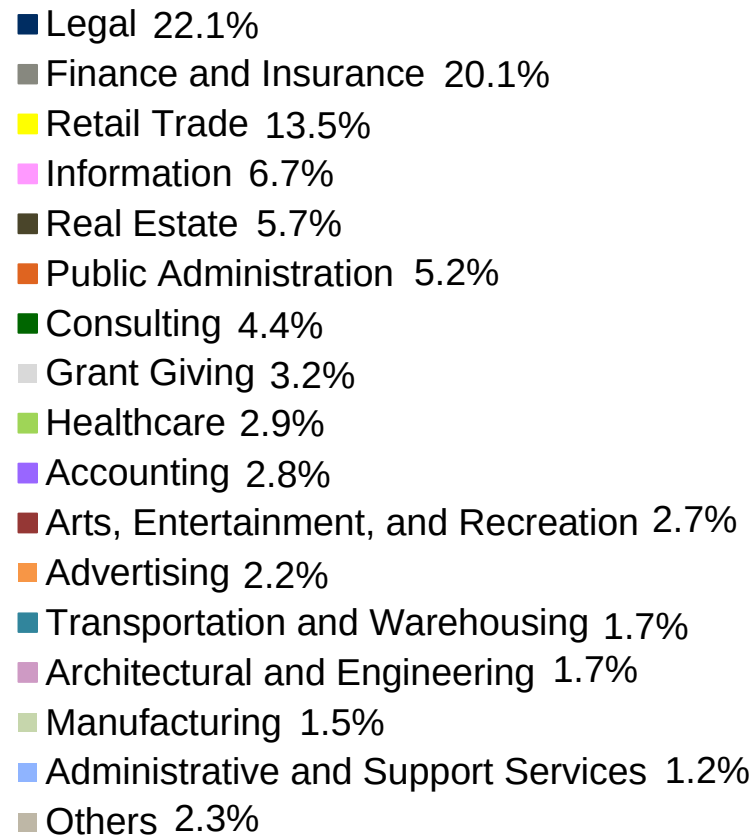
Long WALE of 5.7 Years by NLA

Lease Expiry Profile as at 31 Mar 2020 (%)



6.7 Years WALE by Top 10 Tenants; Majority Listed/HQ Location

Trade Sector by Gross Rental Income (GRI)



Note: Amounts may not sum to 100.0% due to rounding

Top 10 Tenants by Gross Rental Income (GRI)

Tenant	Sector	NLA (sq ft)	% of GRI
The William Carter Co.	Retail Trade	304,013	6.1
TCW Group	Finance and Insurance	188,835	4.0
Kilpatrick Townsend	Legal	184,653	3.7
The Children’s Place	Retail Trade	197,949	3.6
United Nations Foundation	Grant Giving	94,988	3.2
US Treasury	Public Administration	120,324	3.1
Amazon	Retail Trade	129,259	3.0
Hyundai Motor Finance	Finance and Insurance	97,587	3.0
Quinn Emanuel Trial Lawyers	Legal	126,505	2.9
Quest Diagnostics	Health Care	131,612	2.3
Total Top 10 Tenants		1,575,725	34.9

03

Looking Ahead

COVID-19 Updates

- U.S. lockdown set to ease; multiple states/counties/cities reopening
 - Georgia: Allowed to reopen fitness centres, salons, restaurants and selected entertainment venues
- U.S. authorised ~US\$3.5 trillion of new spending to mitigate impact of global pandemic
- All nine MUST offices remain open; buildings are 10% - 20% occupied
- Cleaning, hygiene and safety distancing remain top priority across properties
- Focus on expense reduction

Leading the Way in 2020 and Beyond



Resilient portfolio with ~60%¹ of tenants from finance, legal, tech, government and healthcare



Rental deferment provided to ~2%¹ of tenants



Collected vast majority of April's rent



Refinancing of Peachtree loan with 5-year tenor at advantageous rate



MAS lifted gearing limit to 50%, increasing debt headroom for acquisitions



Strong commitment and track record from Sponsor to ride through crises

(1) By GRI



Scan for MUST's
website

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Appendix – Tax Advantaged Tax Structure

MUST's tax advantage

- No U.S. corporate taxes (21%)
- No U.S. withholding taxes (30%)
- No Singapore corporate taxes on domestic institutions (17%) or Singapore withholding taxes (10%)

For illustrative purposes only			
	US REIT	S-REIT ¹	Manulife US REIT
DPU Yield	3.6% ²	8.4%	8.4% ³
U.S. Withholding Taxes	(1.1%)	-	-
Net Yield – Singapore Retail Investor	2.5%	8.4%	8.4%
Net Yield – Singapore Institutions	2.5%	7.0% ⁴	8.4%
Net Yield – Foreign Institutions	2.5%	7.6% ⁵	8.4%

Source: Bloomberg

(1) Singapore REIT with Singapore assets only. For illustrative purposes, the DPU yield for S-REIT is assumed to be the same as Manulife US REIT

(2) Weighted average of analyst consensus for FY 2020 distribution yield of 17 Office REITs listed in U.S. as at 30 Apr 2020

(3) Analyst consensus for Manulife US REIT's FY 2020 distribution yield as at 30 Apr 2020

(4) Singapore institutions incur 17% corporate tax on the Singapore sourced income portion of the distribution

(5) Foreign institutions incur 10% corporate tax on the Singapore sourced income portion of the distribution

Appendix – Tax Structure

Tax Efficient Structure¹



Parent U.S. REIT Structure

- Tax transparency – Dividends distributed are deductible
- Income shielded by interest expense and depreciation



U.S. Portfolio Interest Exemption Rule

- No 30%¹ withholding tax on interest and principal on shareholder's loan



Foreign Sourced Income

- Zero tax in Singapore – Foreign sourced income not subject to tax



Dividend Income from Parent U.S. REIT

- Manager will actively manage to minimize or pay no dividends from Parent U.S. REIT to Equity SPV

- (1) This structure is effective from 24 April 2020. Please refer to the SGX announcement dated 24 April 2020 titled “Restructuring Pursuant to U.S. Tax Regulations.” The Manager estimates the full impact from Barbados tax saving net of additional compliance costs will only be achieved in FY2021 which is approximately 0.7% of FY2019 distributable income
- (2) No single investor to hold more than 9.8% (including the Sponsor) - ‘Widely Held’ (No more than 50% of shares can be owned by 5 or fewer individuals) rule for REITs in U.S.
- (3) There are seven Shareholder Loan SPVs which have extended intercompany loans to the Parent U.S. REIT.
- (4) Principal repayments are not subject to U.S. withholding taxes. Interest payments that are finally distributed to Unitholders are not subject to U.S. withholding taxes assuming Unitholders qualify for portfolio interest exemption and provide appropriate tax certifications, including an appropriate IRS Form W-8.
- (5) Subject to 30% withholding tax.
- (6) Each Sub-US REIT holds an individual property. Creation of the Sub-US REIT is more tax efficient in the event of disposal.

