



Corporate Presentation:

DBS-SGX-REITAS-CSOP
Bangkok Conference 2022

24 November 2022



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Content

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- 02 3Q 2022 highlights
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- 04 Reimagining the future of office
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Peachtree, Georgia

We are a constituent of



Singapore Small Cap Index



iEdge SG ESG Indices



FTSE ST REITs Index,
FTSE EPRA Nareit
Developed Index and
FTSE EPRA Nareit Green
Real Estate Index series



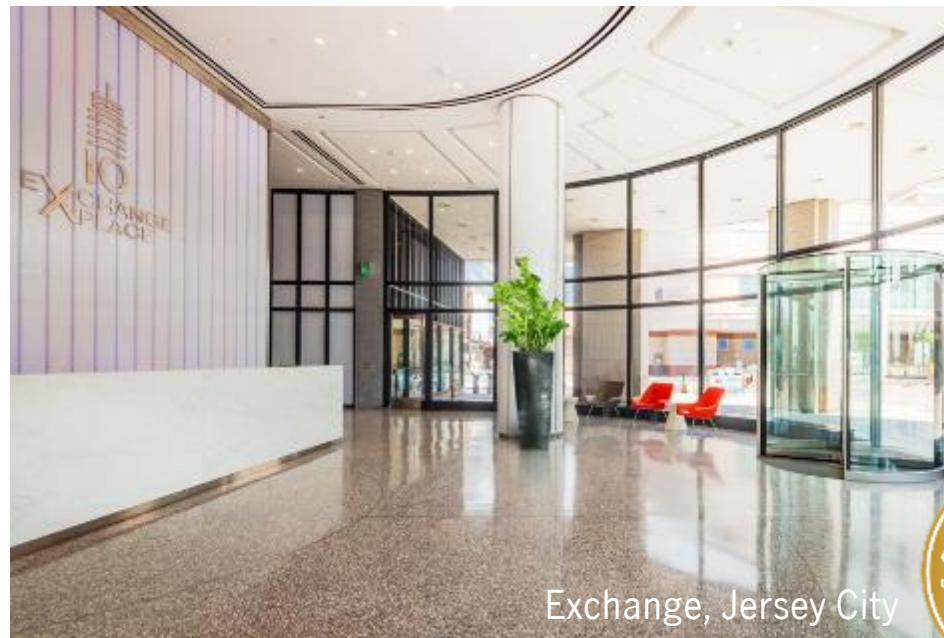
CarbonCare Asia Pacific
Green REIT Index



GPR General (World) Index

01

About MUST



Exchange, Jersey City



Manulife US REIT supported by *reputable* sponsor

Global real estate AUM of US\$20.3 b

 **Manulife**

AUM US\$1.0 t



Private Markets
AUM US\$118.1 b



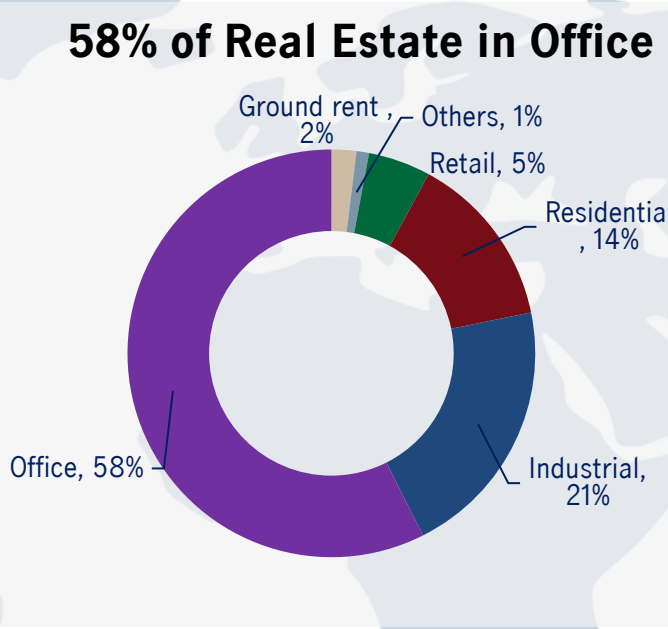
Global Real Estate
AUM US\$20.3 b

 **Manulife**
US REIT

Note: Amounts may not sum to 100% due to rounding.
All AUM in fair value basis as at 30 Jun 2022.



Canada
US\$8.3 b
AUM



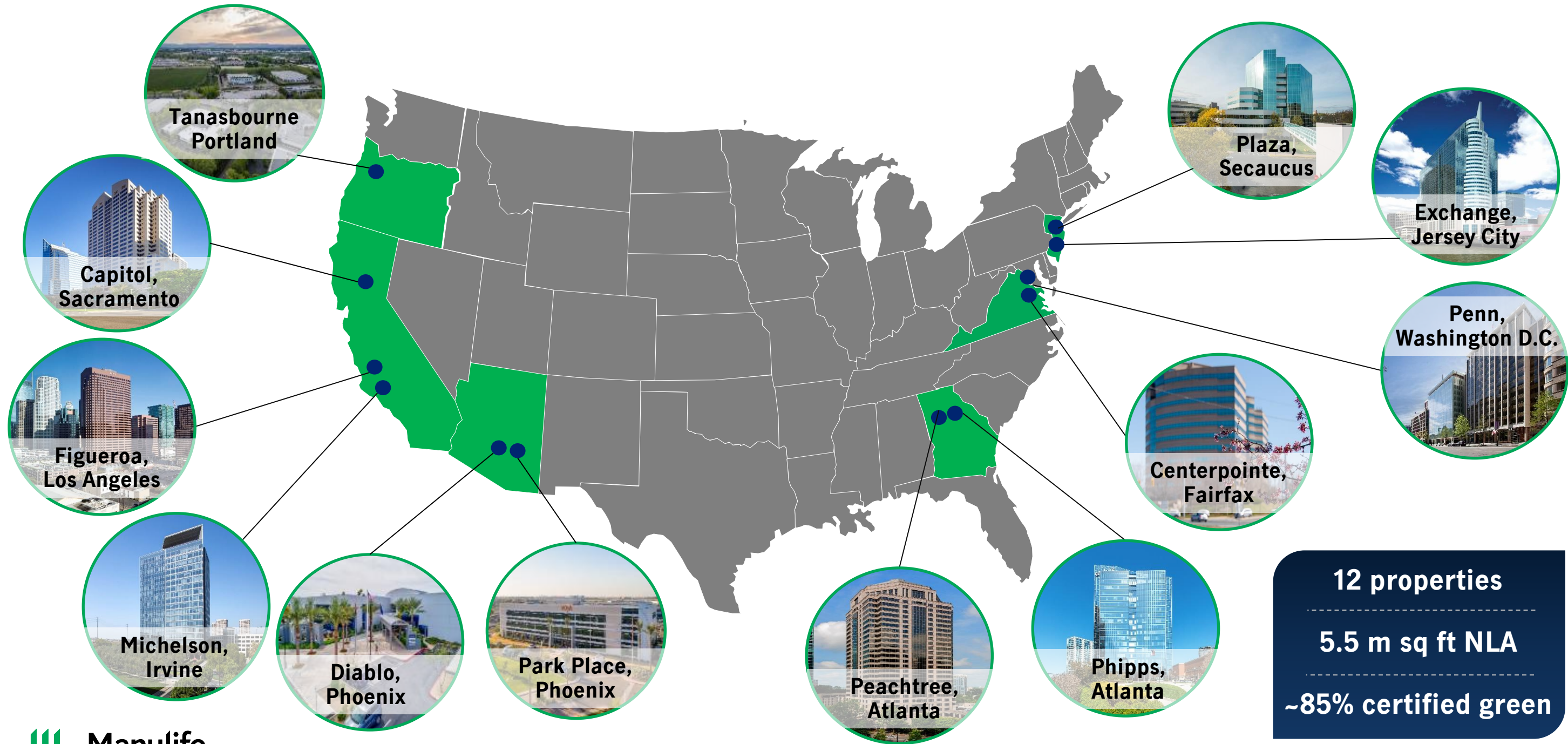
Asia
US\$2.3 b
AUM



Supported ESG initiatives:



Tripled AUM from US\$777.5 m at IPO to US\$2.2 b¹



12 properties

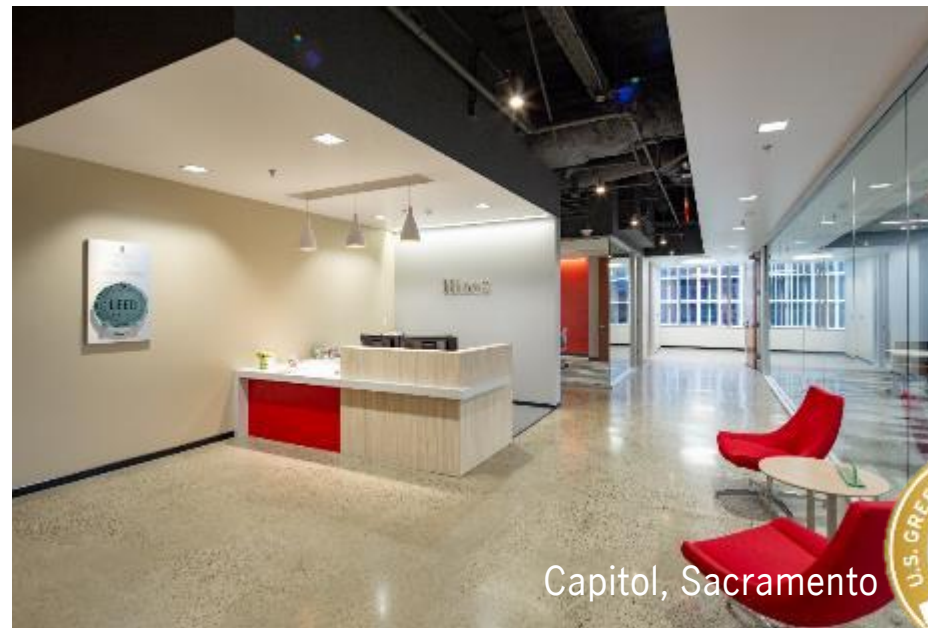
5.5 m sq ft NLA

~85% certified green

(1) Data as at 30 Jun 2022.

02

3Q 2022 Highlights



Capitol, Sacramento



3Q 2022 *highlights*



88.1%¹ Occupancy

Above U.S. Class A average ~**80.5%**²



~61k sq ft Leases executed

YTD: ~ **254k sq ft** (**4.7%** of portfolio NLA)



+4.3% Rent reversion



4.9 years Portfolio WALE

**GRESB
2022**



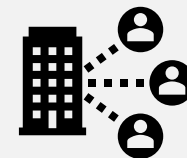
Real Estate: 5 Star, score of 92

Public Disclosure: 'A', ranked 1st out of 10 U.S. listed offices



'Flight to quality'

Peachtree modernisation/hotelisation



Flexible space

Flex by JLL at Plaza

03

Operational performance



Portfolio occupancy to hold *steady* for FY 2022

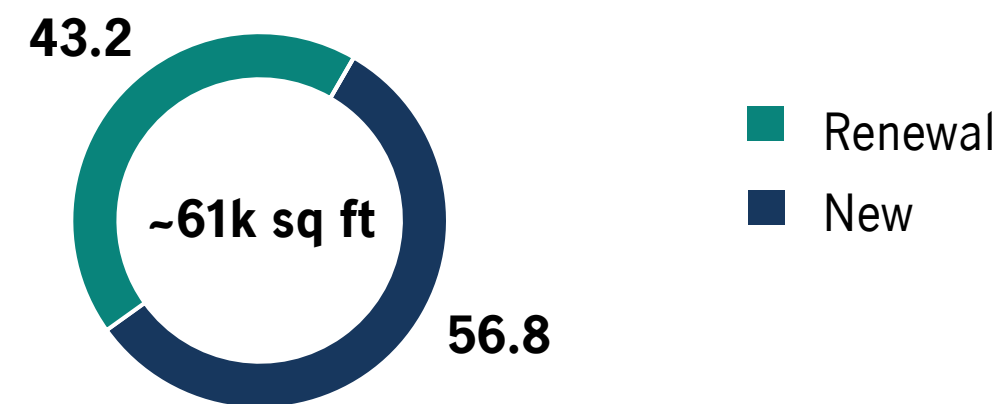
- 3Q occupancy 88.1%¹: largely due to Quinn Emanuel's downsizing ~71k sq ft at Figueroa



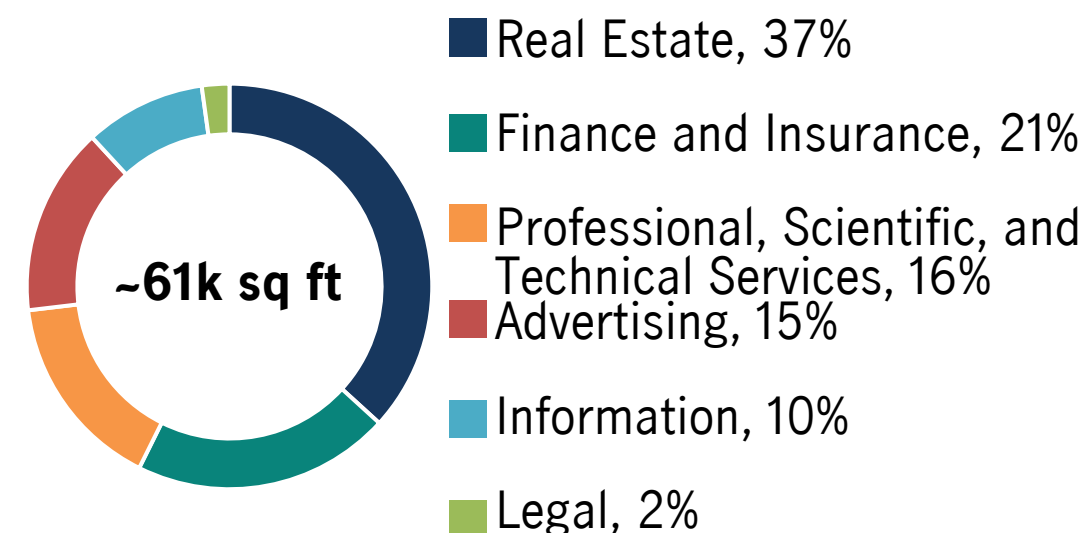
Diablo's occupancy: 85.7%² → 91.1%

- 10-year lease with semi-conductor company
- +7.3%** above passing rent
- WALE 3.7 years to **4.2 years**

Breakdown of leases by NLA³ (%)



Industries of tenants by NLA³ (%)



Note: Amounts may not sum up to 100% due to rounding.

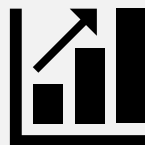
Long WALE; *positive* rental reversion for FY 2022



4.9 years
Portfolio WALE



6.2 years
WALE of leases
executed in 3Q

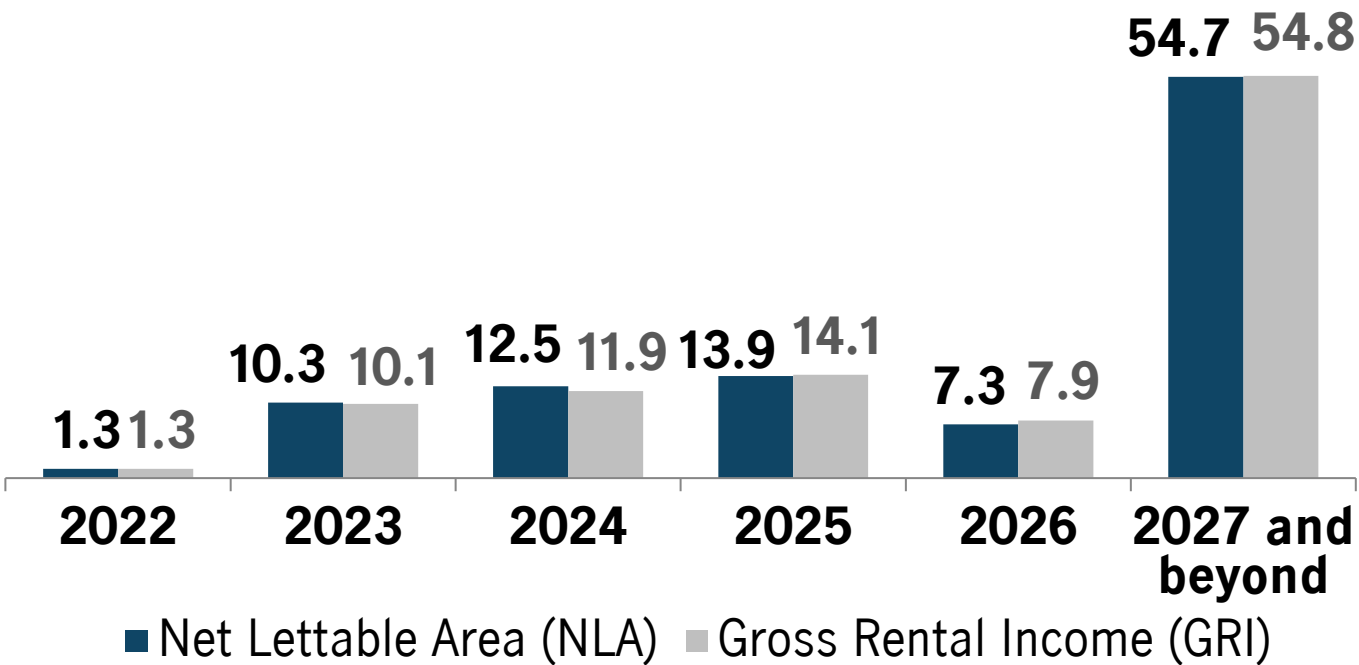


+1.7%
YTD rental reversion

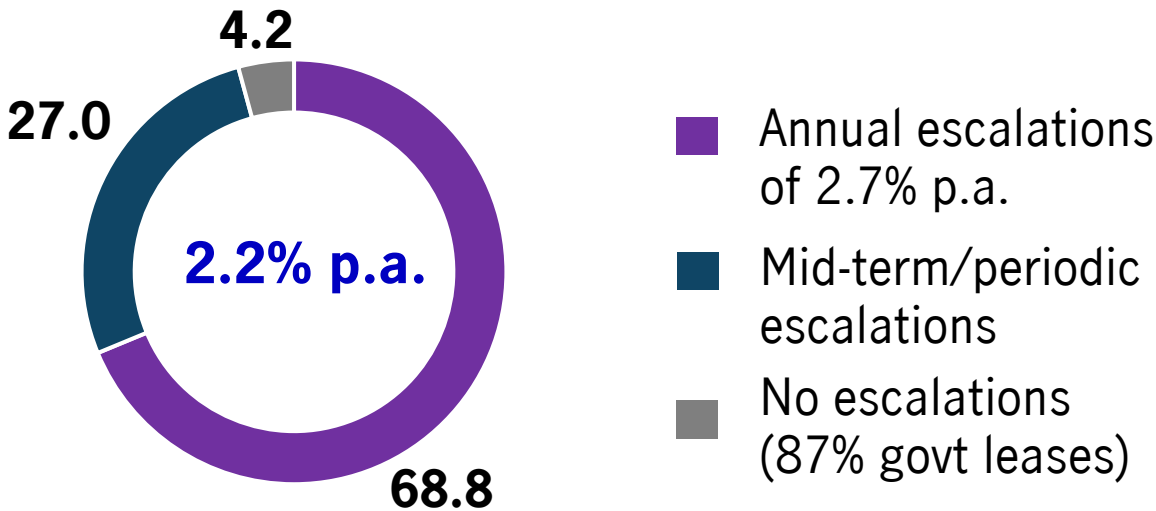


+4.3%
3Q rental reversion

Lease expiry profile as at 30 Sep 2022 (%)



In-place rental escalations as at 30 Sep 2022 (%)

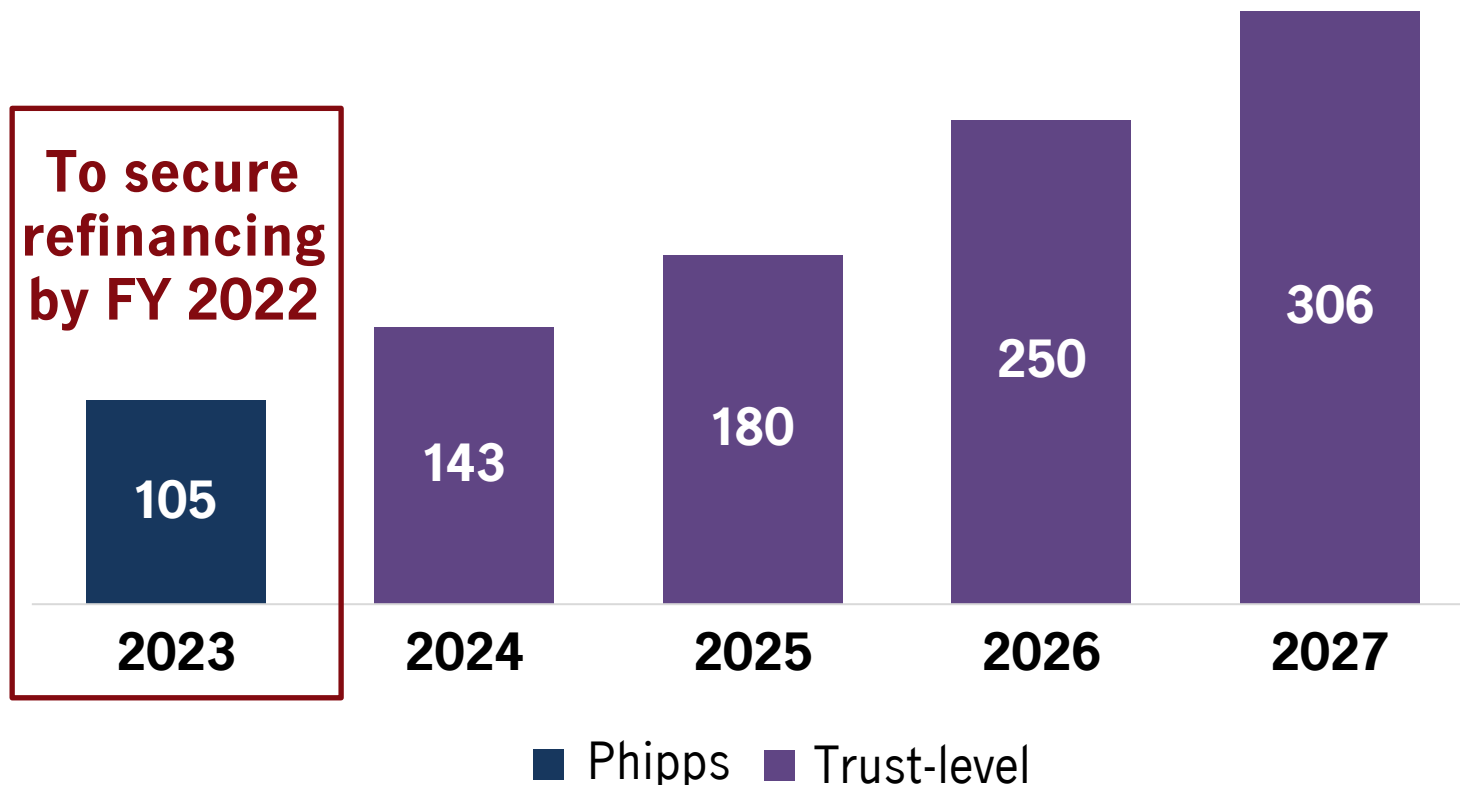


Mitigating risk: high hedging position and well-spread maturity

Every 1% increase in interest rate will impact DPU by 0.105 US Cents

Debt maturity profile as at 30 Sep 2022 (US\$ m)

To secure
refinancing
by FY 2022



As at 30 Sep 2022



Gearing¹
42.5%



Interest
coverage²
3.4 times

Loan covenants in line with MAS 50%
gearing limit and min. ICR 2.5x

Weighted avg.
interest rate
3.34%

Fixed rate
loans
81.1%

Portfolio
unencumbered³
90.1%

Weighted avg.
debt maturity
3.1 years

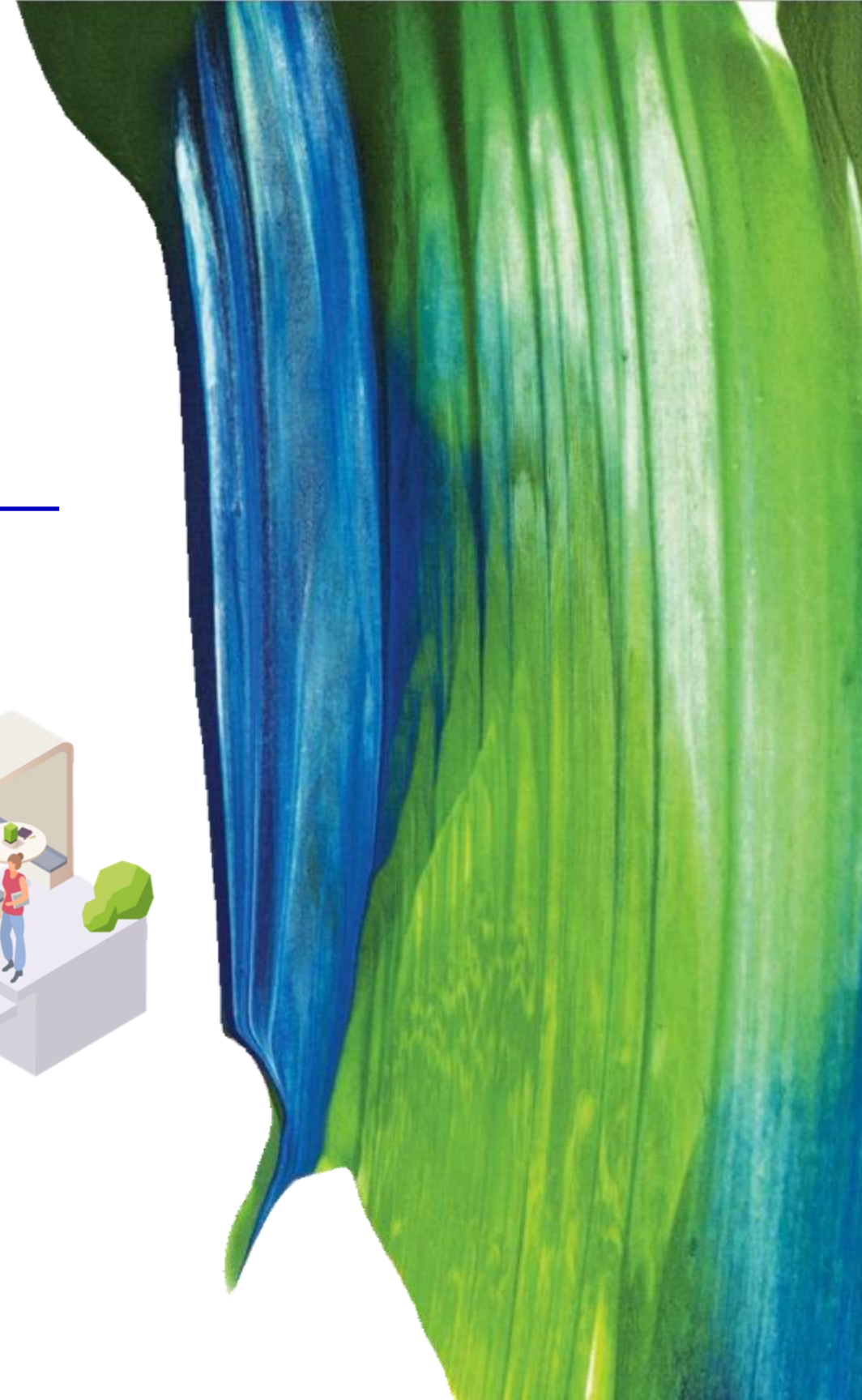
(1) Based on gross borrowings as a percentage of total assets.

(2) Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as set out in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

(3) Based on latest fair values as at 31 Dec 2021.

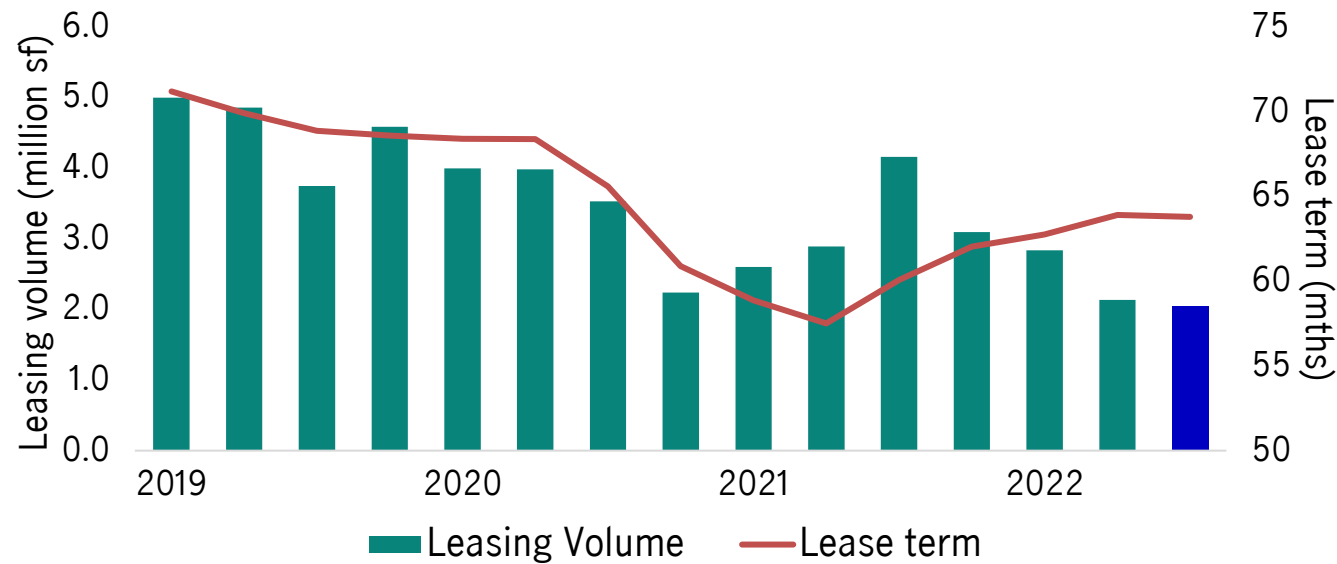
04

Reimagining the future of office

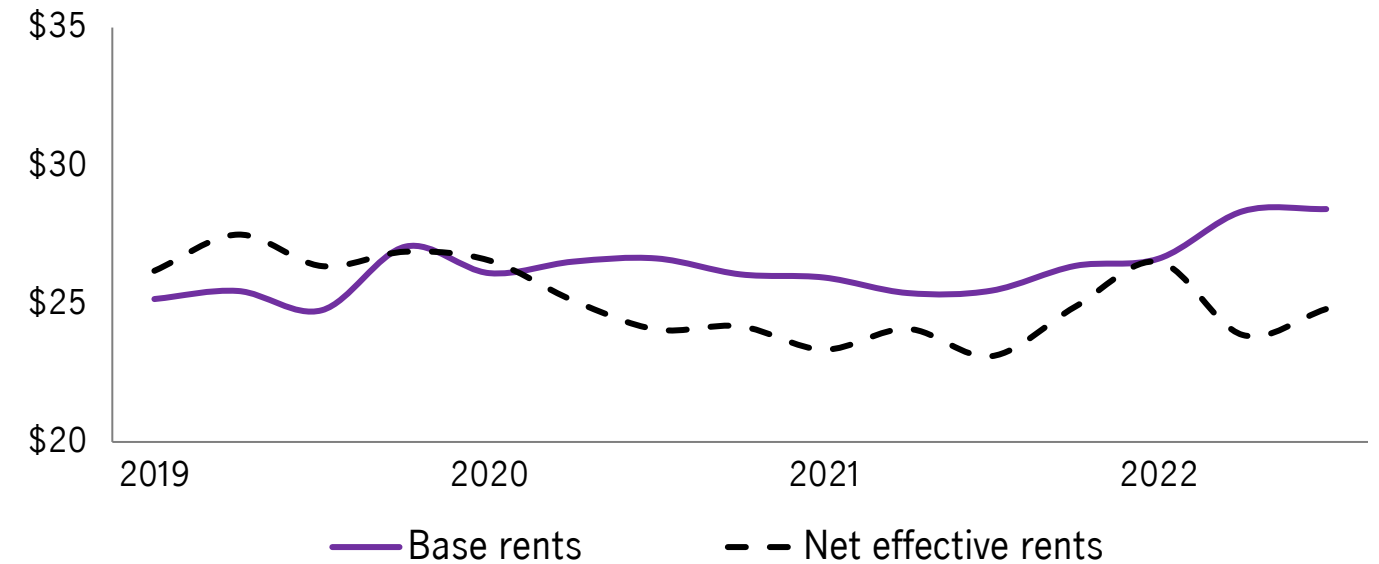


Mixed signals in leasing in MUST's submarkets

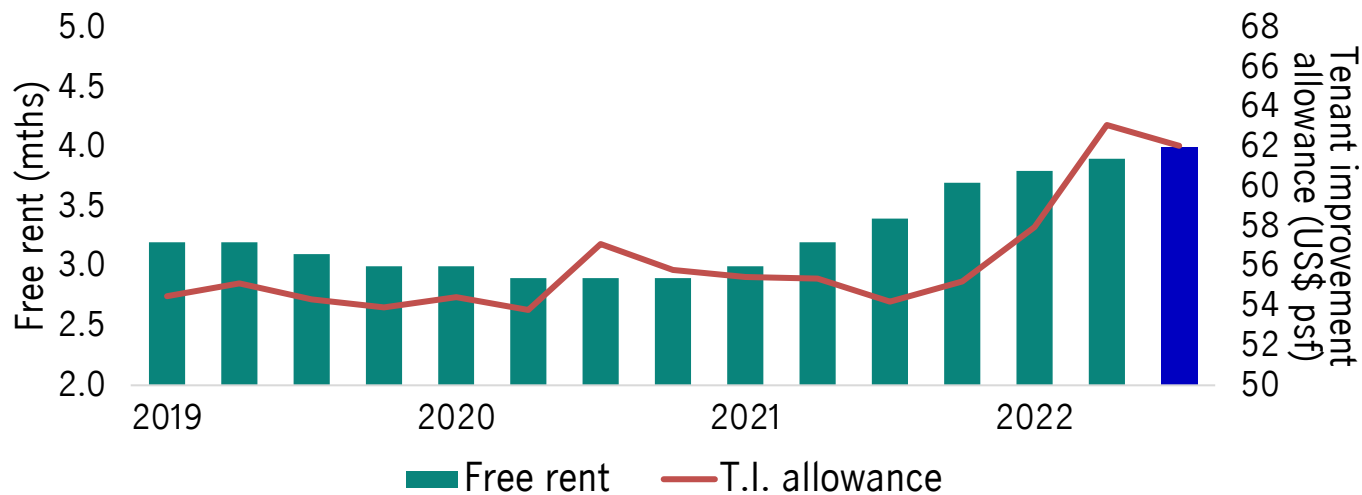
Leasing volume sluggish; lease terms stable



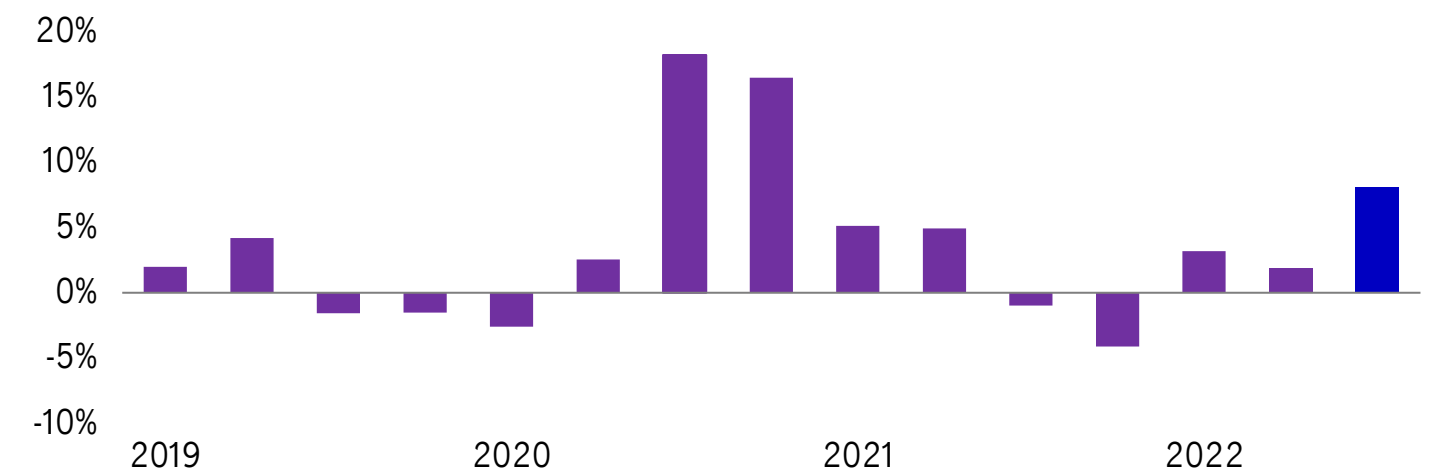
Net effective rents rebounding...



Concession packages elevated but stabilised



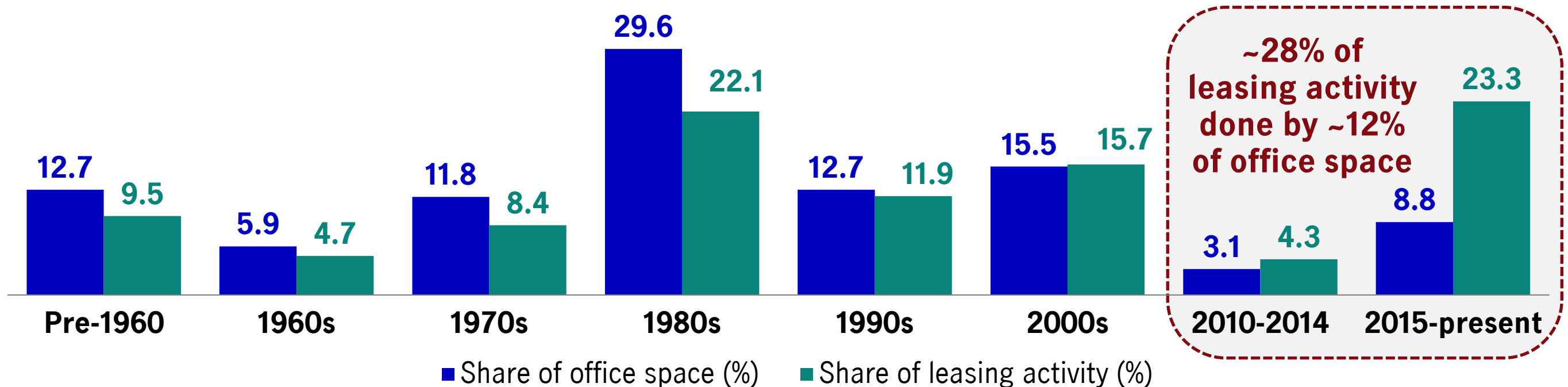
Subleasing picking up but below 2020



Flight to *quality* drives leasing activity in U.S.

- **Relocations** grew as a share of total leasing activity; renewals at historic lows¹
- **> 95%** of tenants who relocated moved to equal or better quality spaces; **+7.2%** rents¹
- Despite downsizing, tenants are price agnostic, paying higher rents for modernised/productive spaces

Share of office space and leasing (sq ft) by year built (2Q 2020 to 3Q 2022)²



Property *repositioning* strategy

1

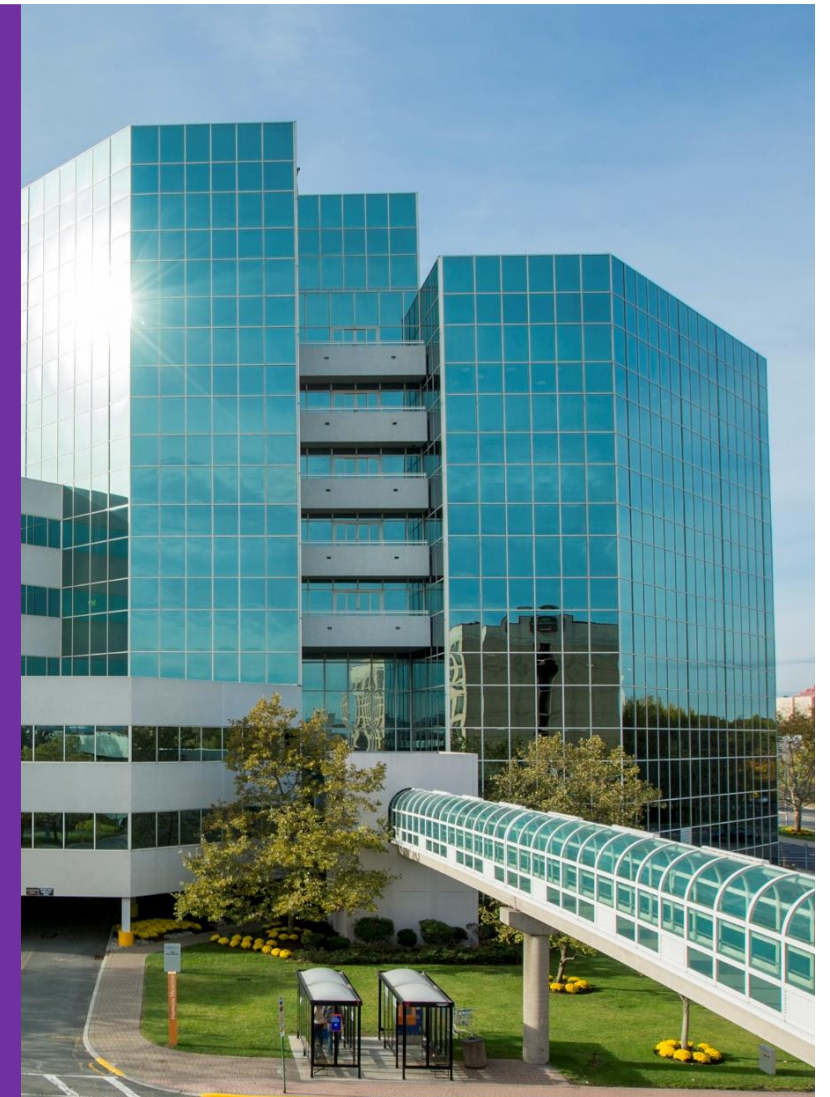
Peachtree to
embark on
hotelisation
in 1H 2023



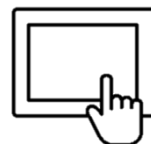
Peachtree, Atlanta

2

Plaza
introduced
*flexible
space*
solution in 3Q
2022



Plaza, Secaucus



What does a *hotelised* office look like?

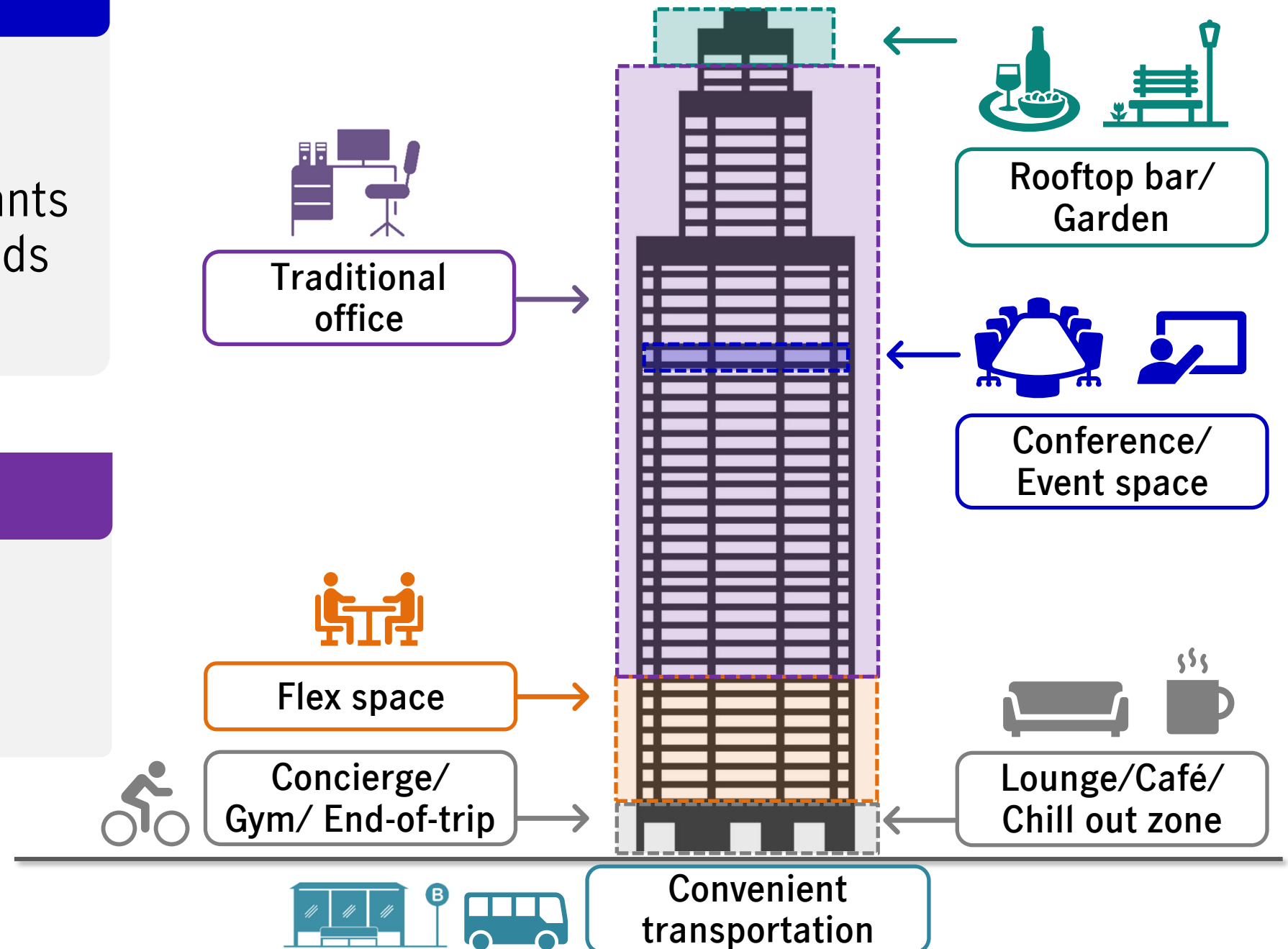
Location/market fundamentals

- ✓ GDP/job/population growth
- ✓ Work-live-play environment
- ✓ High-growth and good quality tenants
- ✓ Rental growth, net absorption trends
- ✓ Potential rent upside

Property attributes

- ✓ Outdoor/terrace/roof top space
- ✓ Sufficient floorplate for amenities
- ✓ Spaces for public/social events

Example of a hotelised office/building



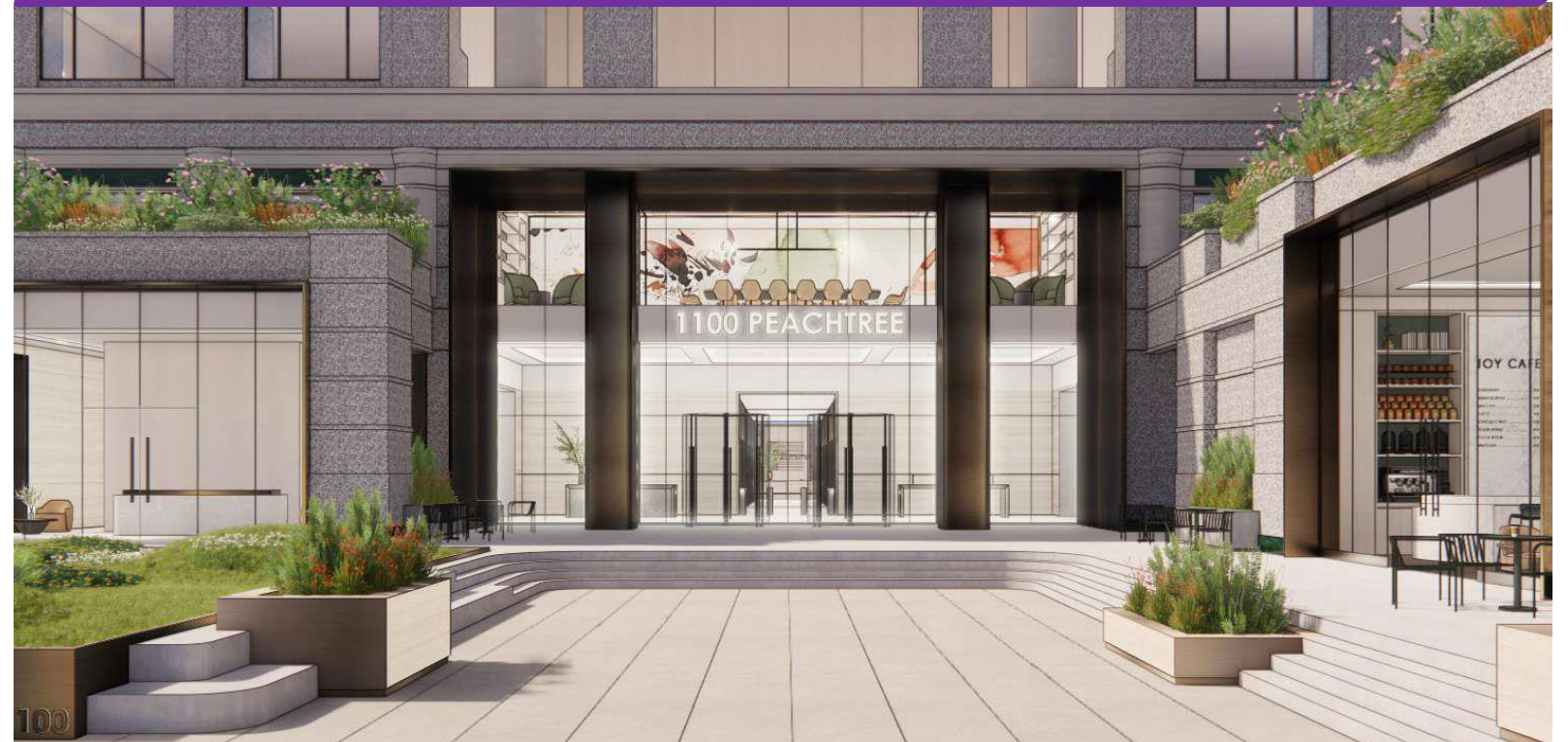
Embarking on a *new* Peachtree experience in 1H 2023

- Works include grand entrance, lobby, conference centre, coffee bar/lounge, outdoor terrace
- In conjunction with securing/renewing anchor tenant
- Estimated project cost of US\$18 m over 2 years
- Expected IRR of ~9%

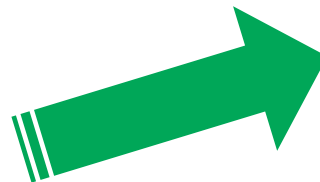
Before



After



Grand entrance

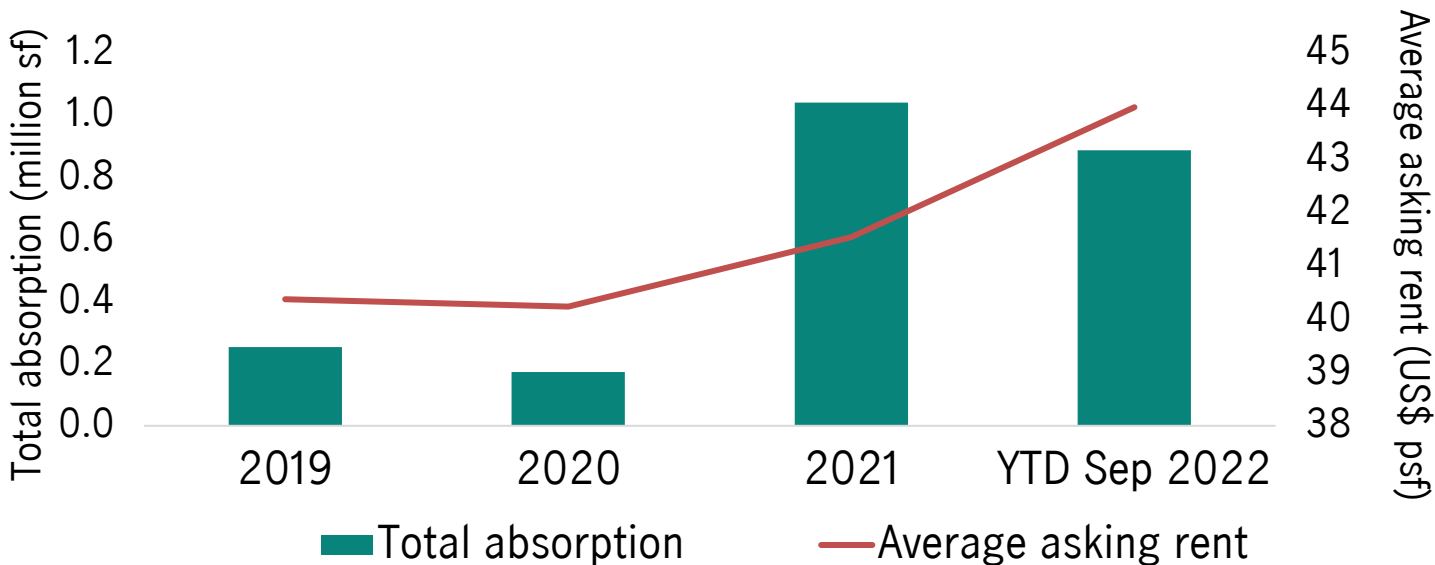


Midtown Atlanta - one of the *strongest* U.S. submarkets

Peachtree: 28-storey Class A office in the heart of Midtown Atlanta

- Proximity to two subway stations (Midtown and Arts Center)
- Surrounded by F&B, hotels, retail, residential
- LEED Gold / Energy Star certified

Increasing rents, positive absorption for Class A office during COVID-19



40%

population growth
(2010-2020)¹

77%

(age 25+) have a
bachelor's degree
or higher¹

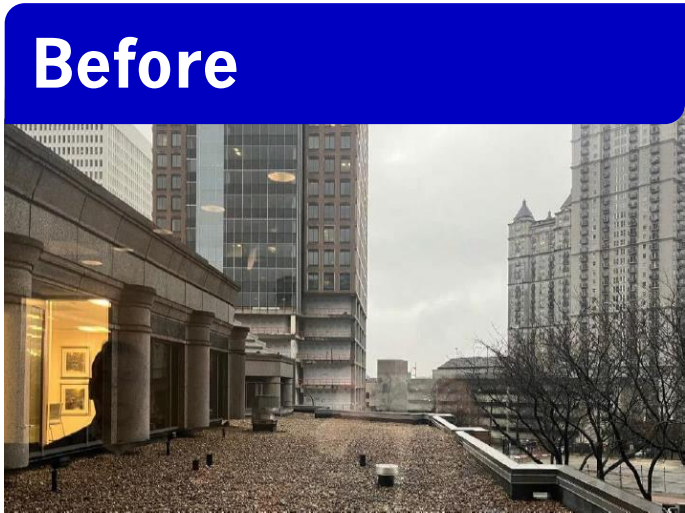
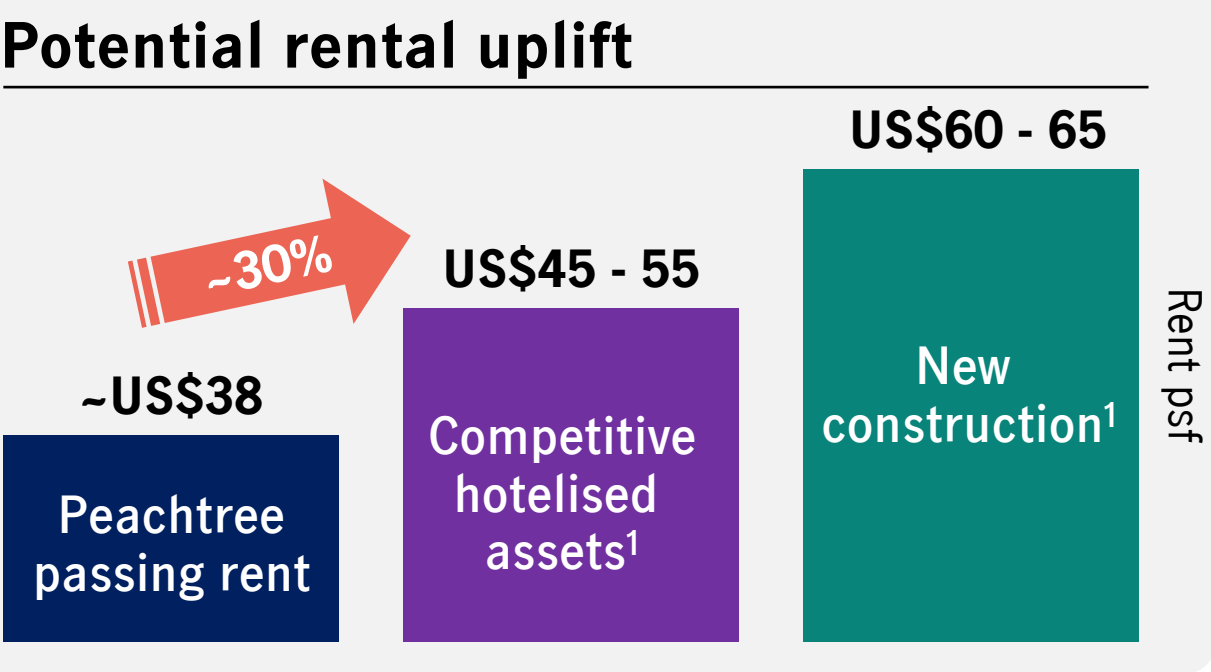
46%

tech, science, and
management jobs
centred in Midtown¹

31

Fortune 1000
companies' HQ in
Atlanta²

Rents at hotelised assets are ~30% *above* Peachtree



(1) Based on proprietary market research from Atlanta office leasing brokers and market research providers; the data is backed by over a total of 9 properties in Midtown, Atlanta.

Flex is *more* than just co-working...

What is Flex by JLL?

- Provides flexibility and experiential workplaces
- Owners control space, tenants and revenue

What does it offer tenants?

- Agile architecture
 - ❖ Team suites (50 pax)
 - ❖ Private offices (10 pax)
 - ❖ Co-working space (by membership)

How will it benefit MUST?

- Direct relationships with tenants
- Command higher rent
- Receives majority of net profit



Flex is the way to go

Partner JLL to provide tenants with flexible workspace at Plaza

Details of flex space at 500 Plaza Drive

Net lettable area (NLA) Phase 1: 15,407 sq ft (3.3% of property NLA)
Phase 2 & 3 options: 20,451 sq ft

Potential rent premium 30% to market

Estimated cost US\$6.8 m

Completion Phase 1: 2Q 2023
Phase 2: 2H 2023
Phase 3: 4Q 2023 / 1H 2024



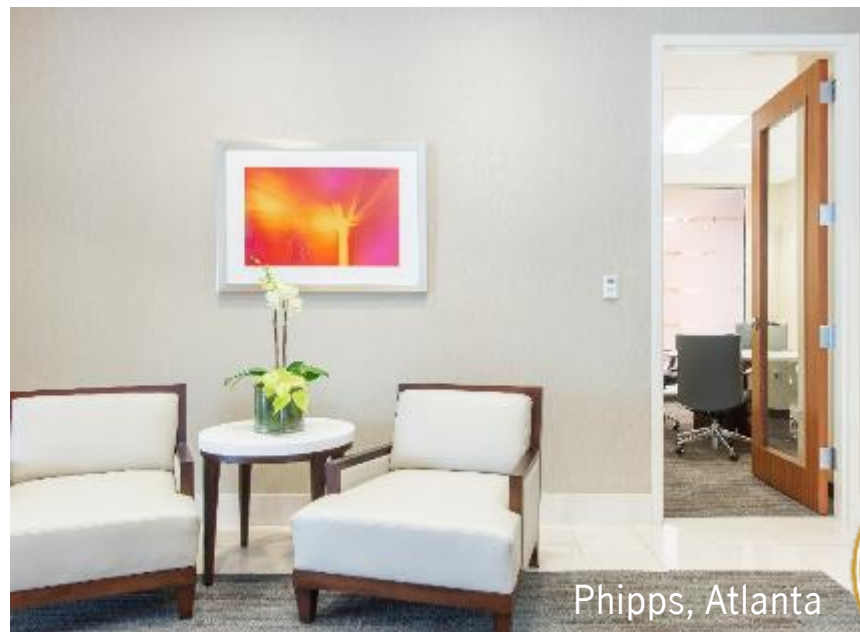
Artist impression of library



Artist impression of entrance

05

Outlook



Phipps, Atlanta



Headwinds continue to impact real estate sector



U.S. economic outlook

- GDP rebounded to 2.6%¹ after two quarters of contraction
- Unemployment rate at record lows (Oct 2022: 3.7%²)
- Inflation eases but remains high (Oct 2022: 7.7%³)



Challenges

- Further rate hikes expected in 4Q 2022
- Lenders remain conservative amidst market volatility
- Post-COVID-19 work patterns continue to impact space demand and leasing activity



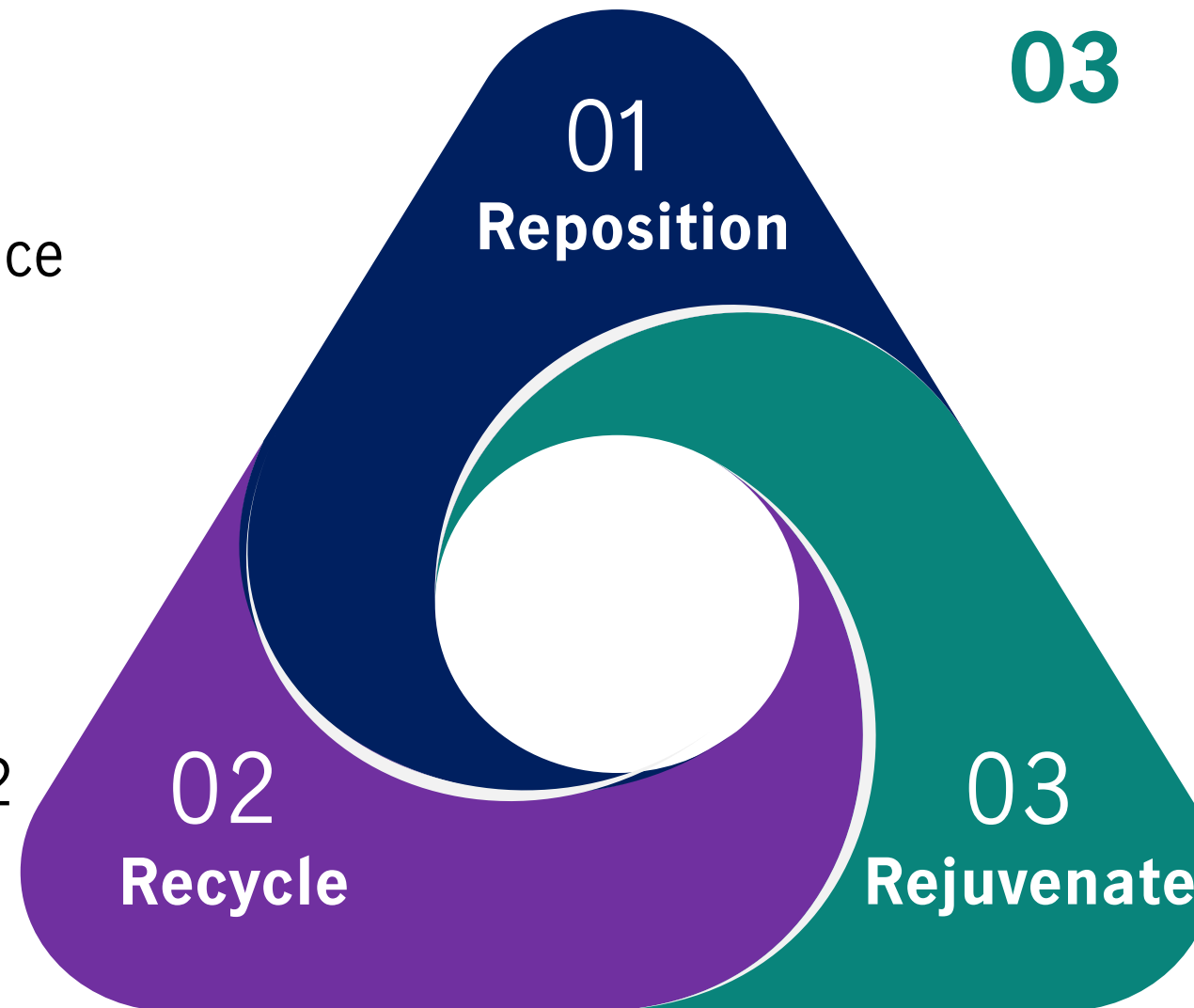
Reposition, Recycle and Rejuvenate

01 Reposition

- Hotelised buildings and provide flex office solutions

02 Recycle

- Top priority - manage gearing
- Started disposition process in 2Q 2022 – ongoing
- Portfolio diversification



03 Rejuvenate

*6 years post IPO,
what's next for MUST?*

- Formation of Strategic Working Group by Board and management team to explore opportunities
 - ❖ Business direction/pivot
 - ❖ Strategic partnerships, joint ventures and merger & acquisitions
- Stay tuned...

Our ESG pillars



Building Resilience

Reducing the environmental impact of our properties and supporting the transition to a net zero economy



People First

Ensuring the needs of our stakeholders are well-served is key to sustaining our business. This includes creating a safe and healthy environment, and safeguarding the well-being and interests of our employees, tenants and communities.



Driving Sustainable Growth

Conducting our business activities responsibly to deliver long-term value for our stakeholders. This includes the sustainable allocation of capital, robust governance framework and proactive risk management practices.

Thank You!

For enquiries, please contact:

Ms Caroline Fong

Deputy CEO, Chief Investor Relations and Sustainability Officer

✉ carol_fong@manulifeusreit.sg

☎ (65) 6801 1066

Manulife US Real Estate Management Pte. Ltd.

(Company registration no. 201503253R)

8 Cross Street, #16-03 Manulife Tower, Singapore 048424

<https://www.manulifeusreit.sg>

06

Appendix



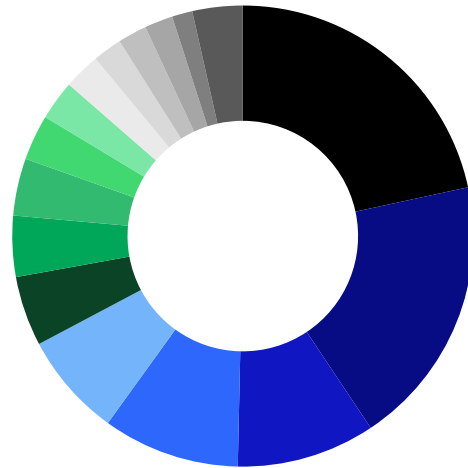
Exchange, Jersey City



Diversified and high-quality tenant base

Trade sector by gross rental income (GRI) (%)

■ Finance and Insurance	21.3
■ Legal	17.5
■ Information	9.9
■ Retail Trade	9.9
■ Real Estate	7.5
■ Public Administration	5.2
■ Consulting	4.5
■ Health Care	4.1
■ Grant Giving	3.3
■ Administrative and Support Services	2.7
■ Accounting	2.6
■ Transportation and Warehousing	2.3
■ Advertising	2.1
■ Arts, Entertainment, and Recreation	2.0
■ Architectural and Engineering	1.5
■ Other	3.6



Note: Amounts may not sum to 100% due to rounding.
Data as 30 Sep 2022; Amazon has been reclassified from Retail Trade to Information.

Top 10 tenants by GRI – **Mainly HQ/listed/government**

Tenant	Sector	Property, Location	Lease Expiry	NLA (sq ft)	% of GRI
William Carter	Retail Trade	Phipps, Atlanta	Apr 2030	277,920	5.7
TCW Group	Finance and Insurance	Figueroa, Los Angeles	Dec 2023	188,835	3.9
United Nations	Grant Giving	Penn, Washington, D.C.	Dec 2028	94,988	3.3
The Children's Place	Retail Trade	Plaza, New Jersey	May 2029	197,949	3.2
Kilpatrick Townsend	Legal	Peachtree, Atlanta	Jul 2025	163,076	3.2
Hyundai Capital	Finance and Insurance	Michelson, Irvine	Apr 2030	97,587	3.0
US Treasury	Public Administration	Penn, Washington, D.C.	Aug 2025	120,324	3.0
Amazon	Information	Exchange, New Jersey	Apr 2025	129,259	2.9
ACE	Finance and Insurance	Exchange, New Jersey	Dec 2029	117,280	2.7
Quest Diagnostics	Health Care	Plaza, New Jersey	Oct 2029	131,612	2.4
Total				1,518,830	33.3

Limited supply in MUST's markets

Markets	RBA (m sq ft)	Vacancy (%)	Gross Asking Rent Per Sq Ft (US\$)	Net Absorption (‘000 sq ft)	Net Delivery (‘000 sq ft)	Last 12 Months Rent Growth ¹ (%)	Projected 12 Months Rent Growth ¹ (%)	New Properties Under Construction (‘000 sq ft)	Delivery Year
Downtown Los Angeles	46.2	19.7	41.99	(200.1)	0	0.2	(0.2)	0.0	NA
Irvine, Orange County	15.0	21.0	32.17	(75.7)	0	0.9	(0.1)	0.0	NA
Buckhead Atlanta	17.9	24.7	39.78	169.0	0	0.3	0.7	0.0	NA
Midtown Atlanta	25.5	20.7	43.89	390.0	0	1.8	1.2	0.0	NA
Meadowlands, Secaucus	3.5	17.9	35.54	(3.7)	0	0.5	(0.6)	0.0	NA
Hudson Waterfront, Jersey City	19.6	17.2	44.62	48.3	0	0.5	(0.7)	0.0	NA
Washington, D.C.	32.1	17.9	57.67	18.6	0	(1.0)	(1.0)	334.0 ²	2024
Fairfax Center	4.5	18.2	33.17	11.3	0	0.3	(0.9)	0.0	NA
Downtown Sacramento	11.4	7.8	40.11	(24.5)	0	1.6	1.9	0.0	NA
Chandler, Phoenix	6.2	22.2	30.82	60.9	0	2.0	2.1	0.0	NA
Hillsboro, Portland	6.7	7.6	26.35	58.3	0	2.7	2.1	0.0	NA
Tempe, Phoenix	7.2	22.3	26.44	(205.9)	0	2.3	1.9	0.0	NA

Source: All Submarket and Market Data as at 7 Nov 2022 from CoStar Market Analysis & Forecast Reports.

(1) All building classes.

(2) Comprises of a Trophy Asset which is not comparable to Penn.

U.S. economy *rebounded* in 3Q

- GDP rose 2.6% after two straight quarters of decline
- Jobs gained in Oct 2022 led by health care, professional and technical services and manufacturing sectors

2.6%¹

3Q 2022
GDP growth

1.1m²

3Q 2022
jobs gained

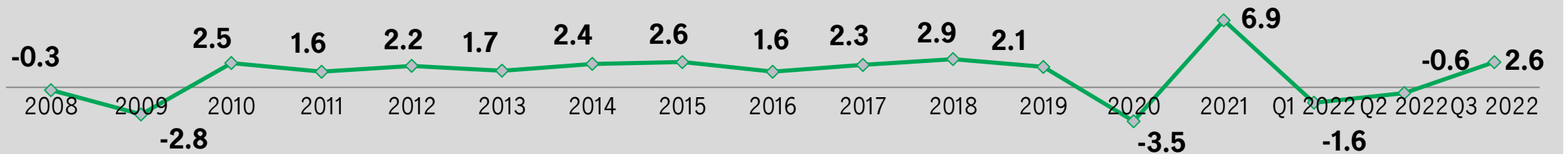
3.7%²

Unemployment in
Oct 2022

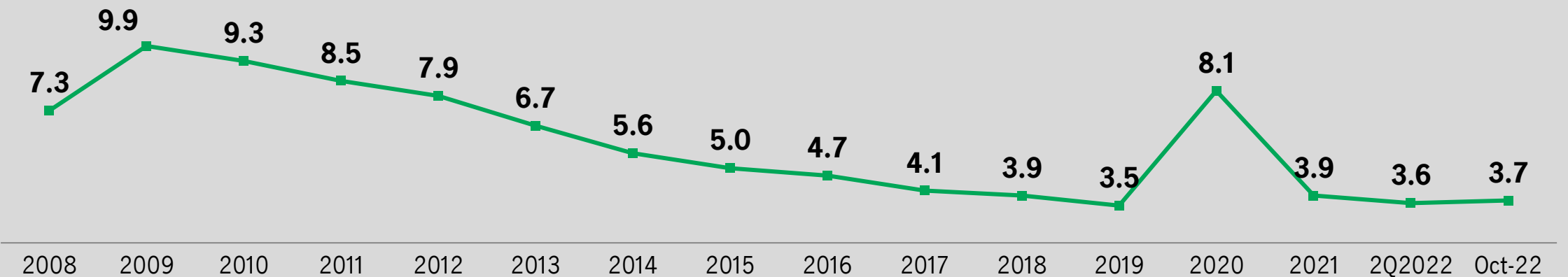
261k²

Jobs
added in Oct 2022

U.S. GDP growth (%)¹



U.S. unemployment (%)²



U.S. office real estate activities remain *stable*

19.5%¹
3Q 2022 vacancy

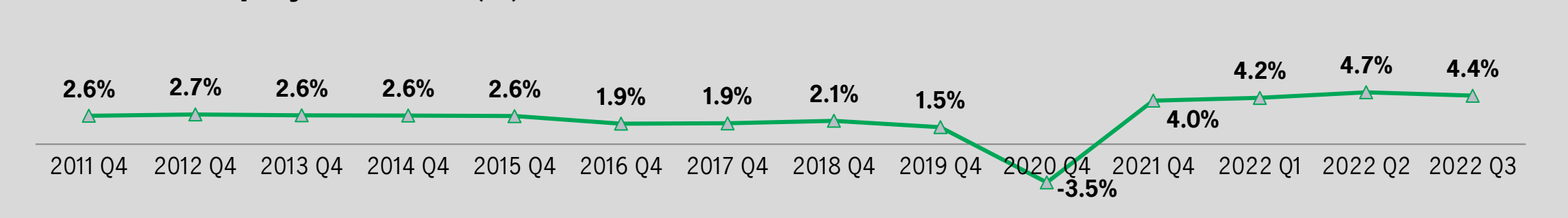
+0.2%¹
QoQ direct
average market
base rent growth

-1.3m³
3Q 2022 net
absorption (sq ft)

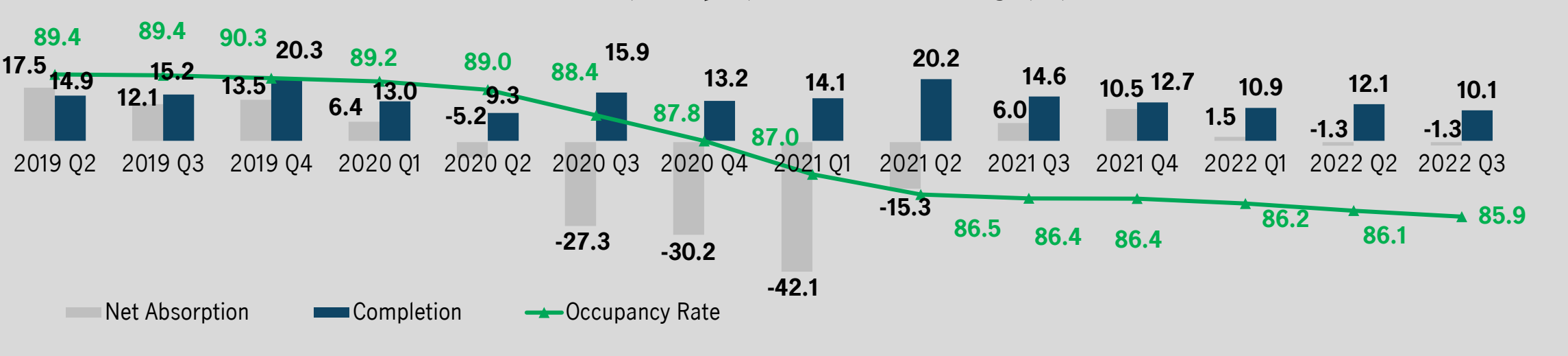
10.1m³
3Q 2022 new
supply delivered
(sq ft)

- Direct average market asking rents remain stable and showed modest gains of 0.2% QoQ¹
- Class A net effective rents have improved, but still down 6% relative to pre-COVID-19 levels¹

U.S. office employment YoY (%)²



U.S. class A & B office net absorption (m sq ft) and occupancy (%)³



(1) JLL U.S. Office Outlook 3Q 2022; includes all offices; vacancy rate, however, only for Class A.
(2) Office employment includes the professional and business services, financial and information service sectors; as per CoStar Market Analysis & Forecast Reports Amounts reflect YoY % change.
(3) CoStar Market Analysis & Forecast Reports for Class A & B Office.

MUST's tax update and *advantage*

For illustrative purposes only

	US REIT	SREIT ¹	MUST
DPU Yield	9.8% ²	13.4%	13.4%³
U.S. Withholding Taxes	(1.0%)	-	-
Net Yield – Singapore Retail Investor	8.8%	13.4%	13.4%
Net Yield – Singapore Institutions	8.8%	11.1% ⁴	13.4%
Net Yield – Foreign Institutions	8.8%	12.0% ⁵	13.4%

Announced on 18 Oct 2022

No withholding tax in relation to Section 1446(f)

- A 10% withholding tax is imposed if a non-U.S. person transfers interests in a publicly traded partnership (PTP) that engages in a U.S. trade or business effective 1 Jan 2023
- MUST is a PTP that is not engaged in a U.S. trade or business. Hence the Section 1446(f) **withholding tax requirement is not applicable** for MUST's unitholders⁶

- 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%)
- Subject to limited tax

Source: Bloomberg

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

(2) Weighted average of analyst consensus for FY 2022 distribution yield of 19 Office REITs listed in U.S. as at 28 Oct 2022.

(3) Based on 1H FY 2022 DPU of 2.61 US Cents and closing price of US\$0.390 as at 28 Oct 2022.

(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.

(6) For more details, refer to the [announcement dated 18 October 2022](#).

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