



 **Manulife**  
US REIT

# Annual General Meeting

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18 May 2020

# Important Notice

This presentation shall be read in conjunction with Manulife US REIT's announcements dated 5 February 2020 and 8 May 2020 published on SGXNet.

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Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

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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01

# About MUST in 2019

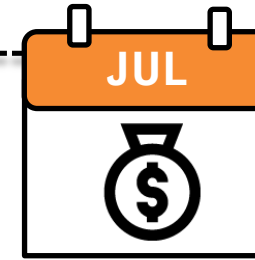
# FY 2019 Key Milestones



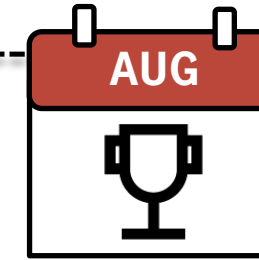
**AUM:** US\$1.7 b  
**Market Cap:** US\$982.8 m  
**Unit Price:** US\$0.77



Completed acquisition of Centerpointe for US\$122.0 m



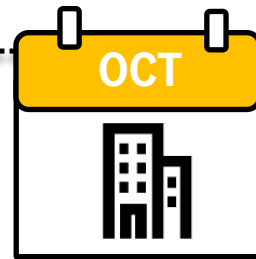
Refinanced and unencumbered Figueroa at 3.25%



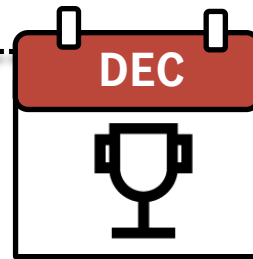
Governance Index for Trusts (GIFT) 2019 – 6<sup>th</sup> out of 46 REITs and Business Trusts



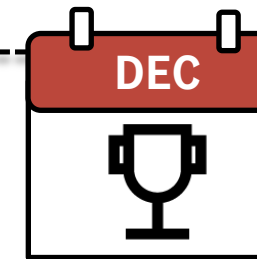
SIAS Investors' Choice Awards 2019 – Runner-Up for 'Corporate Governance' and 'Sustainability'



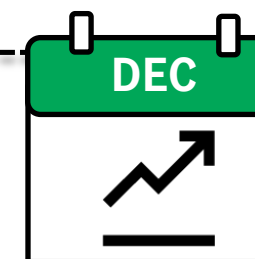
Completed acquisition of Capitol for US\$198.8 m



Included in FTSE EPRA Nareit Global Developed Index

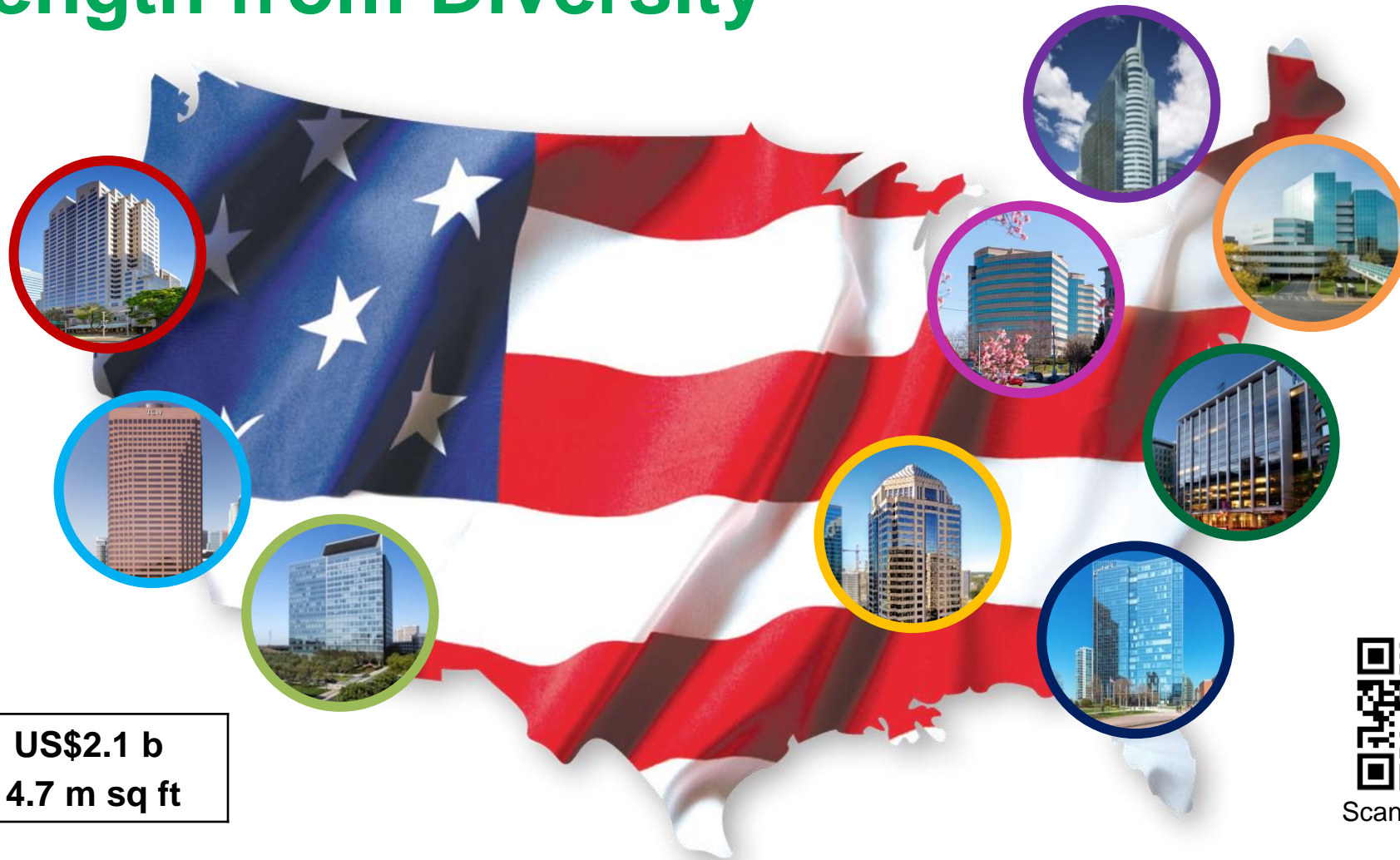


IR Magazine Awards Southeast Asia 2019 – 'Best in Country: Singapore' and 'Best Investor Relations Officer'



**AUM:** US\$2.1 b  
**Market Cap:** US\$1.6 b  
**Unit Price:** US\$1.00  
**TSR FY 2019:** 42.1%

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



**AUM: US\$2.1 b**  
**NLA: 4.7 m sq ft**

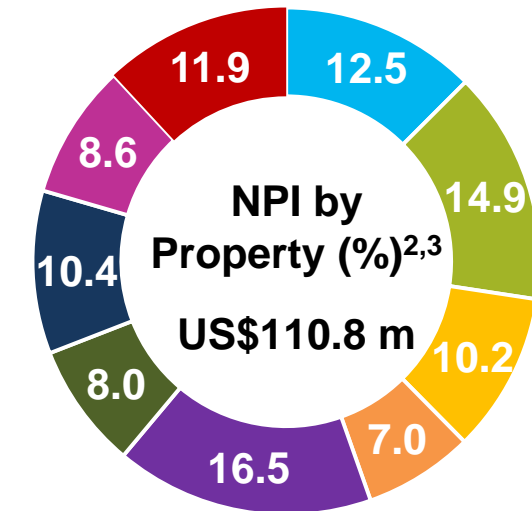
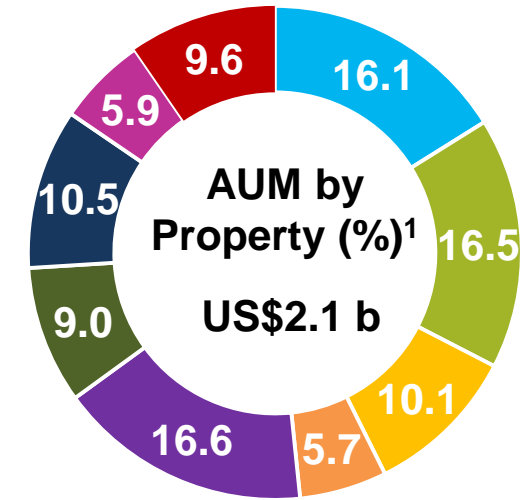


■ Figueroa    
 ■ Michelson    
 ■ Peachtree    
 ■ Plaza    
 ■ Exchange    
 ■ Penn    
 ■ Phipps    
 ■ Centerpointe    
 ■ Capitol

(1) Based on fair values as at 31 Dec 2019

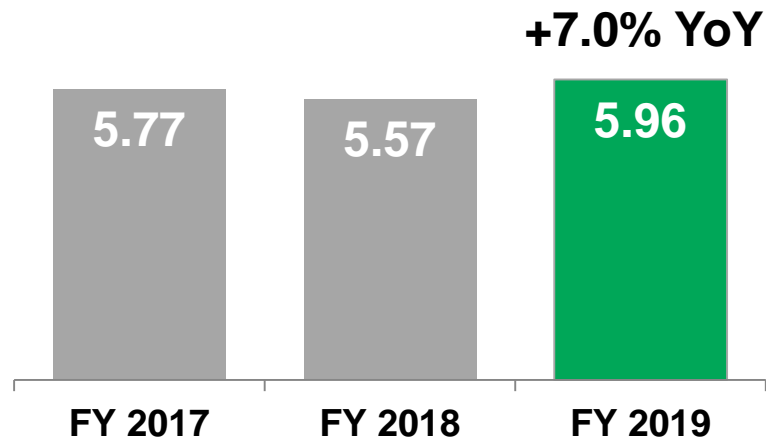
(2) NPI for Centerpointe was extrapolated based on actual results (for the period 10 May 2019 to 31 Dec 2019) to full year FY 2019

(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

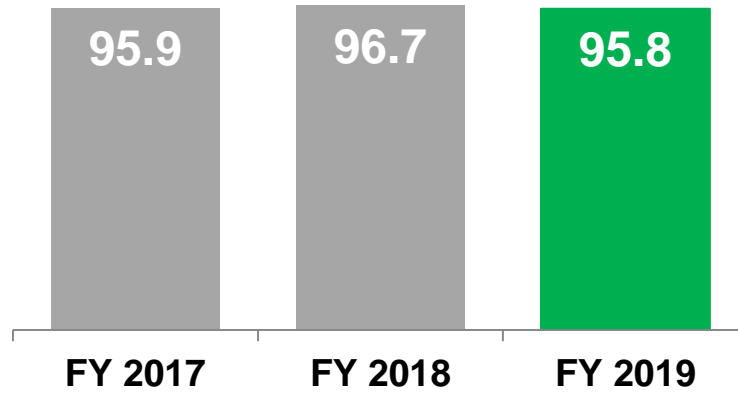


# Growing Responsibly From Strength to Strength

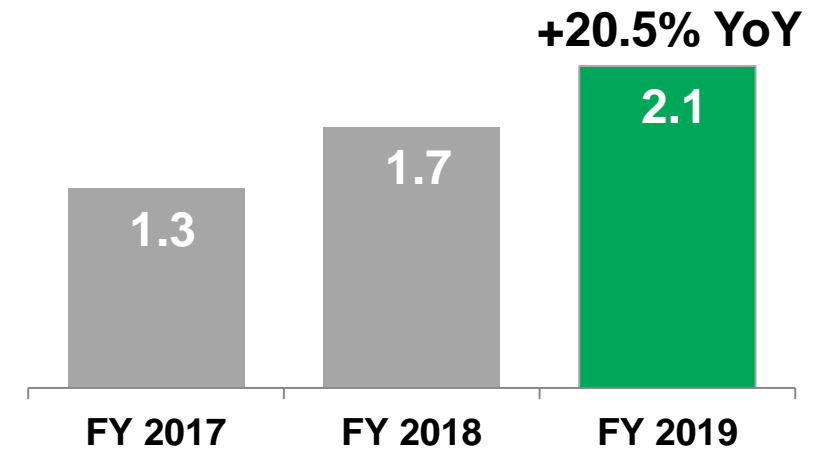
### DPU (US Cents)



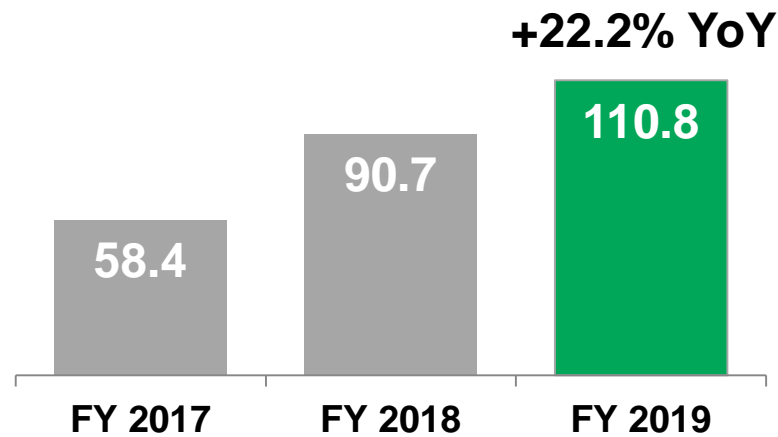
### Occupancy Rate (%)



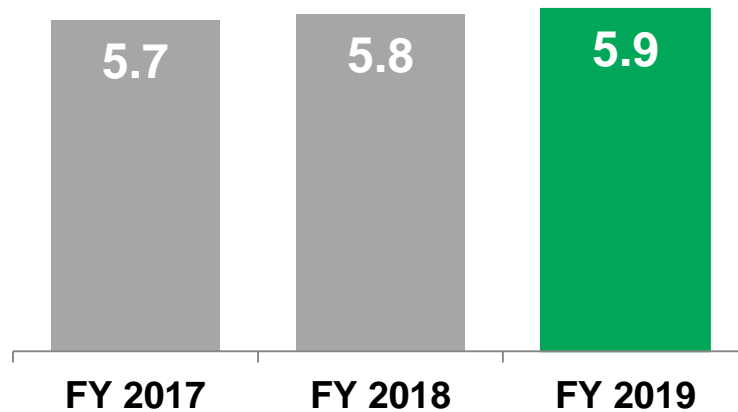
### AUM (US\$ b)



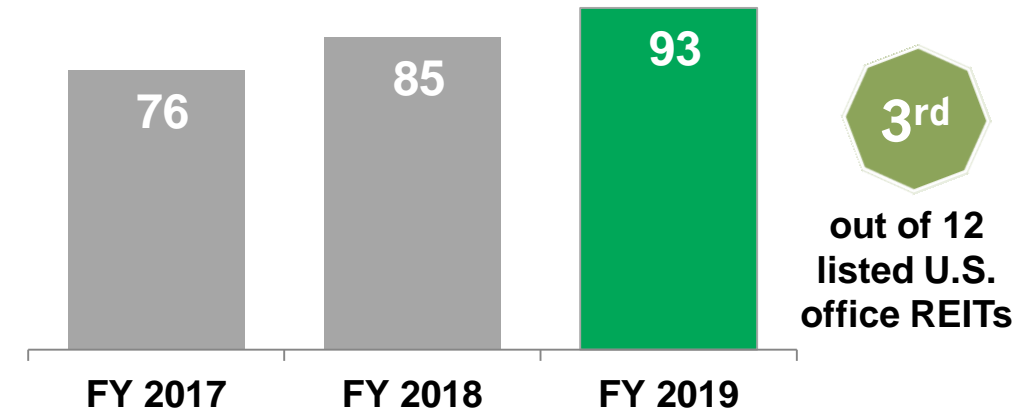
### NPI (US\$ m)



### WALE (Years)

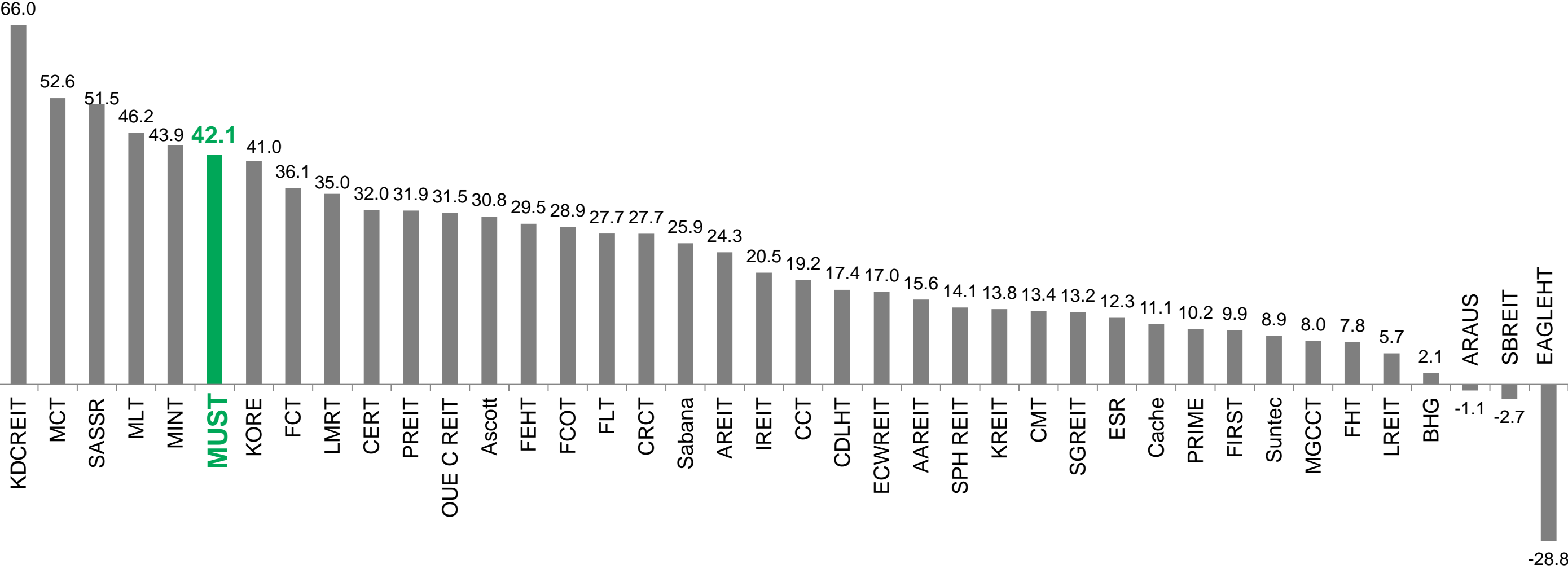


### ESG – GRESB (Score)



# Delivering Stellar Total Shareholder Return in FY 2019

FY2019 Total Shareholder Return (%)



Source: Bloomberg





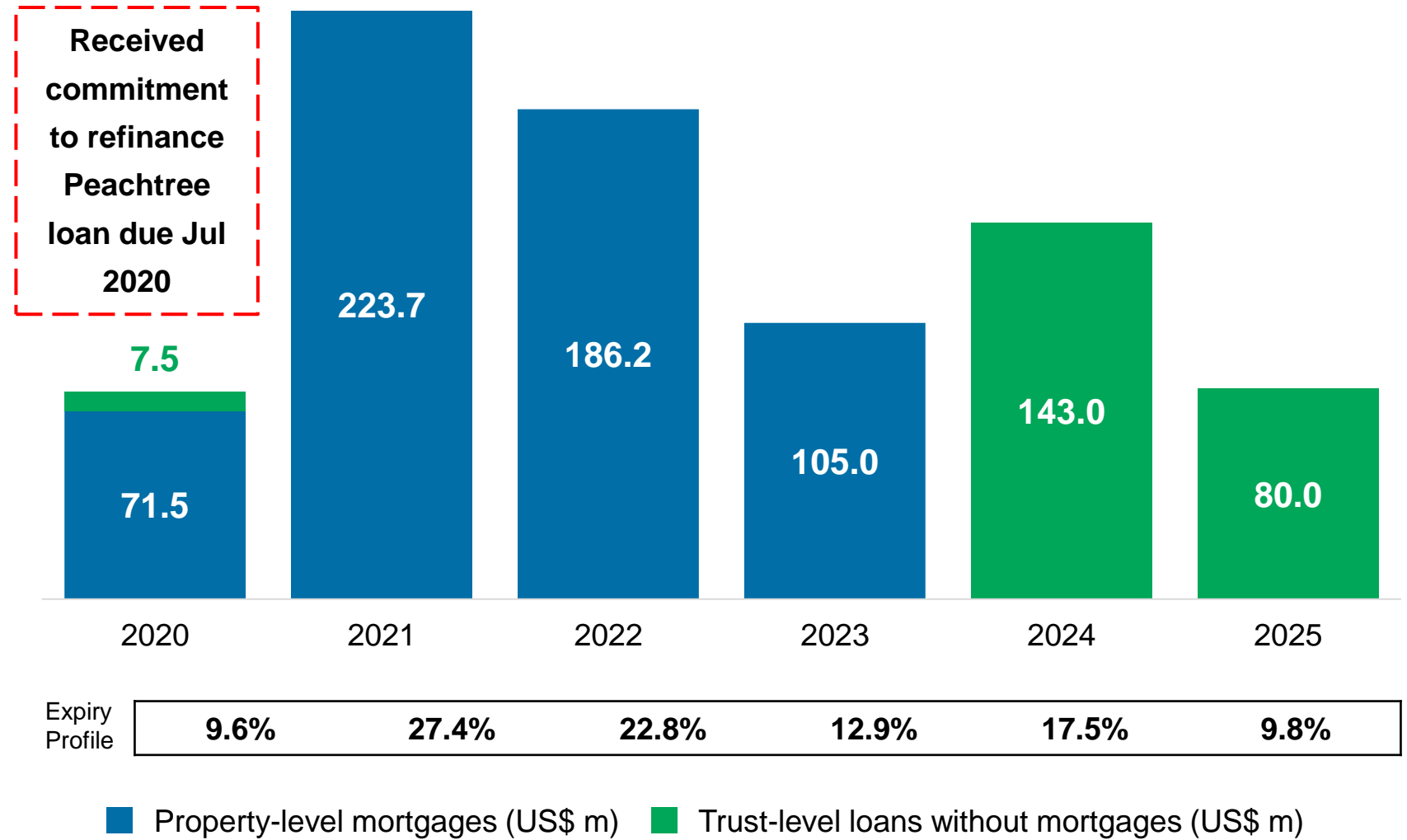


02 1Q 2020 Key Highlights

# 1Q 2020 Financial Highlights

- Gearing of 37.7%
- Interest coverage of 3.8 times
- Undrawn committed facilities of US\$95.5 m
- 95.1% of fixed-rate loans
- Reverted to tax structure without Barbados entities<sup>1</sup>, similar to that adopted during IPO

## Debt Maturity Profile (%)

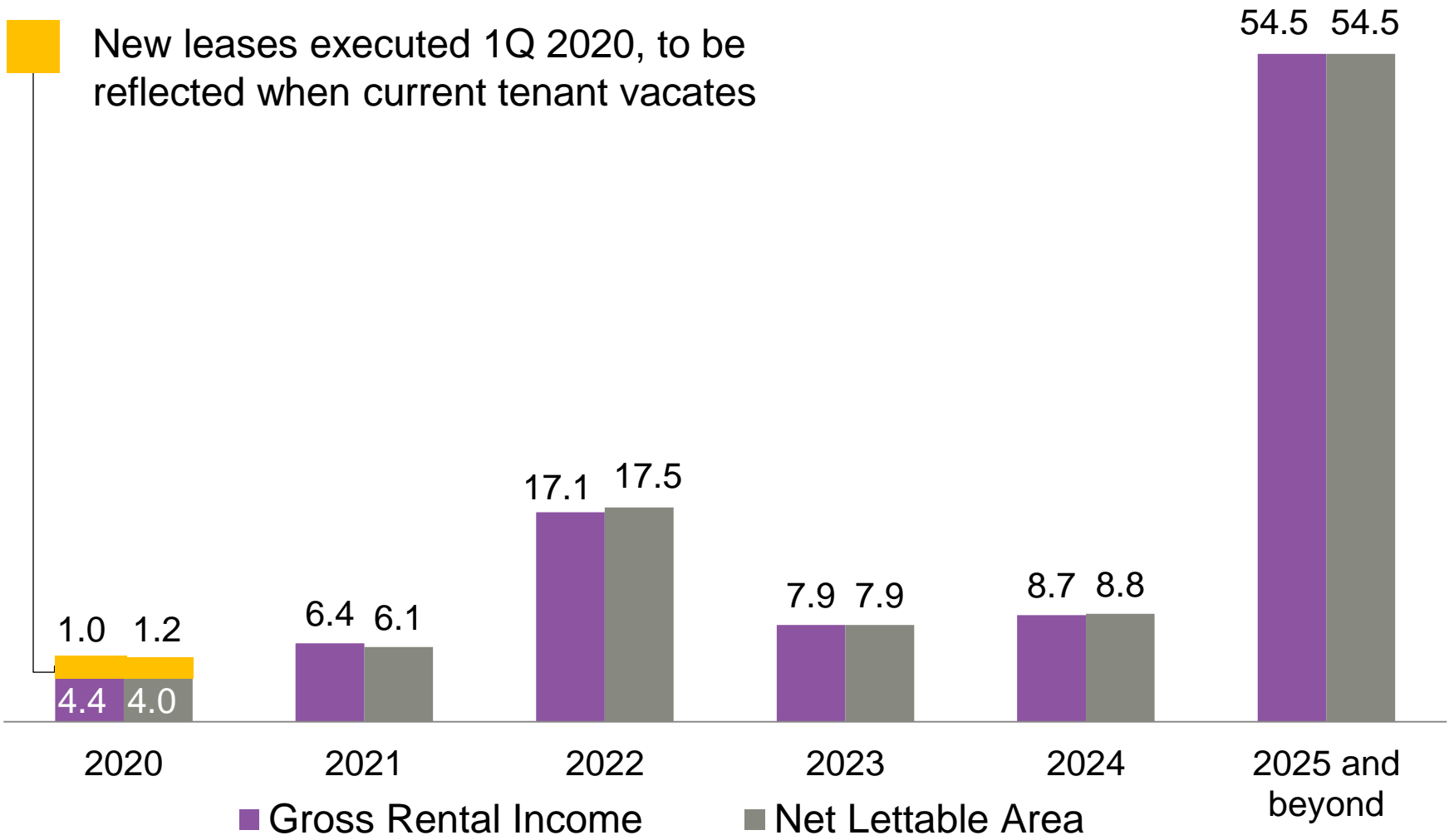


(1) Please refer to announcement dated 24 Apr 2020 - Restructuring Pursuant to U.S. Tax Regulations

# 1Q 2020 Portfolio Highlights

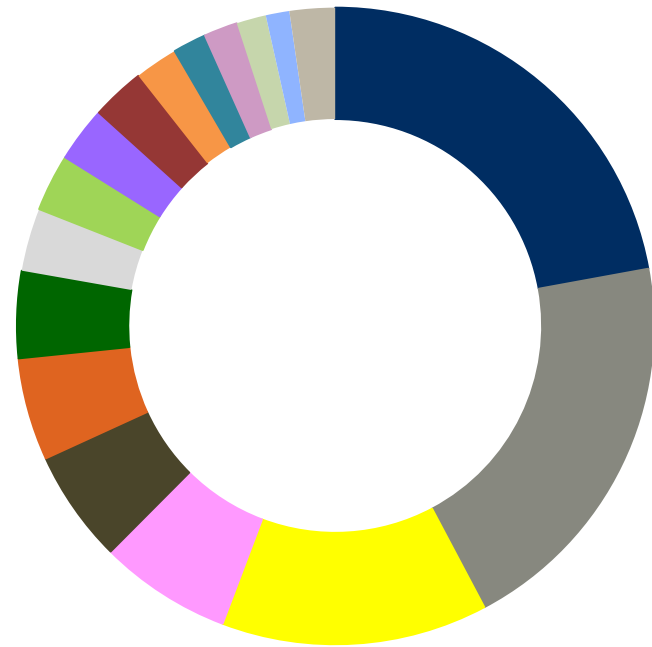
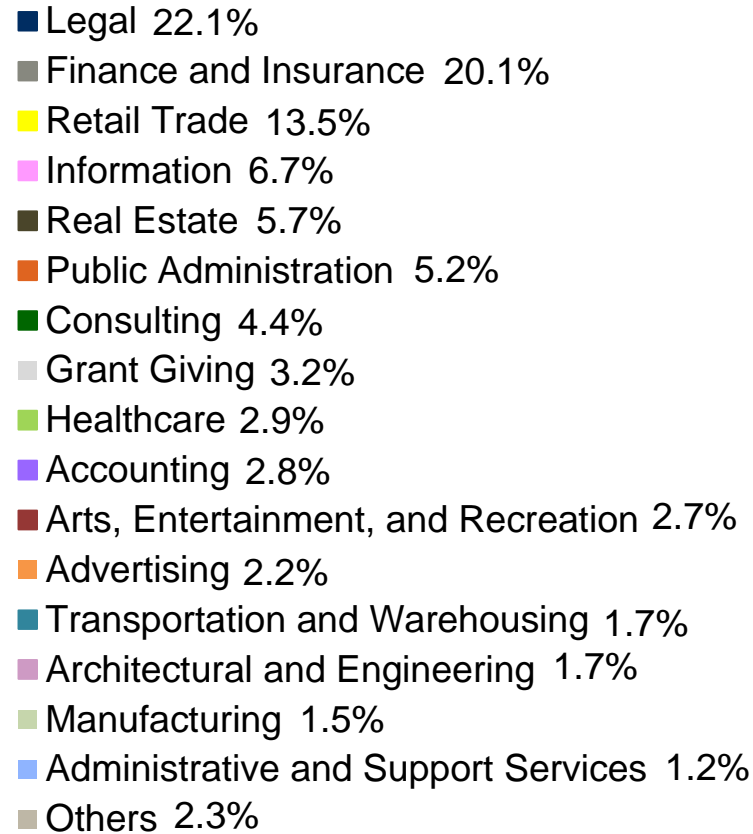
- Increased occupancy to 96.5% from 95.8% QoQ
- Long WALE of 5.7 years
- Portfolio rental escalations of 2.0% p.a.
- Executed ~147k sq ft of leases at +8.0% rental reversion with 7.8 years WALE
- Minimal 4.0% of portfolio by NLA to expire in 2020

Lease Expiry Profile as at 31 Mar 2020 (%)



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

## 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
<b>Total Top 10 Tenants</b>		<b>1,575,725</b>	<b>34.9</b>



# COVID-19 Updates

- Businesses disrupted from late March amid U.S. lockdown across all states
- 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
- U.S. lockdown set to ease; multiple states/counties/cities reopening
  - Georgia: Allowed to reopen fitness centres, salons, restaurants and selected entertainment venues
- 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%<sup>1</sup> of tenants from finance, legal, tech, government and healthcare



Collected vast majority of April's rent, including all co-working tenants; rental deferment provided to ~2%<sup>1</sup> of tenants



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



U.S. economy survival mode; Fed support packages, ultra-low interest rates, strong dollar



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



99 HUDSON STREET APARTMENTS

101 HUDSON STREET

95 GREENE STREET (NOT PICTURED)

30 MONTGOMERY STREET

HUDSON GREENE APARTMENTS

HARBORSIDE PLAZA IV

30 HUDSON STREET

URBY APARTMENTS

ONE EVERTRUST PLAZA

HARBORSIDE PLAZA V

3 SECOND STREET  
(AKA HARBORSIDE PLAZA X)

70 HUDSON STREET

90 HUDSON STREET

15 EXCHANGE PLACE

10 EXCHANGE PLACE

HYATT REGENCY JERSEY CITY

HARBORSIDE PLAZA I, II, III

HARBORSIDE NORTH PIER APARTMENTS



Scan for MUST's website

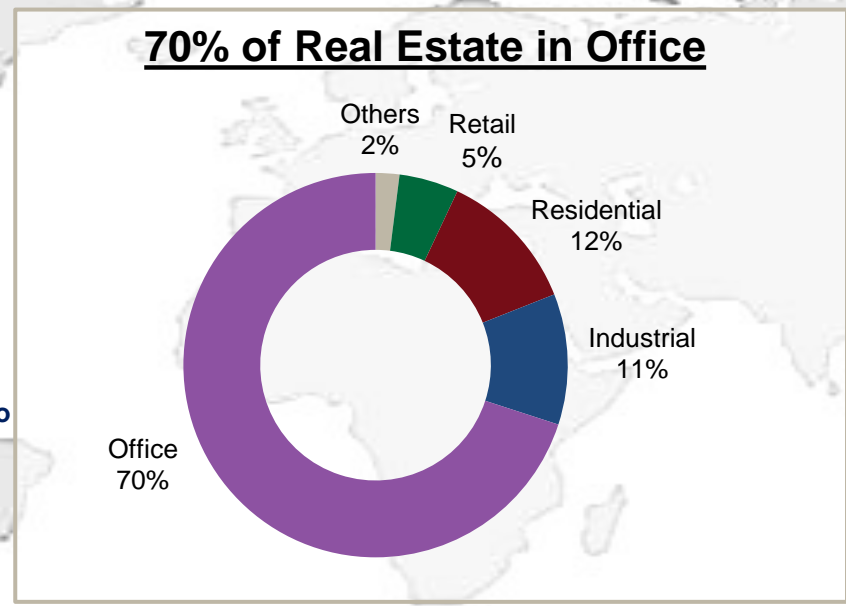
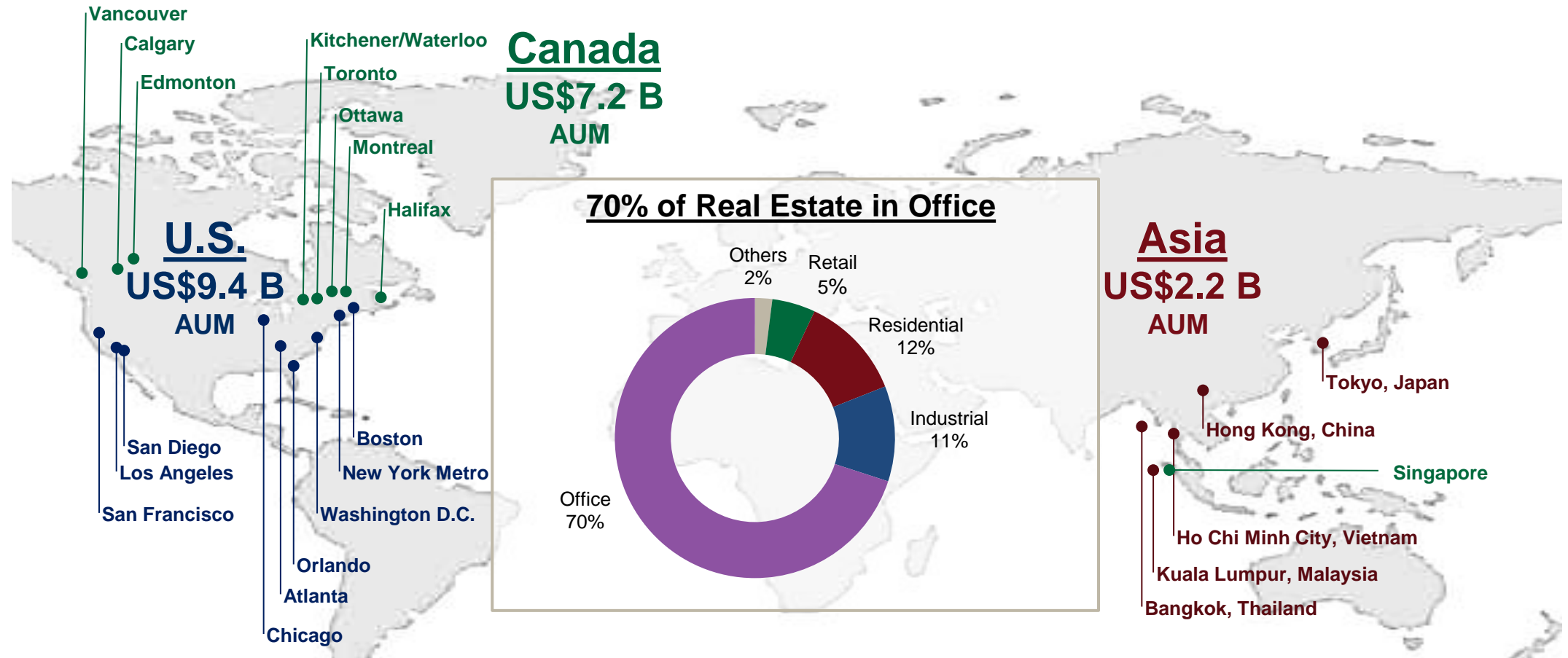
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# Supported by Reputable Sponsor with Proven Track Record

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



**> 80 years in real estate**      **> 570 professionals in 25 cities globally**      **Strong leasing network of >1,000 tenants**

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

# 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 <sup>1</sup>	Manulife US REIT
<b>DPU Yield</b>	3.6% <sup>2</sup>	8.4%	<b>8.4%<sup>3</sup></b>
<b>U.S. Withholding Taxes</b>	(1.1%)	-	-
<b>Net Yield – Singapore Retail Investor</b>	2.5%	8.4%	<b>8.4%</b>
<b>Net Yield – Singapore Institutions</b>	2.5%	7.0% <sup>4</sup>	<b>8.4%</b>
<b>Net Yield – Foreign Institutions</b>	2.5%	7.6% <sup>5</sup>	<b>8.4%</b>

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

# Tax Efficient Structure<sup>1</sup>

## i Parent U.S. REIT Structure

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

## ii U.S. Portfolio Interest Exemption Rule

- No 30%<sup>1</sup> withholding tax on interest and principal on shareholder's loan

## iii Foreign Sourced Income

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

## iv 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.

