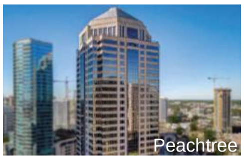
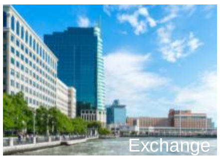
Manulife

US REIT

PRESS RELEASE





Click image to watch property video or visit http://www.manulifeusreit.sg/portfolio.html

Manulife US REIT's 1Q2018 Net Property Income Increased 54.0% with Strengthened Portfolio

- **1Q2018 DPU of 1.51 US cents for enlarged Unit base**
- **Current portfolio of five Trophy/Class A assets enjoys high occupancy of 95.8% and long WALE of 5.7 years**
- **Proposed acquisition of two top-quality office properties in Washington, D.C. and Atlanta for a total purchase price of US$387.0 million**

Singapore, 30 April 2018 – Manulife US Real Estate Investment Trust ("Manulife US REIT" or the "REIT"), the first pure-play U.S. office REIT listed in Asia, today announced that its net property income for 1 January 2018 to 31 March 2018 ("1Q2018") has increased by 54.0% to US$19.7 million. This was mainly due to higher net property income contribution from 500 Plaza Drive ("Plaza") and 10 Exchange Place ("Exchange") in New Jersey.

SUMMARY OF MANULIFE US REIT RESULTS

US$'000	**1Q2018**	**1Q2017**	**Change (%)**
	1 Jan to 31 Mar 2018	**1 Jan to 31 Mar 2017**	
Gross Revenue	31,153	19,833	57.1
Net Property Income	19,650	12,763	54.0
Net Income for the period	11,534	8,505	35.6
Income available for distribution to Unitholders	15,633	10,413	50.1
- **DPU Restated for Rights Issue (cents)**	1.51	1.52	(0.7)[1]
- **DPU (cents)**	1.51	1.65	(8.5)

(1) 1Q2018 DPU is lower largely due to lower income from Figueroa and Michelson resulting from lower occupancies in these properties and higher income taxes in 1Q2018 compared to 1Q2017. This was offset by strong earnings from Plaza and Exchange properties acquired on 19 Jul 2017 and 31 Oct 2017, respectively, and therefore providing further diversification benefits to the portfolio.

DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Manulife US Real Estate Investment Trust ("Offering"). DBS Bank Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited and Deutsche Bank AG, Singapore Branch were the Joint Bookrunners and Underwriters for the Offering.

For 1Q2018, Manulife US REIT recorded gross revenue of US$31.2 million, which was higher than 1Q2017 by 57.1%, largely due to the revenue contribution from the acquisitions of Plaza and Exchange, partially offset by lower income from Michelson and Figueroa. In line with the higher gross revenue, the REIT registered an increase of 54.0% in net property income to US$19.7 million in 1Q2018. In line with the overall improved performance, distributable income increased by 50.1% to US$15.6 million in 1Q2018, which translates to a DPU of 1.51 US cents for the enlarged Unit base.

Ms Jill Smith, Chief Executive Officer of Manulife US Real Estate Management Pte. Ltd. (the "Manager") said, ***"We are delighted to report a good set of 1Q2018 results with both our newly-acquired assets, Plaza and Exchange, contributing significantly to our net property income. As we continue to expand our footprint in the U.S. in a prudent and sustainable manner, our latest set of financial results further reinforces our investment strategy of acquiring top quality assets that will deliver long term value to Unitholders, while maintaining an appropriate capital structure."***

Portfolio Performance

Based on committed leases, portfolio occupancy remained strong at 95.8% as at 1Q2018 with less than 10.0% of leases by net lettable area ("NLA") expiring in the next two years. The REIT has a weighted average lease expiry ("WALE") by NLA of 5.7 years, with 56.3% of the leases by NLA expiring in 2023 and beyond.

Fortifying the Portfolio

As part of the Manager's growth strategy, the REIT announced on 13 April 2018 that it has entered into sale and purchase agreements with John Hancock Life Insurance Company (U.S.A.) ("JHUSA"), an indirect, wholly-owned subsidiary of The Manufacturers Life Insurance Company (the "Sponsor"), to acquire 1750 Pennsylvania Avenue in Washington, D.C. ("Penn") and Phipps Tower in Buckhead, Atlanta ("Phipps") at a total purchase price of US$387.0 million (the "Acquisitions").

The Acquisitions will increase the REIT's exposure to key trade sectors of Public Administration, Grant Giving and Retail Trade. In addition, the leases in Penn and Phipps are long-tenured with a WALE (by NLA) for Penn and Phipps at 6.6 years and 9.8 years respectively as at 31 March 2018.

Proposed Acquisition of Penn (left) and Phipps (right) from the Sponsor – click here to view video

The proposed Acquisitions are subject to the approval of Unitholders at the Extraordinary General Meeting ("EGM") on 15 May 2018.

Moving forward, the Manager will continue to manage the REIT's assets proactively and search for yield accretive investment opportunities, which will further strengthen the performance of the property portfolio.

Prudent Capital Management

The REIT's gearing of 34.1% is well below the regulatory limit of 45.0%, and provides debt headroom to grow the portfolio. The debt maturity is 3.2 years, which was extended by one year by funding acquisitions of Plaza and Exchange with 5-year fixed rate debt in 2017. 99.8% of debt are fixed rate loans and therefore mitigating near term interest rate risk on existing debt.

On 13 April 2018, the REIT also announced that it had established a US$1.0 billion Multicurrency Debt Issuance Programme (the "Programme"), whereby the Manager may issue notes or perpetual securities (the "Securities") in any currency, subject to agreement with the dealer and compliance with all relevant laws, regulations and directives.

The net proceeds arising from the issue of Securities under the Programme are intended to be used for the refinancing of existing borrowings and financing of potential acquisition opportunities. The Programme will increase the financial flexibility of the REIT and diversify its funding source.

Positive Outlook

The U.S. reported an annualised real GDP growth rate of 2.3% for the first quarter of 2018 on 27 April 2018. This follows the 2.9% quarterly GDP rate reported for the fourth quarter of 2017. The GDP growth rate decelerated slightly due to lowered consumer and government spending, which was offset by increased private inventory investment. The U.S.

unemployment rate remains flat from 4Q2017 at 4.1% in March 2018 and down from 4.5% in March 2017. In March 2018, the U.S. economy generated 103,000 non-farm jobs, primarily in the health care, mining and manufacturing sectors. In 1Q2018, approximately six hundred thousand jobs were created. The recent trend of employment growth is supportive of continued absorption in the office market.

The Federal Reserve ("Fed") increased the Federal Funds rate by 25 bps in March 2018, marking the first increase in 2018 and off the back of three such hikes during 2017. Fed officials have been balancing the risks of a strong labour market against weak inflation, which has remained below their two percent target for most of the last five years. According to the minutes of the meeting of the Federal Open Market Committee ("FOMC"), the Fed expects to raise rates twice more in 2018 and three times in 2019. However, most FOMC members have been more hawkish about the Fed's rate path and four rate hikes in 2018 are more plausible now than they were at the end of 2017.

Office absorption during the first quarter of 2018 has slowed, with JLL (report titled: "JLL United States Office Outlook Q1 2018") reporting absorption of 3.7 million square feet in the period, as a result of reduced tech activity, skilled talent shortages and softness in the energy sector. The nation's vacancy rate remained stable at 14.8% at the quarter ended 31 March 2018. According to JLL, annual U.S. rent growth continues to climb, however concession packages are also increasing, which puts pressure on net effective rents. Rent growth varies across the different U.S. markets. Los Angeles, Orange County, and Atlanta have all achieved above average growth in the past twelve months, based on limited new supply and steady or growing demand, while rent growth in Northern New Jersey has lagged the national average.

Market conditions continue to be generally favourable in the five locations that Manulife US REIT has invested in, with minimal new supply and rising market rents.

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About Manulife US REIT

Manulife US Real Estate Investment Trust ("Manulife US REIT") is the first pure-play U.S. office REIT listed in Asia. It is a Singapore REIT established with the investment strategy principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States ("U.S."), as well as real estate-related assets.

Manulife US REIT's portfolio comprises five prime, freehold and Class A or Trophy quality office properties strategically located in Los Angeles; Irvine, Orange County; Atlanta; and New Jersey. The current portfolio valued at US$1.3 billion, has an aggregate Net Lettable Area of 3.0 million sq ft and an occupancy rate of 95.8% as at 31 March 2018.

About the Sponsor – The Manufacturers Life Insurance Company ("Manulife")

Manulife is part of a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. The Sponsor operates as John Hancock in the U.S. and as Manulife in other parts of the world, providing a wide range of financial protection and wealth management products, such as life and health insurance, group retirement products, mutual funds and banking products. The Sponsor also provides asset management services to institutional customers. Manulife Financial Corporation is listed on the Toronto Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange and the Philippine Stock Exchange.

About the Manager – Manulife US Real Estate Management Pte. Ltd.

The Manager is Manulife US Real Estate Management Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor. The Manager's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

IMPORTANT NOTICE

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The value of units in Manulife US REIT ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Manulife US REIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. 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. The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT.