



Manulife
US REIT

SGX-CS Real Estate Virtual Corporate Day

30 September 2020

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01

1H 2020 Financial and Portfolio Highlights

1H 2020 Key Highlights



Distributable Income

US\$48.0 m

Increased 20.0% YoY



Distribution per Unit (DPU)

3.05 US Cents

Increased 0.3% YoY



**Maiden Green Loan for
Peachtree's Refinancing**

US\$100.0 m

No further refinancing for 2020



Long WALE

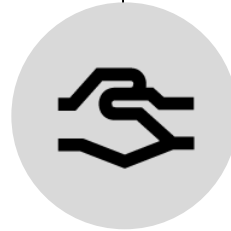
5.7 Years

*Minimal expiries due in
2020 (3.4%) and 2021 (5.7%) by NLA*



High Occupancy

96.2%



Rental Reversion

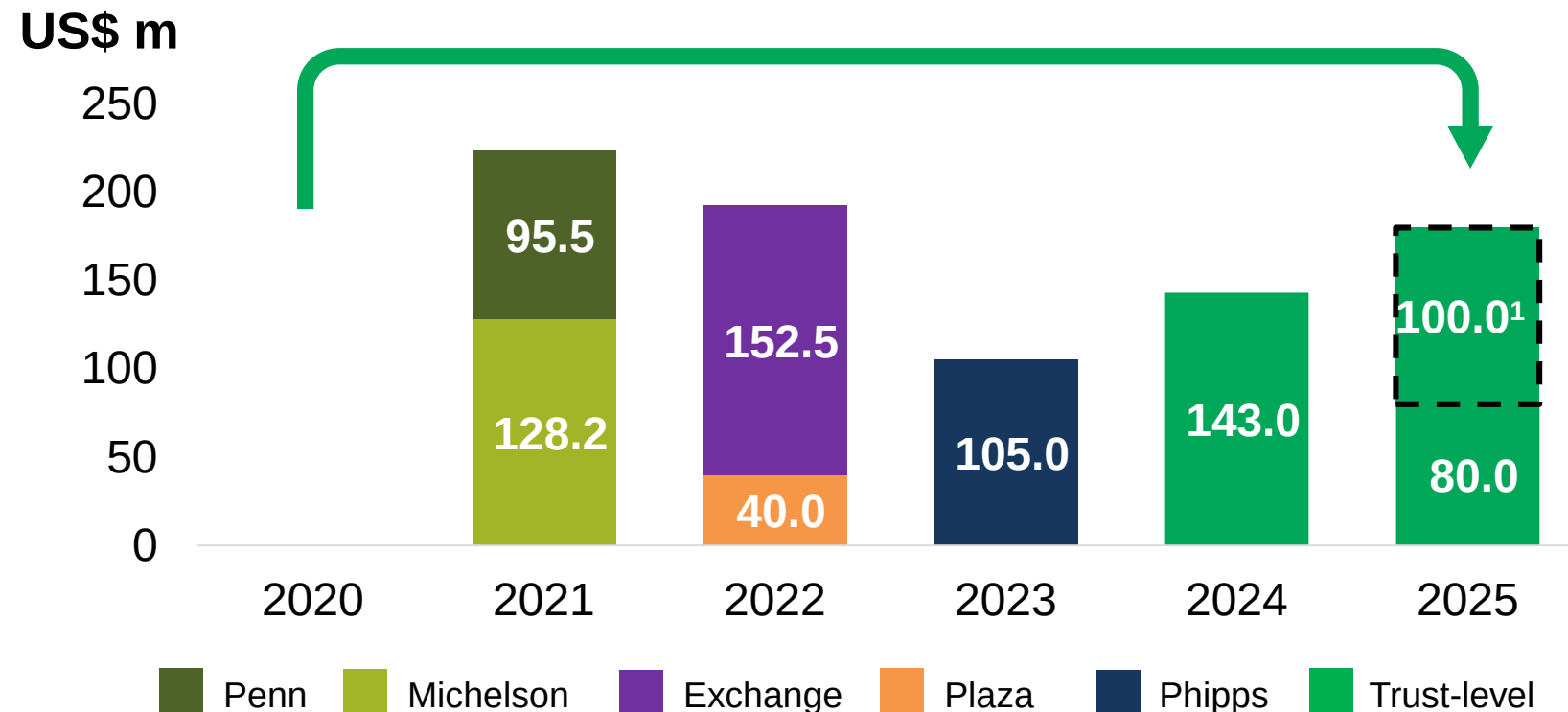
+7.9%

For new/renewed leases of ~217,300 sq ft

Well-Spread Debt Maturity; Greater Financial Flexibility

**Secured 5-Year US\$100.0 m Maiden Green Loan for Peachtree's Refinancing at 1.85% p.a.¹;
Total Undrawn Committed Credit Facilities of US\$134.5 m²**

Debt Maturity Profile as at 31 Jul 2020



	30 Jun 2020	31 Jul 2020 ¹
Weighted Average Interest Rate	3.26%	3.21%
Weighted Average Debt Maturity	2.3 years	2.8 years
Portfolio Unencumbered	31.7%	41.8%
Gearing ³	39.1%	39.1%
Fixed Rate Loans	92.7%	96.1%

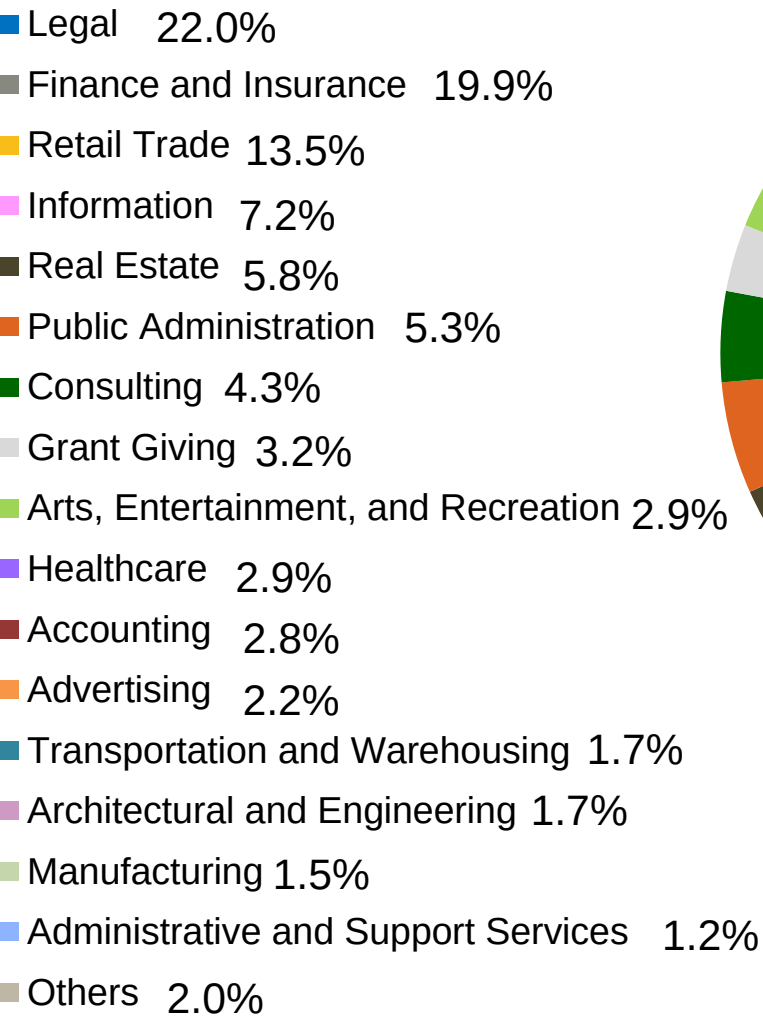
(1) US\$100.0 m was utilised to refinance existing loans of US\$95.1 m, and the balance was used to fund capex, leasing costs and loan-related fees

(2) Comprising of a committed RCF of US\$50.0 m obtained on 23 Jul 2020, an existing RCF of US\$50.0 m and Good News facilities of US\$34.5 m

(3) Gearing increased from 37.7% as at 31 Dec 2019 mainly due to change in fair value of properties

Diversified Tenant Base Provides Stability during Pandemic

Trade Sector by Gross Rental Income (GRI)



Amounts may not sum to 100.0% due to rounding

(1) U.S. Bureau of Labor Statistics – Sep 2020

Strength of Top 3 Trade Sectors

Legal

Core Business: Corporate litigation

Opportunity: Business restructurings resulting from downturn

Space Needs: Consolidation unlikely as majority has right-sized

Finance and Insurance

Core Business: Bank and debt issuance

Strength: Low unemployment rate of 3.1%¹ vs U.S. average 8.4%¹ in August

Space Needs: Possible increase of space required due to stricter social distancing

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

Top 10 Tenants by Gross Rental Income (GRI)

Tenant	Sector	NLA (sq ft)	% of GRI
The William Carter	Retail Trade	304,013	6.2%
TCW Group	Finance and Ins	188,835	4.0%
Kilpatrick Townsend	Legal	184,653	3.6%
The Children's Place	Retail Trade	197,949	3.5%
US Treasury	Public Admin	120,324	3.2%
United Nations	Grant Giving	94,988	3.2%
Amazon	Retail Trade	129,259	2.9%
Hyundai Motor Finance	Finance and Ins	97,587	2.9%
Quinn Emanuel Trial	Legal	126,505	2.9%
Quest Diagnostics	Health Care	131,612	2.3%
Total Top 10 Tenants		1,575,725	34.7%

(1) U.S. Department of Commerce – Bureau of Economic Analysis

(2) U.S. Census Bureau – Sep 2020

Strength of Top 3 Trade Sectors (Cont'd)

Retail Trade

Tenants' Core Business:

Majority in children's apparel; retail trade makes up ~10% excluding Amazon

Strength:

- Consumer spending is main driver of U.S. economy (~2/3 of economic output¹)
- Retail sales increased 0.6% in Aug 2020²
 - Clothing retail sales increased 2.9%²
- Essential sector as children outgrow their clothes quickly
- Accelerated e-commerce participation likely to remain post COVID-19

Competitively Positioned Rents Below Market Provide Buffer During Downturn

Cautiously Optimistic for Leases Expiring in 2020 and 2021

Property	Passing Rent	Average Market Rent	2020 – 2021 expiries (%) ¹	Below/Above Market Rent
Figueroa	US\$42.67	US\$44.20	1.8%	▼ 4%
Michelson	US\$49.40	US\$36.66	1.3%	▲ 35%
Peachtree	US\$35.99	US\$44.53	1.8%	▼ 19%
Plaza	US\$33.12	US\$35.53	0.2%	▼ 7%
Exchange	US\$41.96	US\$42.75	0.5%	▼ 2%
Penn	US\$55.00	US\$58.09	0.6%	▼ 5%
Phipps	US\$38.26	US\$39.66	0.4%	▼ 4%
Centerpointe	US\$35.11	US\$33.31	1.4%	▲ 5%
Capitol	US\$41.24	US\$40.67	1.6%	▲ 1%
Total	US\$40.93	US\$41.30	9.6%	

Remarks:

Not comparable as data includes Class A while **Michelson** is Trophy

Centerpointe secured 10% - 25% above market rates over past 8 years

Asking rents closer to US\$43.80 based on **Capitol's** competitive set

Source: CoStar Market Analysis & Forecast – As at 1 Jul 2020

(1) By GRI of portfolio



02

The Future of Office

U.S. Introduced Work From Home in 1990s

54%¹ U.S. Workers Eligible to WFH before Pandemic

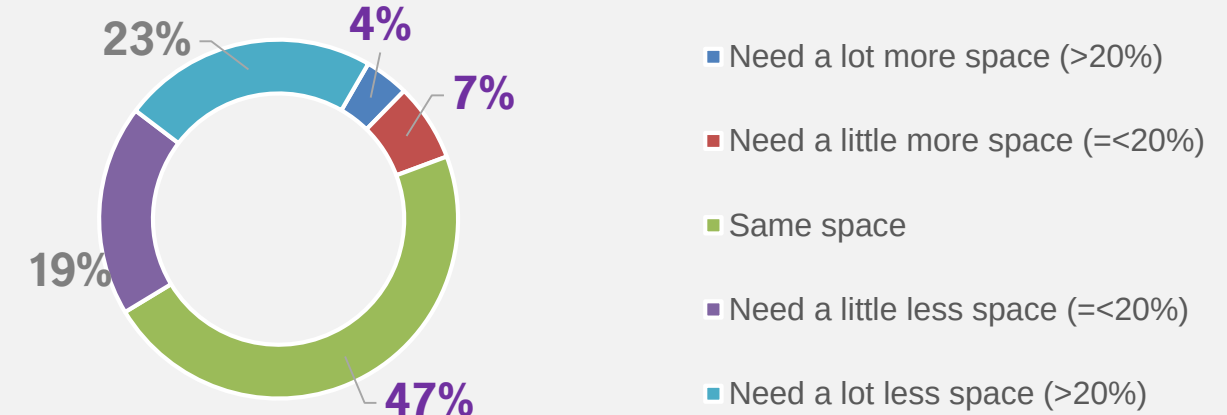
MUST's top sectors were early WFH adopters

- 60% to 75%¹ of workers in these sectors given option to WFH pre-COVID-19
 - ✓ Legal
 - ✓ Finance and Insurance
 - ✓ IT

 **30% Manulife N. America employees**
WFH pre-COVID-19

Office Demand Remains

- 94%² of > 1,200 employees across 20 industries want the **option of returning to office**
- Recent survey shows ~ 60%³ of senior Commercial Real Estate decision makers expect **similar or increase office space**



(1) Glassdoor Economic Research – Mar 2020 (Glassdoor is one of the world's largest job and recruiting sites)

(2) JLL U.S. Office updates in Sep 2020 (sample size of more than 1,200 employees collected from Apr to Jul 2020)

(3) JLL U.S. Office updates in Sep 2020 (sample size of 98 senior Commercial Real Estate decision makers)

Office as a Social Hub; All About People



Views from The Top¹

“Ours is a firm that, will succeed by having people in offices.” *John Waldron, COO Goldman Sachs*

“If anything we don’t have enough office space.” *Mark Zuckerberg, CEO Facebook*

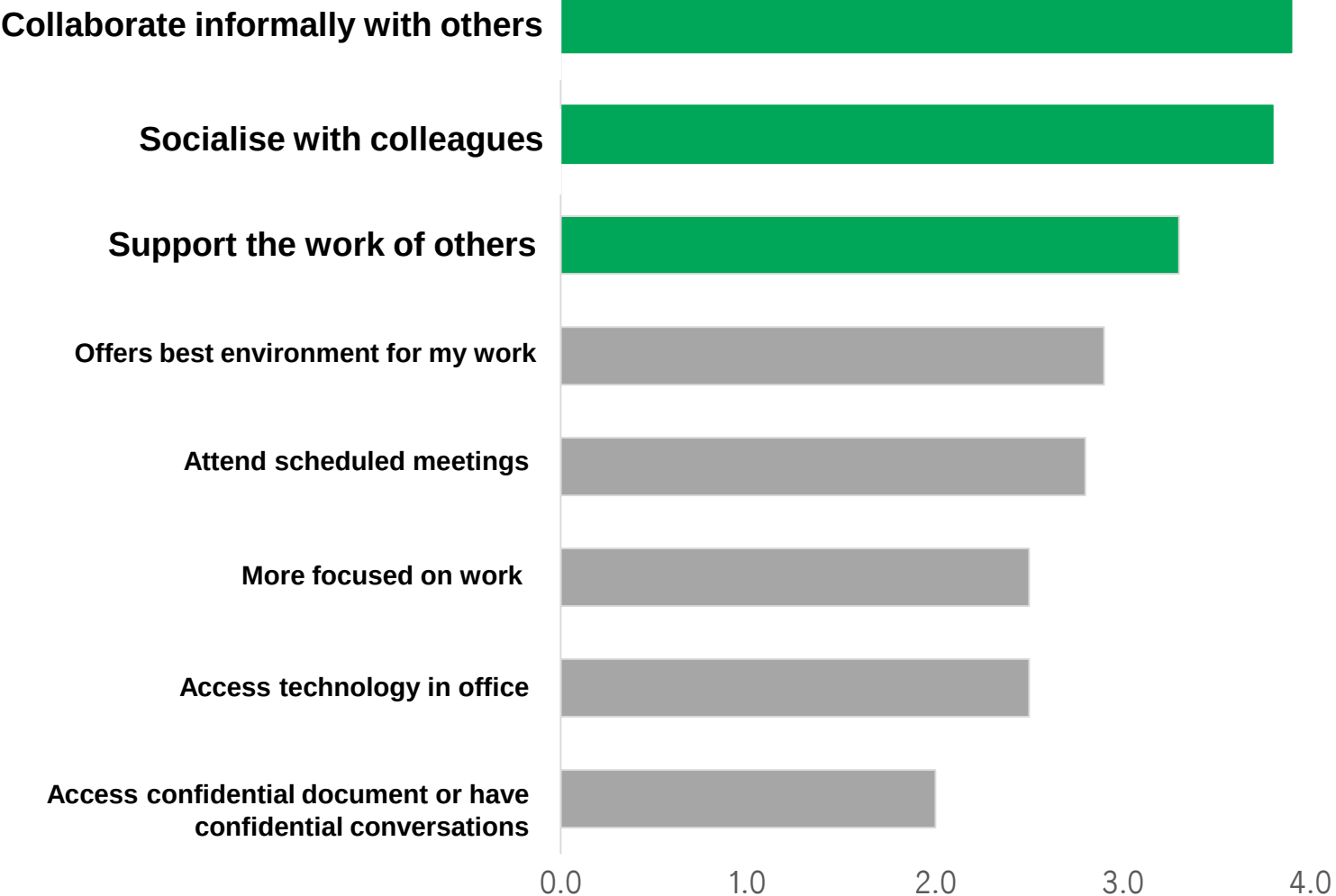
“I don’t see any positives in people working at home.” *Reed Hastings, CEO Netflix*

“We need physical space to get people together. We have a lot of growth planned ahead.” *Sundar Pichai, CEO Google*

“The vast majority of our employees will continue to work in offices.” *James Gorman, CEO Morgan Stanley*

“I think we’re going to find that being together delivers value in productivity and creativity and relationships that is irreplaceable.” *Arne Sorenson, CEO Marriott Int’l*

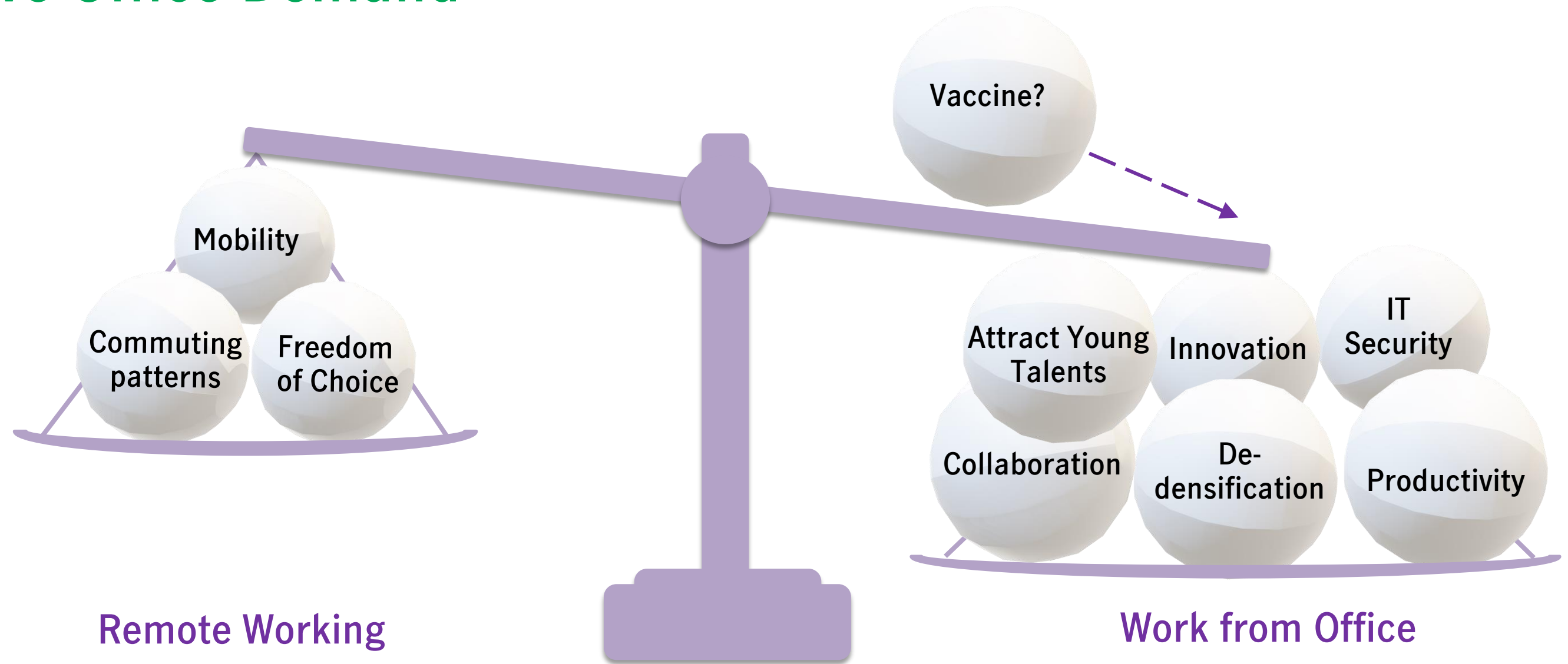
Things you miss most about coming into office²



(1) Wall Street Journal: What CEOs Really Think About Remote Work – 23 Sep 2020; JLL U.S. office update in Sep 2020; CNA dated 10 Jun 2020

(2) JLL Workplace Employee Survey: Responses from more than 1,2000 employees in 20 industries collected from Apr to Jul 2020

U.S. Structural Shift to Knowledge Economy Continues to Drive Office Demand



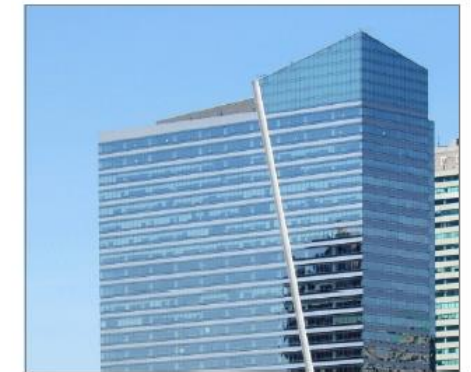
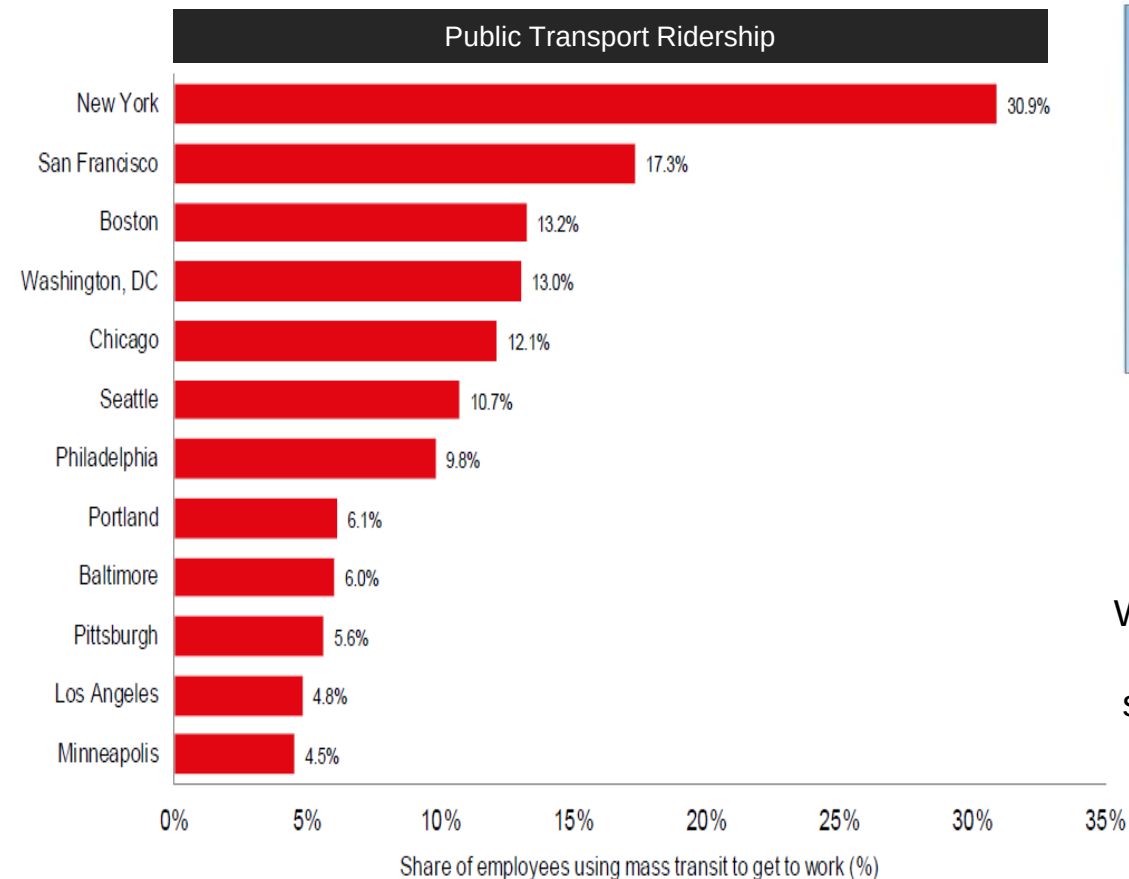
Note: OECD's definition of Knowledge Economy – "The knowledge based economy" is an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors.

Urban Suburban Likely to Outperform Gateway CBD in Near-term

Majority of MUST Properties Located in Desirable, Less Dense Locations

- Suburban/secondary market gains popularity – attractive lifestyle, lower cost of living/business, greater choice of location
- COVID-19 could accelerate Hub-and-Spoke model
 - ✓ Amazon HQ2 in **Northern Virginia**
 - ✓ Microsoft expanding in **Midtown Atlanta**
 - ✓ Citigroup taking back sublease space in **Jersey City**
- U.S. unemployment to return to low levels post-COVID-19
 - ✓ Shortage of young talents will continue to drive company leasing decision – Live, Work, Play locations preferred

Suburban Office Demand to Increase as Workers Avoid Public Transport¹



Citigroup New Jersey

Citigroup took ~139k s.f. sublease block at 480 Washington in Jersey City off the market as part of its suburban diversification and Manhattan de-densification strategy

(1) JLL U.S. Office update – Sep 2020 (sample size: more than 1,2000 employees in 20 industries collected from Apr to Jul 2020)

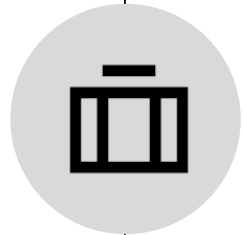
03

Looking Forward

COVID-19 Updates



All nine MUST offices remain open; buildings are 10% – 20% occupied



Rents¹ collected 2Q 2020: 98% | Jul: 95% | Aug: 92%
Provided rental deferment of 0.3%² and abatement of 0.3%²;



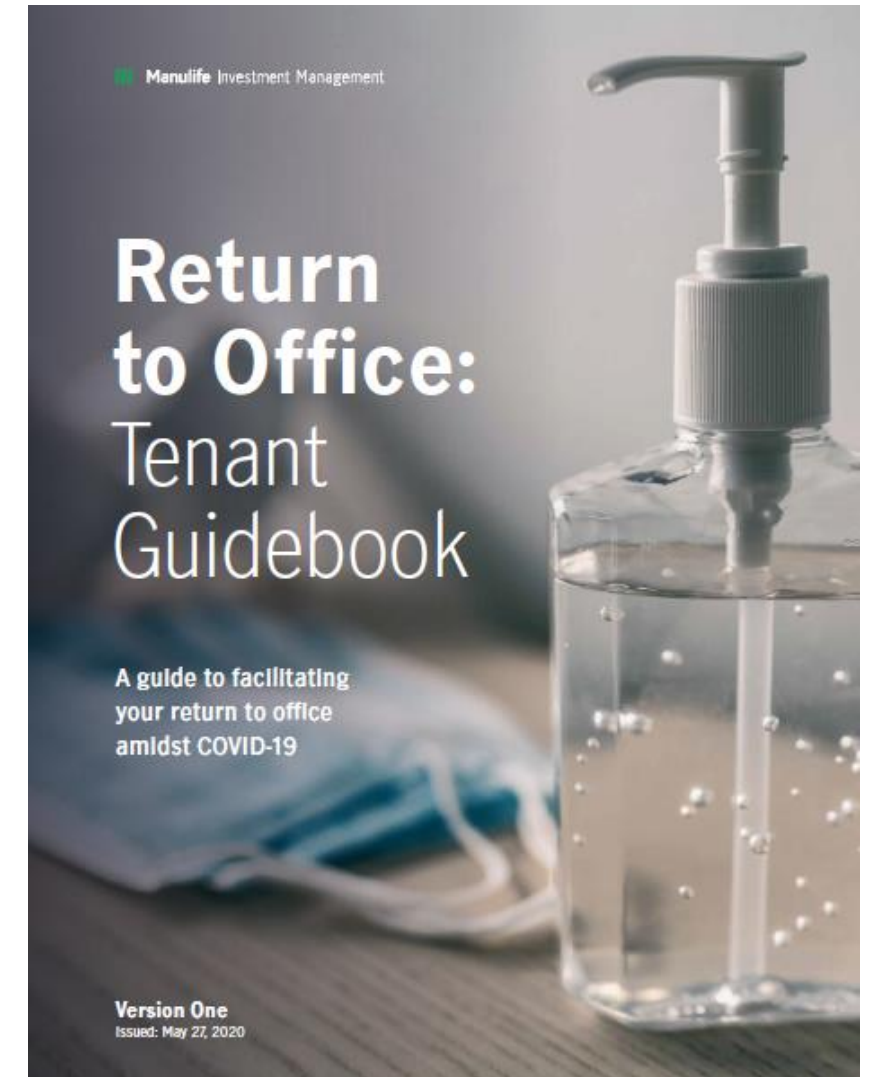
Sublease space remained relatively stable with negligible increase of ~0.3%²; Tenants holding on to space



Upgraded air filters, increased frequency of cleaning, and issued guidebook for tenants' return to office

(1) 2Q 2020 collections as at 18 Sep 2020

(2) Based on GRI for 1H 2020



Potential Faster U.S. Recovery from COVID-19 Compared to GFC

Economic disruption mitigated due to massive fiscal and monetary stimulus

- Bigger COVID-19 relief package of ~US\$3.5 trillion vs US\$0.7 trillion GFC package

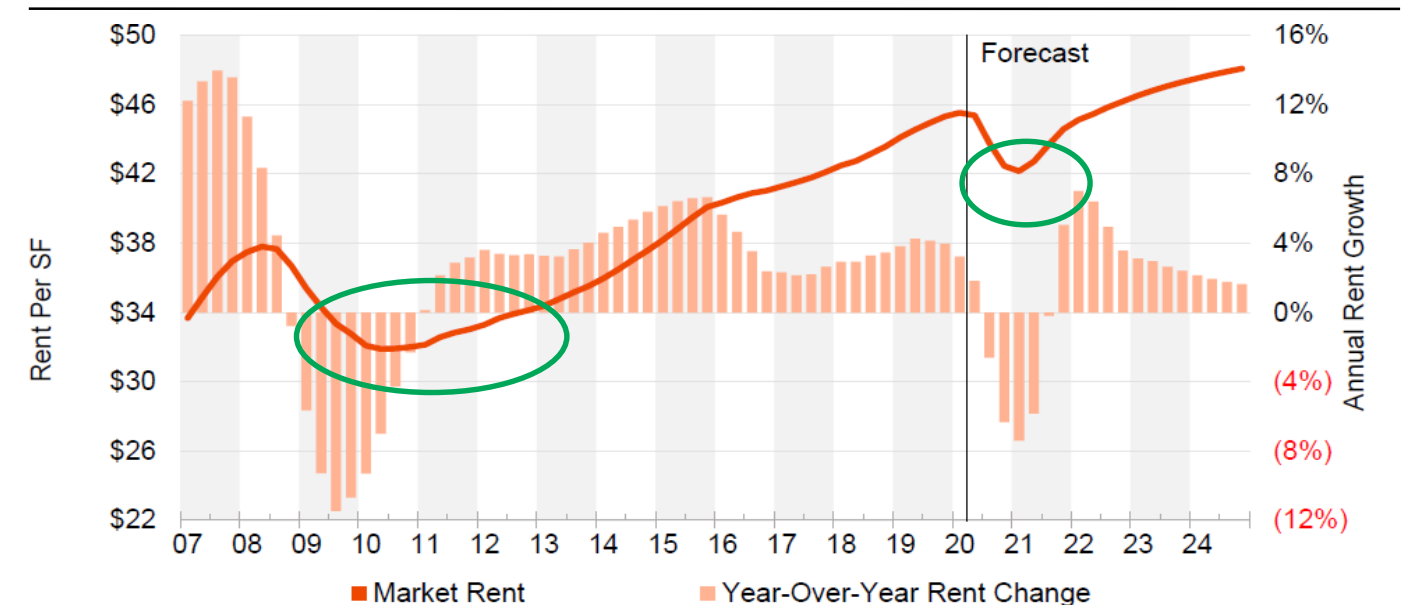
Compared to GFC:

- Banks better equipped to maintain market liquidity due to stress testing requirements
- Commercial real estate less levered
- Less over-supply of inventory
- ~90% of U.S. office leases >2 years to weather short-term impacts

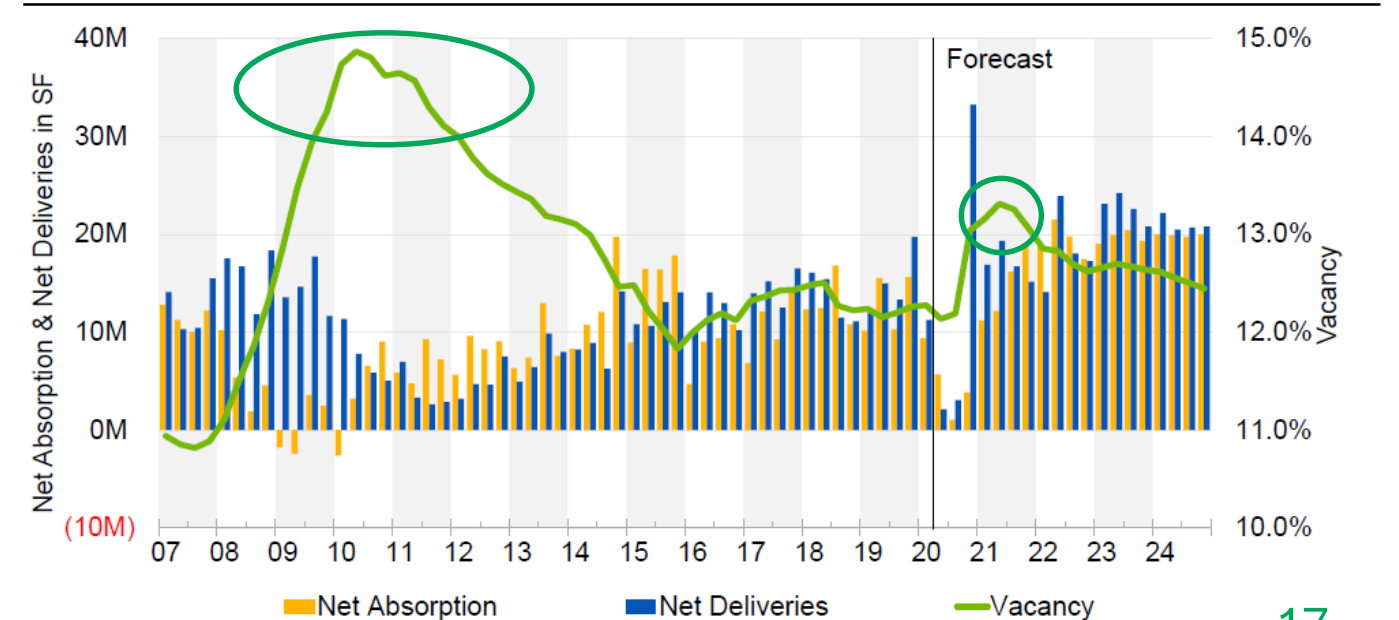
Rents and occupancy expected to rebound post COVID-19 with positive net absorption and net deliveries

Source: CoStar Office Big Book – Jun 2020

Rent Growth Forecast



Net Absorption, Net Deliveries and Vacancies



Trophy/Class A Portfolio Anchored to Ride Out Crisis; Poised to Capitalise on Opportunities



Minimal 2020 (3.4%) and 2021 (5.7%) expiries due by NLA

- Starting to see leasing enquiries
- Target high growth sectors using variety of leasing options



High 2H 2020 collections expected

- Top quality tenants with majority government, listed and HQ



People power - Community setting drives demand for office

- People want the option to return to office
- Post-COVID-19, U.S. unemployment to return to low levels; Shortage of talent to drive company leasing decision – Live, Work, Play locations



Acquisition landscape 'reopened' in September

- Target distressed assets/portfolios with focus on desirable locations (suburban, secondary markets), strong demographics and growth sectors (tech, healthcare)



Manulife
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Exchange, Jersey City

04

Appendix: U.S. Outlook

World's Largest Economy Declined but Less than Expected

-32.9%

2Q 2020
GDP Growth¹

8.4%

Elevated
unemployment²

7.9 m

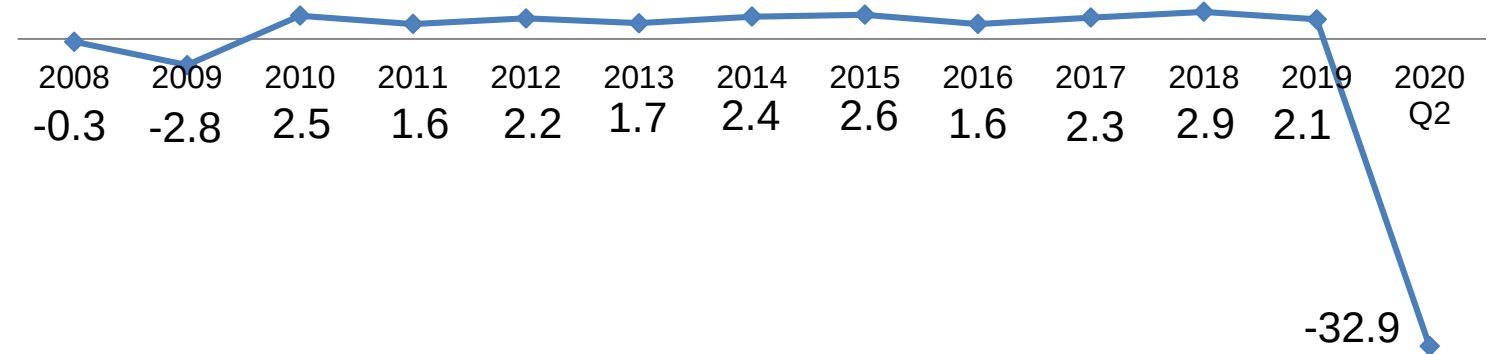
Jobs gained in
the last 3 months²

1.4 m

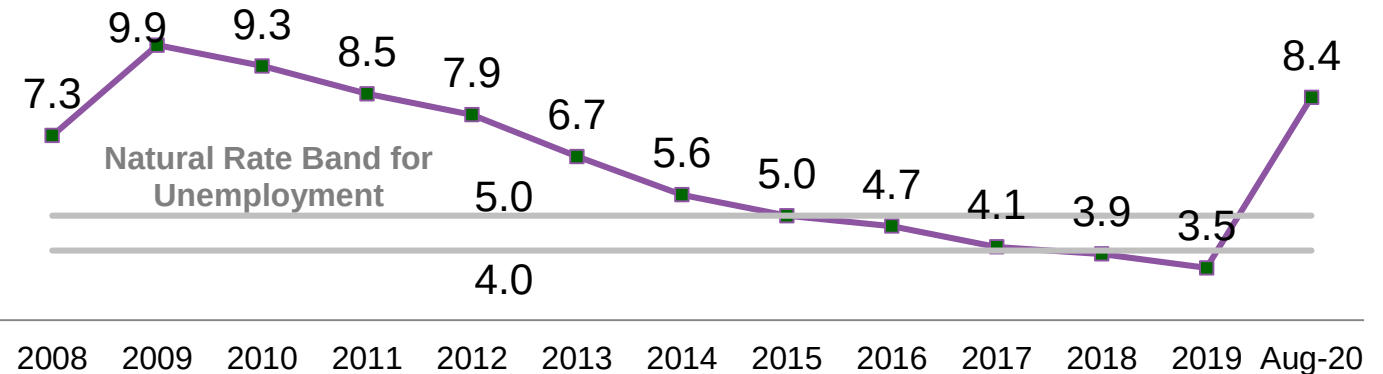
Non-farm jobs
added in August²

- Aug unemployment rate down from peak in April at 14.7%
- Interest rate environment remains historically low

U.S. GDP Growth (YoY %)³



U.S. Unemployment (%)⁴



(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis as of July 30, 2020, annualised rate

(2) Source: U.S. Department of Labor, Bureau of Labor Statistics as at Sep 2020

(3) GDP Growth Rate Source: U.S. Department of Commerce, Bureau of Economic Analysis

(4) Unemployment Rate Source: U.S. Department of Labor, Bureau of Labor Statistics as at Sep 2020

Favourable U.S. Office Real Estate Outlook

14.8%¹

2Q 2020
vacancy

+2.9%¹

Annual
increase in rents

-8.4 m¹

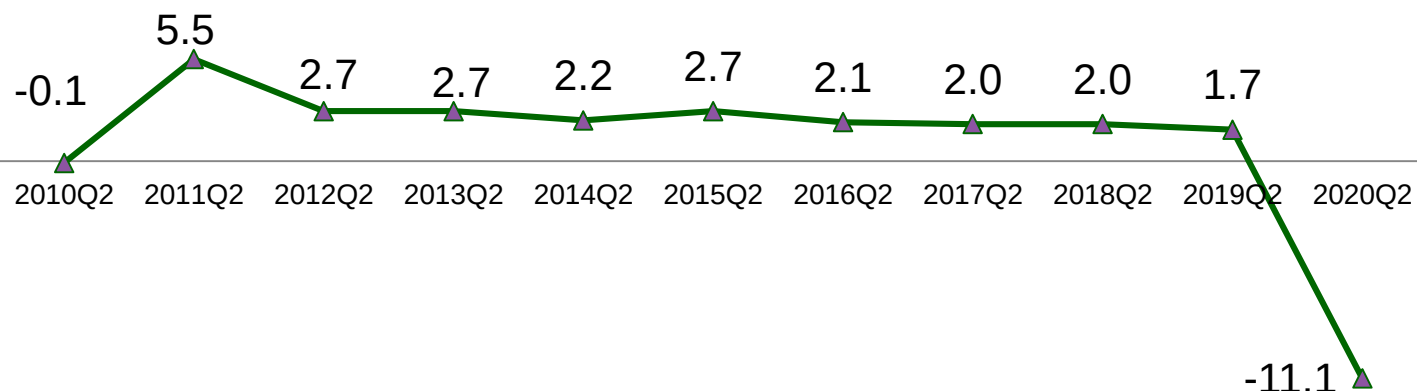
1H 2020
net absorption

20.6 m¹

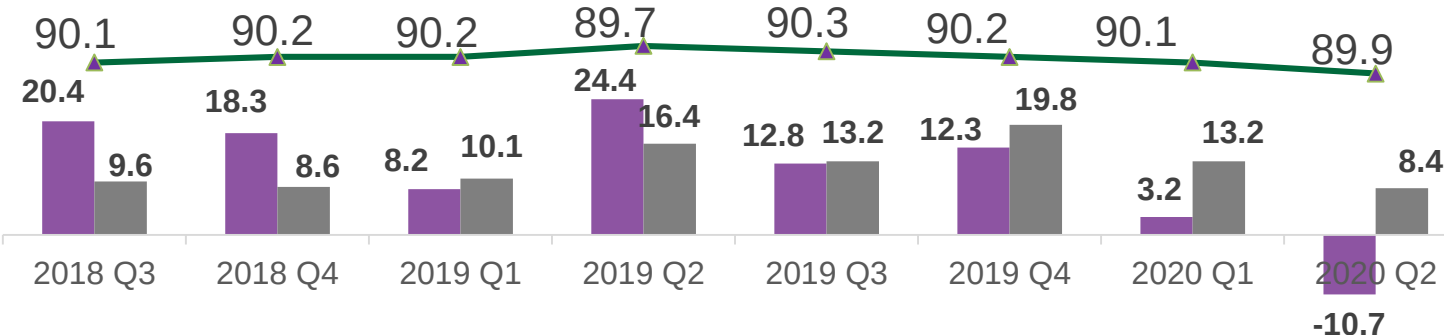
New supply in
1H 2020

- Despite strong Q1 absorption, 1H absorption is negative
- Class A suburban office with only positive absorption for 1H 2020

U.S. Office Employment (YoY %)²



U.S. Office Net Absorption (m sq ft) and Occupancy (%)³



Net Absorption Completion Occupancy Rate

(1) Includes all office as at 30 Jun 2020. Source: JLL U.S. Office Outlook 2Q 2020

(2) Office employment includes the professional and business services, financial and information service sectors; Source: CoStar Market Analysis & Forecast Reports. Amounts are 12 trailing months

(3) Source: CoStar Market Analysis & Forecast Reports

Diversified and Resilient Portfolio with Highest Population and Strongest GDP

**MUST's Properties Located in Top 10 Largest MSAs out of 384
in the U.S. with High Median Household Income**

MSA	Median Household Income ¹	Population ²	Ranked by Population	GDP ³	Ranked by GDP
U.S.	61,937	328,239,523	-	18,416,892	-
New York	78,478	19,216,182	1	1,772,320	1
Los Angeles	72,563	13,214,799	2	1,047,661	2
Chicago	70,760	9,458,539	3	689,465	3
Dallas-Fort Worth	69,445	7,573,136	4	512,510	6
Houston	65,394	7,066,141	5	478,779	7
Washington	102,180	6,280,487	6	540,684	5
Miami	56,328	6,166,488	7	354,740	12
Philadelphia	70,747	6,102,434	8	444,148	9
Atlanta	69,464	6,020,364	9	397,261	10
Phoenix	64,427	4,948,203	10	255,212	16

(1) Source: U.S. Census Bureau – American Community Survey Briefs: 2018

(2) Source: U.S. Census Bureau – Population Estimate by MSA: 2019

(3) Source: Bureau of Economic Analysis – Current-Dollar GDP by MSA: 2018 (in millions)

U.S. Office Landscape

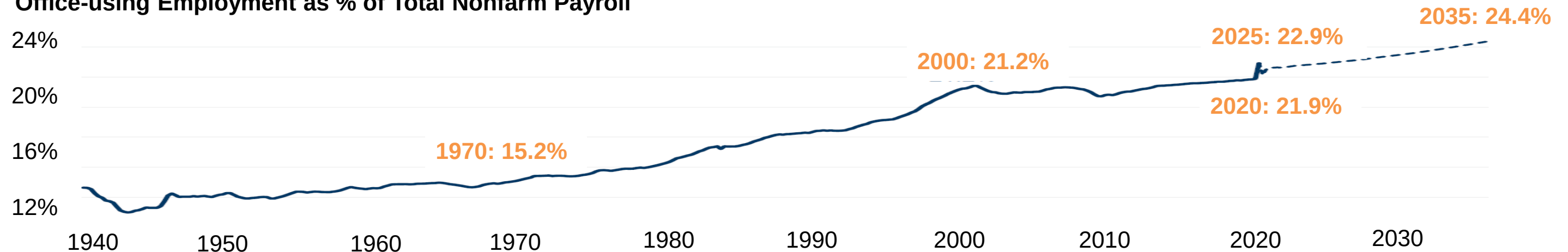
Positive Long-Term Outlook of Trophy/Class A Offices

- Future of U.S. Office looked assured based on historical growth of professional services and expected growth trajectory over next 10 years
- Empirical evidence that top quality Trophy/Class A offices provide strong income in upcycles and more resilient during market turmoil compared to lower class assets

Office also has Strong Structural Tailwind at its Back

Office-using employment expected to account for disproportionate share of future U.S. job gains

Office-using Employment as % of Total Nonfarm Payroll

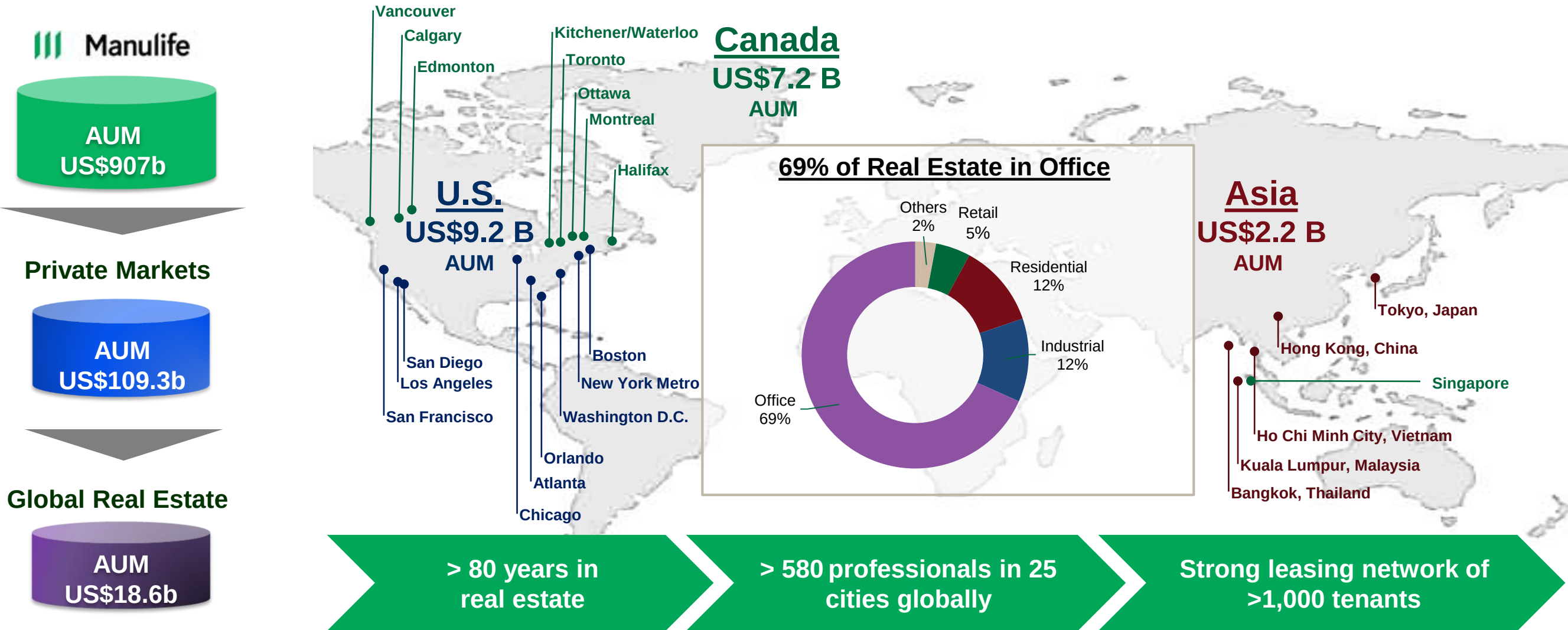


(1) Source: Cushman and Wakefield report dated 30 Sep 2020: U.S. Property Markets & the Economy, U.S. Bureau of Labor Statistics; Moody's Analytics Forecasted

Appendix - About MUST

Supported by Reputable Sponsor with Proven Track Record

Vertically-Integrated Real Estate Platform: Global Real Estate AUM of US\$18.6b



Note: All AUM in fair value basis as at 30 Jun 2020

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

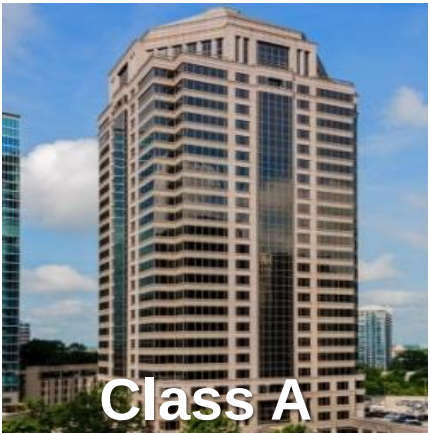
Trophy and Class A Assets

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

Located in Cities with Strong Growth Factors and Live, Work, Play Environment



Downtown Los Angeles

- Surrounded by entertainment venues such as Staples Center, the LA Convention Center and LA Live
- Boom in residential development creates live, work, play environment



Irvine

- Strong labour pool of senior executives, middle managers and administrative personnel
- CBD of Orange County
- Technology companies include Google, Blizzard Entertainment, Broadcom and Vizio



Atlanta

- International Gateway – HQ for 15 Fortune 500 Firms
- 10th largest economy in U.S.
- 20-min from Atlanta Hartsfield-Jackson International Airport – world's busiest airport



Secaucus

- Affordable office and residential alternative to Manhattan
- Excellent connectivity via public transport and interstate highways
- Surrounded by 1 m sq ft of retail space and sports facilities



Jersey City

- Located across Hudson River from Manhattan
- Affordable office and residential alternative to Manhattan
- Minutes drive and a quick train ride to Wall Street



Washington, D.C.

- Nation's capital, government hub, heart of CBD
- Hosts 176 foreign embassies
- HQ for many global firms, trade unions, non-profit companies and professional associations



Virginia

- Proximity to nation's capital, Washington, D.C.
- Top east coast technology region serving Pentagon, military, Homeland Security and global HQs
- Excellent connectivity via interstate highways
- Amazon HQ2 in Northern Virginia



Sacramento

- Capital of world's 5th largest economy, California
- Economy driven by healthcare, government agencies and tech
- 15-min drive to Sacramento international airport
- Abundant young and highly-educated workforce

Limited Supply in Our Cities

2Q 2020 Class A Market	RBA (mil sq ft)	Vacancy (%)	Gross Asking Rent (US\$)	Net Absorption (‘000 sq ft)	Net Delivery (‘000 sq ft)	Last 12 Months Rent Growth ¹ (%)	New Properties Under Construction (‘000 sq ft)	Delivery Year
Downtown Los Angeles	42.8	14.4	44.20	(41.4)	0	4.3	0	N/A
Irvine, Orange County	15.0	15.4	36.66	(74.6)	0	(2.1)	0	N/A
Buckhead Atlanta	16.6	16.1	39.66	(41.2)	0	1.8	340 ²	2Q 2021
Midtown Atlanta	18.2	10.0	44.53	(86.0)	0	5.7	679 ³	2Q 2021
Meadowlands ⁴	3.5	22.4 ⁵	35.53	(3.4)	0	0.1	0	N/A
Hudson Waterfront ⁶	18.2	11.5	42.75	(39.2)	0	(0.4)	0	N/A
Washington, D.C.	29.3	15.2	58.09	(32.0)	0	0.5	482 ⁷	2Q 2022
Fairfax Center	4.6	22.1	33.31	0	0	1.3	0	N/A
Downtown Sacramento	10.2	3.9	40.67	(2.9)	0	5.9	0	N/A

(1) All building classes

(2) 0% pre-leased

(3) 40% pre-leased

(4) Secaucus is within the Meadowlands submarket

(5) Vacancy and availability include old and incomparable buildings. Plaza's competitive set has ~5% vacancy rate. New construction is not comparative to Plaza

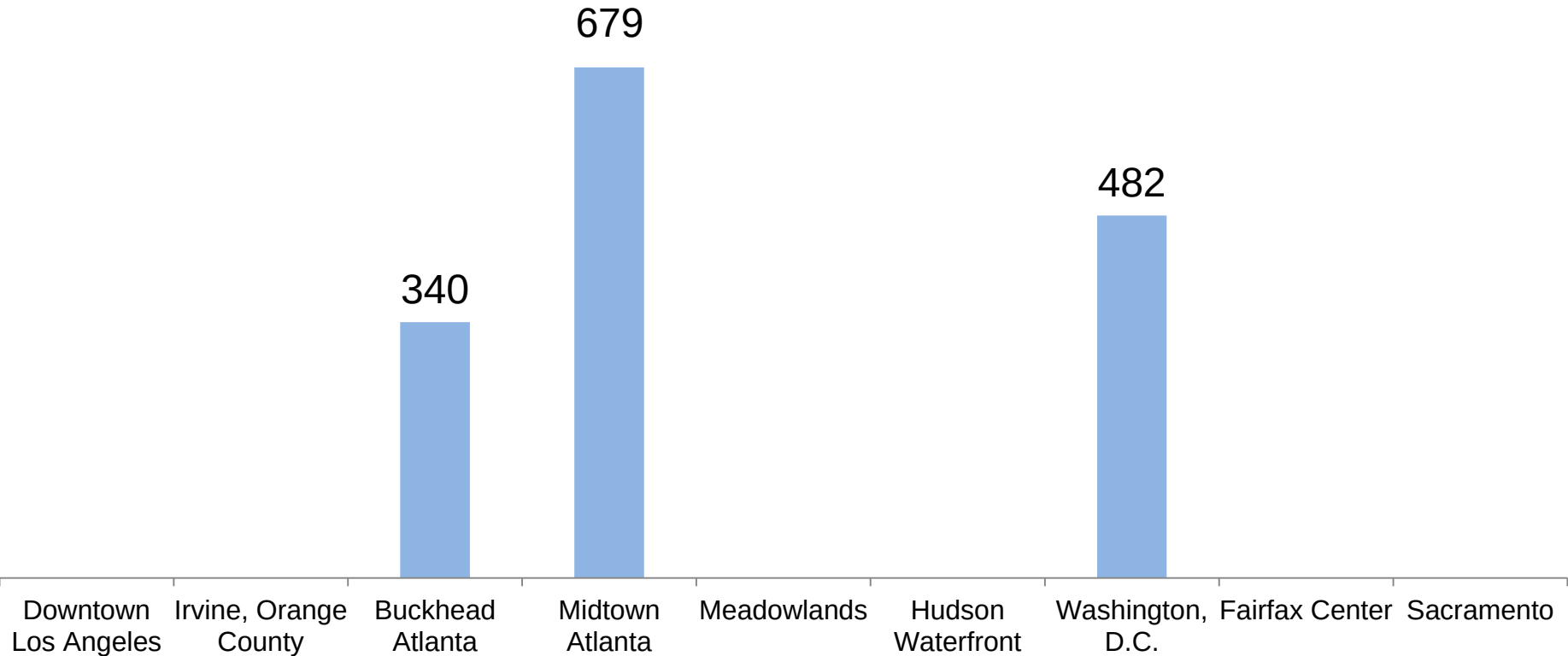
(6) Jersey City is within the Hudson Waterfront submarket

(7) Of the properties under construction, none are directly comparable to Penn

Source: CoStar Market Analysis & Forecast – As at 1 Jul 2020

Limited Supply with Minimal Upcoming Construction

New Construction ('000 sq ft)



Buckhead Atlanta

- Delivery year: 2021
- Minimal impact as Phipps 100% leased with 7.6 year WALE

Midtown Atlanta

- Delivery year: 2021
- 40% pre-leased (mainly Google)
- Not comparable as asking rent 80% higher

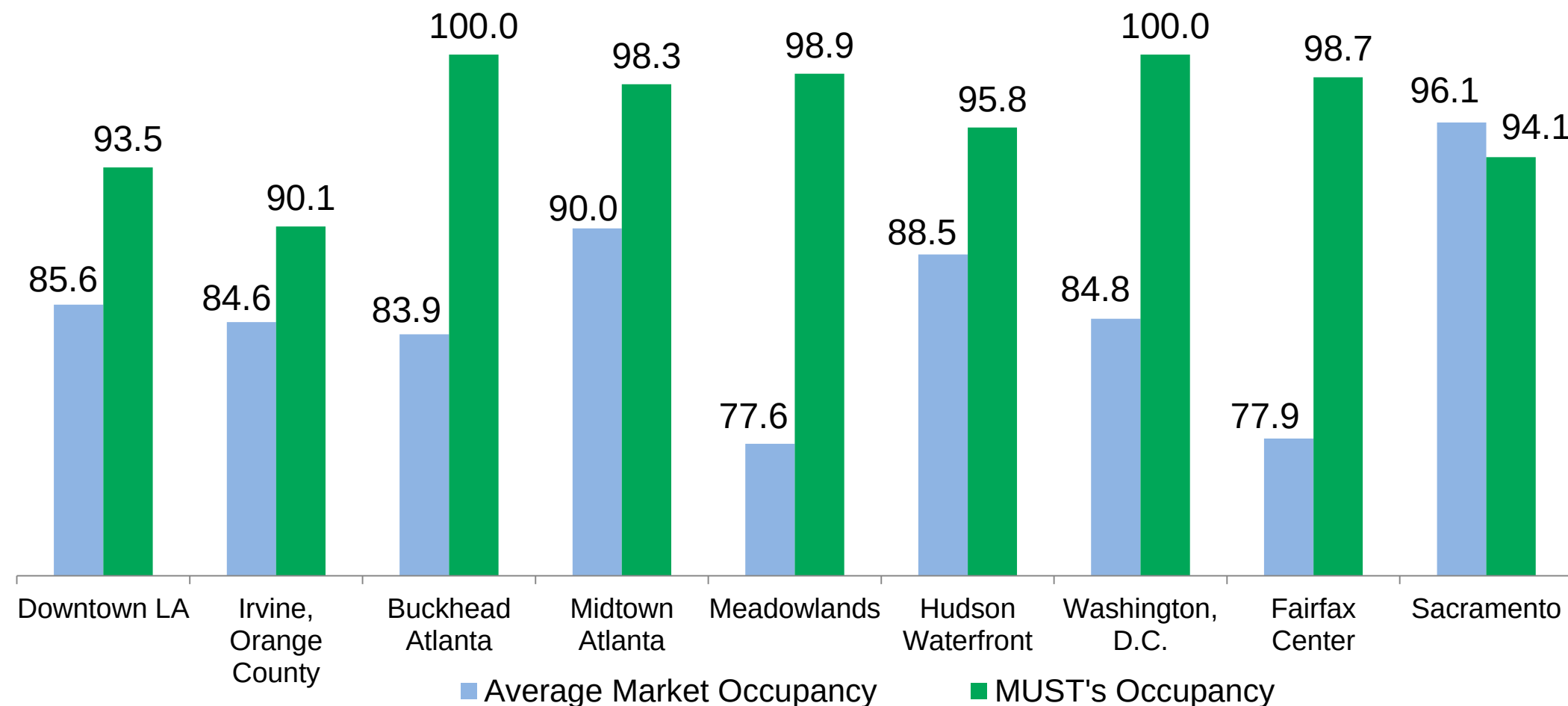
Washington, D.C.

- Delivery year: 2022
- Not comparable as new supply are Trophy with asking rents 20% above Penn (Class A)

Source: CoStar Market Analysis & Forecast – As at 1 Jul 2020

Best-in-Class Properties Exceed Market Occupancies

Occupancy (%)



Meadowlands

- Vacancy includes old/incomparable buildings
- Plaza's competitive set has ~5% vacancy rate

Fairfax Center

- Supply of quality office product in submarket is limited.
- Centerpointe's competitive set has ~10% vacancy

Source: CoStar Market Analysis & Forecast – As at 1 Jul 2020

Portfolio Overview

	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps	Centerpointe	Capitol
Location	Los Angeles	Irvine	Atlanta	Secaucus	Jersey City	Washington, D.C.	Atlanta	Virginia	Sacramento
Property Type	Class A	Trophy	Class A	Class A	Class A	Class A	Trophy	Class A	Class A
Completion Date	1991	2007	1991	1985	1988	1964	2010	1987 / 1989	1992
Last refurbishment	2019	-	2015	2016	2020	2018	-	2018	2016
Property Value (US\$ m)¹	329.1	335.0	205.8	114.7	338.0	180.2	215.2	120.5	196.0
Occupancy (%)	93.5	90.1	98.3	98.9	95.8	100.0	100.0	98.7	94.1
NLA (sq ft)	704,704	533,375	558,784	461,525	736,356	277,597	475,778	420,013	500,662
WALE by NLA (years)	3.7	5.6	5.3	7.0	6.3	4.5	7.6	5.8	5.3
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold ²	Freehold	Freehold
No. of Tenants	30	14	25	7	24	11	10	20	41

Data as at 30 Jun 2020

(1) Based on 30 Jun 2020 appraisals

(2) The property is held in a leasehold until the end of 2020 to afford it certain real estate tax advantages but will be converted to a freehold for a nominal sum of US\$100.0 thereafter

1H 2020 Distributable Income Increased by 20.0%

	1H 2020 (US\$'000)	1H 2019 (US\$'000)	Change (%)
Gross Revenue	98,630	83,339	▲ 18.3
Net Property Income (NPI)	62,173	52,342	▲ 18.8
Distributable Income (DI)	47,978	39,967	▲ 20.0
DPU (US cents)	3.05	3.04	▲ 0.3

Gross Revenue, NPI, and DI higher due to:

- Contributions from Centerpointe and Capitol (acquired in 2019)

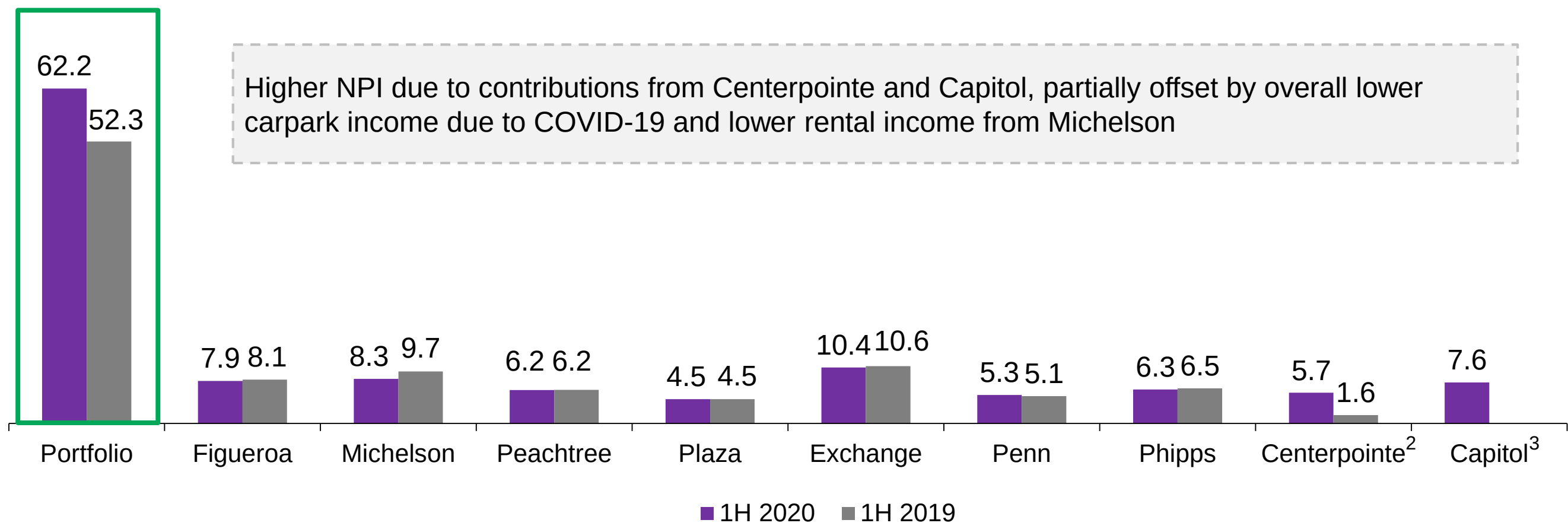
Partially offset by:

- Lower rental income from Michelson
- Lower carpark income

Higher DI translated to higher DPU of 0.3% after factoring in the enlarged unit base from 2019 equity fund raisings

Delivering Robust Income through Fortified Portfolio

Net Property Income¹ (US\$ m)

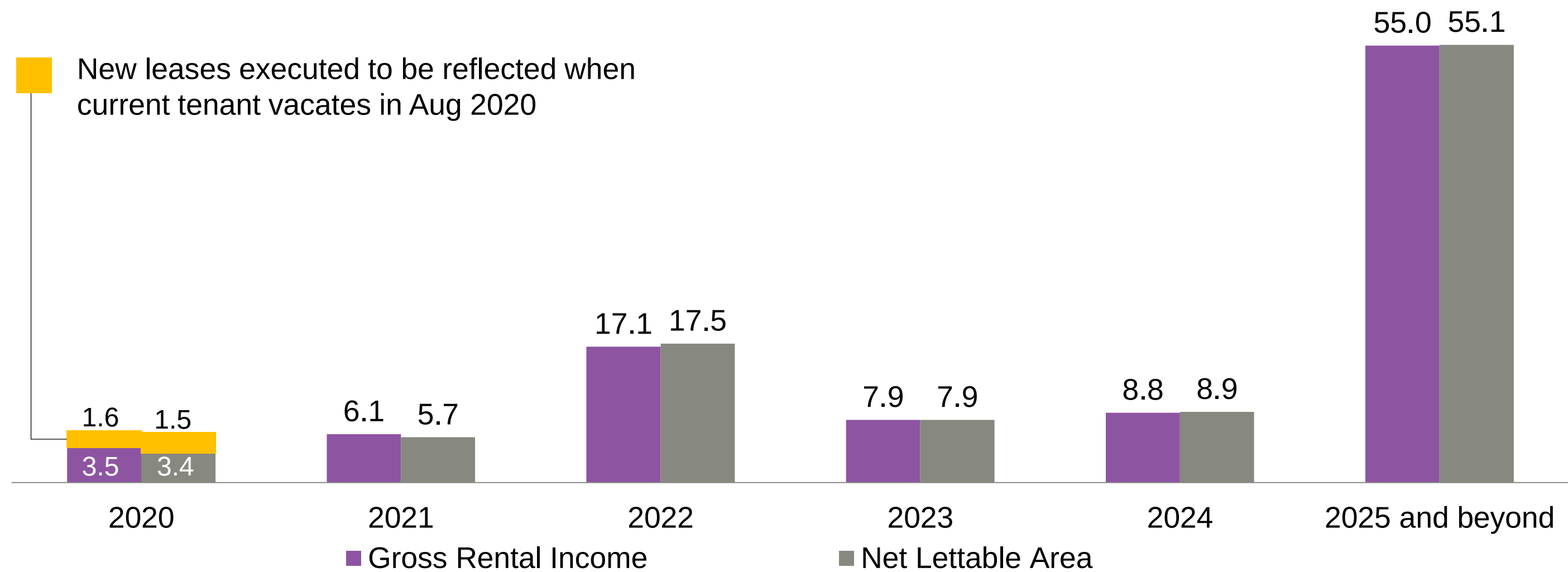


(1) NPI reported on financial statements includes non-cash accounting items such as straight line rent adjustment and the amortisation of tenant improvement allowances, free rent and leasing commissions incentives
(2) Centerpointe was acquired on 10 May 2019 (U.S. Time). Please refer to SGX announcement dated 13 May 2019 on the completion of acquisition
(3) Capitol was acquired on 29 Oct 2019 (U.S. Time). Please refer to SGX announcement dated 30 Oct 2019 on the completion of acquisition

Minimal Expiries Due in 2020 (3.4%) and 2021 (5.7%)

Strong WALE of 5.7 Years Achieved via Proactive Leasing

Lease Expiry Profile as at 30 Jun 2020 (%)



Valuation Softening due to COVID-19, Expected to Reverse

Cap Rates Remain Stable; Lower Rental Growth Assumptions due to COVID-19

Property	Valuation				Implied Cap Rates	
	30 Jun 2020 (US\$ m)	31 Dec 2019 (US\$ m)	Change (%)	30 Jun 2020 (US\$ Per Sq Ft ¹)	30 Jun 2020 ² (%)	31 Dec 2019 ³ (%)
Figueroa	329.1	337.6	-2.5	467	5.2	4.8
Michelson	335.0	345.0	-2.9	628	4.3	4.6
Peachtree	205.8	210.7	-2.3	368	6.1	5.8
Plaza	114.7	119.9	-4.3	249	6.8	6.6
Exchange	338.0	348.6	-3.0	459	5.5	5.9
Penn	180.2	189.0	-4.7	649	5.2	4.7
Phipps	215.2	220.1	-2.2	452	5.4	5.8
Centerpointe	120.5	122.8	-1.9	287	7.8	7.8
Capitol	196.0	201.3	-2.6	391	7.1	7.1
Total/ Weighted Ave	2,034.5	2,095.0	-2.9	436	5.6	5.7

(1) Based on NLA as at 30 Jun 2020

(2) Based on valuation by CBRE

(3) Based on valuation by Colliers, Newmark Knight Frank (Exchange) and Cushman Wakefield (Capitol)

WFH Minimal Impact on MUST Portfolio

1

Urban Suburban Likely to Outperform Gateway CBD in Near-term

- Workers delay returning to dense gateway CBD offices which require travel via public transport – less dense Live, Work, Play locations preferred
- Weaker collections witnessed in gateway CBD

2

Limited Supply in Foreseeable Future

- Limited bank loans for developers
- New construction typically requires pre-leasing
- No upcoming/limited supply in MUST's cities
- MUST's leases: long WALE, no break clause option

3

WFH Established in U.S. for Decades

- Minimal incremental expected as 54% workers already have ability to WFH¹
- MUST's top sectors (IT, Insurance, Healthcare, Legal and Finance) were early adopters of WFH

4

De-densification Creates Additional Space

- Incremental space for social distancing
- Likely require more collaboration space for innovation
- Hot-desking could be obsolete
- Health and safety for employees top priority
- New norm WFH/WFO combination require designated workspace

Source: JLL Global Research – The future of global office demand (Jun 2020)

(1) Work From Home: Has the Future of Work Arrived? – Glassdoor Economic Research (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 ¹	Manulife US REIT
DPU Yield	4.3% ²	8.3%	8.3% ³
U.S. Withholding Taxes	(1.3%)	-	-
Net Yield – Singapore Retail Investor	3.0%	8.3%	8.3%
Net Yield – Singapore Institutions	3.0%	6.9% ⁴	8.3%
Net Yield – Foreign Institutions	3.0%	7.5% ⁵	8.3%

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 27 Jul 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 Structure¹

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%⁴ 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"

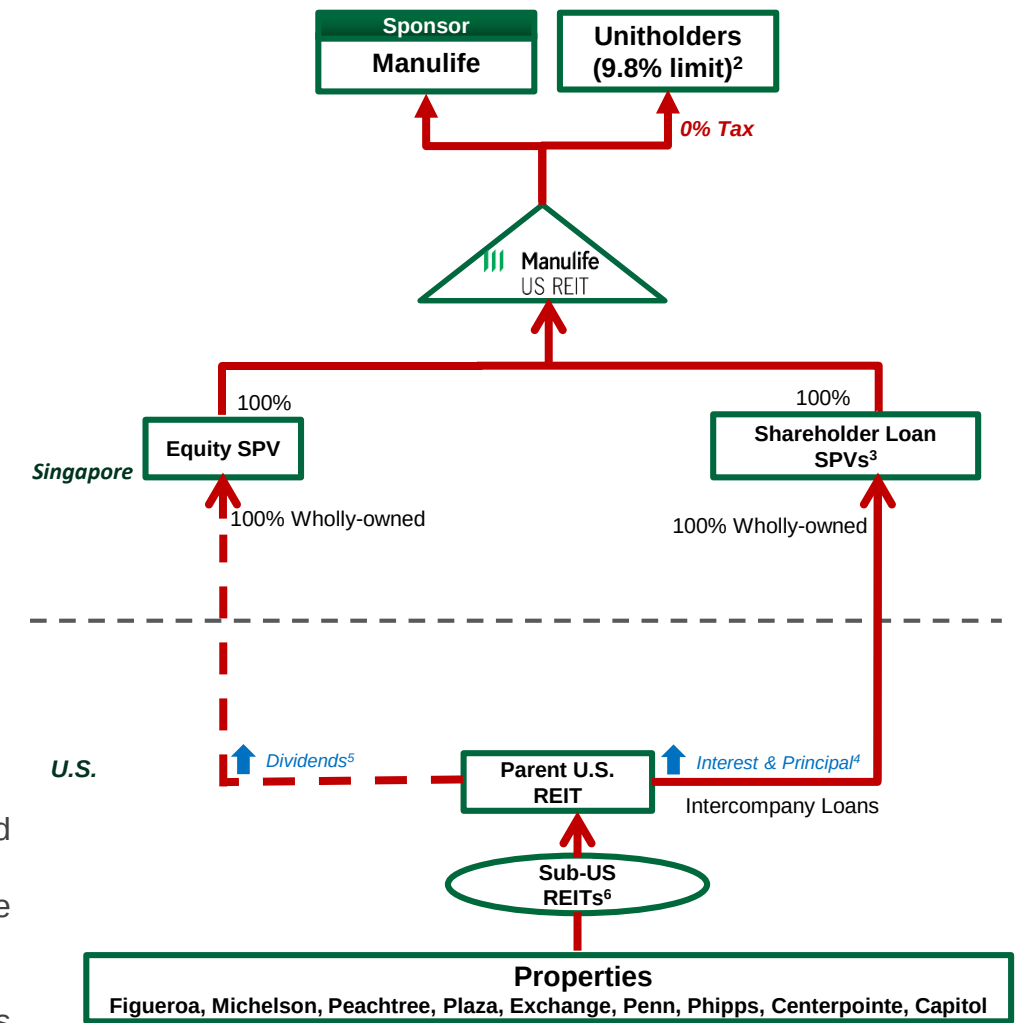
(2) No single investor to hold more than 9.8% (including the Sponsor) - 'Widely Held' (No more than 50% of shares can be owned by 5 or fewer individuals) rule for REITs in U.S.

(3) Shareholder Loan SPVs 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



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