

LETTER TO UNITHOLDERS DATED 30 APRIL 2020



(a real estate investment trust constituted on 27 March 2015 under the laws of the Republic of Singapore)

30 April 2020

To: The unitholders of Manulife US Real Estate Investment Trust

Dear Sir/Madam

1. INTRODUCTION

1.1 Summary

We refer to the proposed Ordinary Resolution 4 (“**Resolution 4**”) under the “Special Business” section of the notice dated 30 April 2020 convening the Annual General Meeting of Manulife US Real Estate Investment Trust (“**Manulife US REIT**”) to be convened and held by electronic means on Monday, 18 May 2020 at 10.00 a.m. (“**AGM**”).

Resolution 4 relates to the proposed renewal of the unit buy-back mandate of Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US REIT (the “**Manager**”). The Manager’s existing mandate to exercise its powers to procure the repurchases of units in Manulife US REIT (“**Units**”) for and on behalf of Manulife US REIT without the prior specific approval of the holders of Units (“**Unitholders**”) in a general meeting was approved by Unitholders at the Annual General Meeting of Manulife US REIT that was held on 24 April 2019 (the “**2019 AGM**”), and such mandate expires on 18 May 2020, being the date of the AGM. In this regard, the Manager seeks approval from the Unitholders at the AGM in relation to the renewal of the mandate to exercise its powers to procure the repurchases of Units without the prior specific approval of Unitholders in a general meeting (the “**Unit Buy-Back Mandate**”).

1.2 This Letter

The purpose of this Letter is to provide Unitholders with information relating to the above proposal which will be tabled at the AGM.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

1.3 Advice to Unitholders

Unitholders should note that by approving the resolution relating to the proposed renewal of the Unit Buy-Back Mandate, they will be renewing the authority of the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the trust deed dated 27 March 2015 constituting Manulife US REIT (as amended, varied or supplemented from time to time) (the “**Trust Deed**”) and the Listing Manual of the SGX-ST (the “**Listing Manual**”).

(See “The Proposed Renewal of the Unit Buy-Back Mandate” in paragraph 2 of this Letter for further details.)

If a Unitholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.4 Singapore Exchange Securities Trading Limited

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

2. THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

2.1 Rationale for the Unit Buy-Back Mandate

The approval of the renewal of the Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of Manulife US REIT would give the Manager the flexibility to undertake repurchases of Units (“**Unit Buy-Back**”) of up to the 2.5% limit described in paragraph 2.2.1 of this Letter at any time, during the period when the Unit Buy-Back Mandate is in force.

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (i) the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value (“**NAV**”) per Unit; and
- (ii) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 2.5% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the entire 2.5% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of Manulife US REIT and the Unitholders.

Rule 723 of the Listing Manual requires Manulife US REIT to ensure that at least 10.0% of its Units are at all times held by the public (the “**Public Float**”). As at 30 April 2020, being the latest practicable date for the purposes of this Letter (the “**Latest Practicable Date**”), the Public Float is approximately 91.3%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ approval of the Unit Buy- Back Mandate and the repurchases of Units thereunder.

2.2 Authority and Limits on the Unit Buy-Back Mandate

The authority conferred on the Manager and the limits placed on the repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

2.2.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 2.5% of the total number of issued Units as at the date of the AGM.¹

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 1,572,106,073 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 39,302,651 Units (representing 2.5% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

¹ Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, Manulife US REIT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of Manulife US REIT hold any Units. There is also only one class of units in Manulife US REIT.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.2.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (i) the date on which the next annual general meeting of Manulife US REIT is held;
- (ii) the date by which the next annual general meeting of Manulife US REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or
- (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

(the “**Mandate Duration**”).

Under the Trust Deed and the prevailing laws and regulations of Singapore, Manulife US REIT is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within four months from the financial year end of Manulife US REIT.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.2.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) (“**Market Repurchases**”); and/or
- (ii) off-market repurchase(s) (“**Off-Market Repurchases**”).

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Unit repurchases;
- (iv) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (the “Code”) or other applicable takeover rules;
- (v) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (vi) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (vii) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

2.2.4 Repurchase Price

The Manager has the discretion to determine the repurchase price for a repurchase of Units under a Unit Buy-Back Mandate, subject to such repurchase price not exceeding 105.0% of the Average Closing Price (as defined herein) of the Units for both a Market Repurchase and an Off-Market Repurchase (the “**Maximum Price**”), excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses (“**Related Expenses**”) of such repurchase.

For the purposes of this paragraph 2.2.4:

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

“Average Closing Price” means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the Market Purchase(s) or, as the case may be, the date on which the offer pursuant to the Off-Market Purchase(s), is made.

“date of the making of the offer” means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

“Market Day” means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted is open for trading in securities.

2.3 Status of Repurchased Units

Under the Trust Deed, a Unit repurchased by way of a Unit buy-back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

2.4 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase, on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

2.5 Sources of Funds

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise Manulife US REIT's internal sources of funds, external borrowings or a combination of both to finance the Manager's repurchase of Units on behalf of Manulife US REIT pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

2.6 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit ("DPU") as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

Manulife US REIT's total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of Manulife US REIT and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of Manulife US REIT and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-Back Mandate with a view to enhancing the DPU and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of Manulife US REIT.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit buy-back on Manulife US REIT are based on the assumptions set out below:

- (i) 39,302,651 Units (representing approximately 2.5% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 January 2019;
- (ii) 1,572,106,073 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased by the Manager at the Maximum Price of US\$0.740 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding 24 April 2020), and accordingly, the maximum amount of funds required for the repurchase of 39,302,651 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately US\$29.1 million;
- (iv) the Unit Buy-Back Mandate has been effective since 1 January 2019;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded solely by external borrowings; and
- (vii) there are no changes to the distribution policy to Unitholders.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

Based on the assumptions set out above, the financial effects of the repurchase of 39,302,651 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate are set out below based on the audited consolidated financial statements of Manulife US REIT and its subsidiaries (the “**Manulife US REIT Group**”) for the financial year ended 31 December 2019 (“**FY2019**” and the audited consolidated financial statements of the Manulife US REIT Group for FY 2019, the “**FY2019 Audited Financial Statements**”):

	FY2019 Audited Financial Statements	Pro forma financial effects of Unit repurchases on the FY2019 Audited Financial Statements
Net Assets (US\$ million)	1,258.2	1,228.8
Number of issued Units (as at the Latest Practicable Date) (million)	1,572.1	1,532.8
<u>Financial Ratios</u>		
NAV per Unit (US\$)	0.80	0.80
Distribution per Unit (US cents)	5.96	6.06
Aggregate Leverage (%)	37.7	39.1

Unitholders should note that the financial effects set out in the table above are based on the FY2019 Audited Financial Statements and are presented strictly for illustrative purposes only. The results of the Manulife US REIT Group for FY2019 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 2.5% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 2.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

2.7 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.8 Units Repurchased by the Manager

As at the Latest Practicable Date, the Manager has not repurchased any Units under the existing Unit buy-back mandate immediately preceding the AGM.

2.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of Manulife US REIT at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of Manulife US REIT during the period commencing (if Manulife US REIT announces its financial statements on a quarterly basis) two weeks before the announcement of the Manulife US REIT Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Manulife US REIT Group's full year financial statements or (if Manulife US REIT announces its financial statements on a semi-annual basis) one month before the announcement of each of the Manulife US REIT Group's half year and full year financial statements.

2.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

2.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of Manulife US REIT and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.10.2 Persons Acting in Concert

Applying the Code to Manulife US REIT, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of Manulife US REIT. Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company (“(A)”);
 - (b) the parent company of (A) (“(B)”);
 - (c) the subsidiaries of (A) (each, “(C)”);
 - (d) the fellow subsidiaries of (A) (each, “(D)”);
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, “(E)”);
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted¹, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in Manulife US REIT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in Manulife US REIT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution relating to the renewal of the Unit Buy-Back Mandate.

Based on the interests of the Substantial Unitholders (as defined herein) in Units recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, none of the Substantial Unitholders would become obliged to make a take-over offer for Manulife US REIT under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 2.5% of its issued Units as at the Latest Practicable Date.

Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

¹ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

2.11 Restriction on ownership of Units in excess of 9.8% of the outstanding Units

Unitholders and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units (the “**Unit Ownership Limit**”), subject to any increase or waiver pursuant to the terms of the Trust Deed and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be automatically forfeited and held by the Trustee (“**Automatic Forfeiture**”). While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder’s proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder; any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise have been entitled to, such excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose.

For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

The Manager intends to monitor and limit the extent of its repurchases under the Unit Buy-Back Mandate based on the Substantial Unitholder disclosure notifications made pursuant to the Securities and Futures Act, Chapter 289 of Singapore such that no Unitholders will end up directly or indirectly owning in excess of 9.8% of the outstanding Units as a result of the repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate.

See paragraph 3.2 for the list of Substantial Unitholders of Manulife US REIT as at the Latest Practicable Date.

2.12 Unitholders' Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders for the resolution relating to the renewal of the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of the resolution relating to the renewal of the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Letter and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the Listing Manual.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

3.1 Interests of Directors

As at the Latest Practicable Date, certain directors of the Manager (“**Directors**”) collectively hold an aggregate direct and indirect interest in 1,834,689 Units. Based on the Register of Directors’ Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the Directors as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Mr. Hsieh Tsun-Yan ⁽²⁾	991,325	0.063	–	–	991,325	0.063
Mr. Davy Lau	–	–	–	–	–	–
Ms. Veronica McCann ⁽³⁾	793,364	0.050	–	–	793,364	0.050
Dr. Choo Kian Koon	–	–	–	–	–	–
Dr. Koh Cher Chiew Francis ⁽⁴⁾	50,000	0.003	–	–	50,000	0.003
Mr. Michael Dommermuth	–	–	–	–	–	–
Mr Stephen Blewitt	–	–	–	–	–	–

Notes:

- (1) The percentage is based on 1,572,106,073 Units in issue as at the Latest Practicable Date.
- (2) The 991,325 Units are jointly owned by Hsieh Tsun-Yan and his spouse, Hsieh Shiauyih Goon.
- (3) The 793,364 Units are jointly owned by Veronica Julia McCann and her spouse, Steven John Baggot.
- (4) The 50,000 Units are jointly owned by Koh Cher Chiew Francis and his spouse, Chan Wah Mei.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

3.2 Interests of Substantial Unitholders

Based on the information available to the Manager, the direct and deemed interests and voting rights of the Substantial Unitholders of Manulife US REIT as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Manulife (International) Limited	84,657,792	5.38	–	–	84,657,792	5.38
Manulife International Holdings Limited ⁽²⁾	–	–	84,657,792	5.38	84,657,792	5.38
Manulife Financial Asia Limited ⁽³⁾	1	n.m. ⁽⁸⁾	134,879,304	8.58	134,879,305	8.58
Manulife Holdings (Bermuda) Limited ⁽⁴⁾	–	–	134,879,305	8.58	134,879,305	8.58
The Manufacturers Life Insurance Company ⁽⁵⁾	–	–	134,879,305	8.58	134,879,305	8.58
Manulife Financial Corporation ⁽⁶⁾	–	–	134,879,305	8.58	134,879,305	8.58
Prudential Corporation Asia Limited ⁽⁷⁾	–	–	92,263,485	5.87	92,263,485	5.87
Prudential plc ⁽⁷⁾	–	–	92,263,485	5.87	92,263,485	5.87

Notes:

- (1) The percentage of unitholding is calculated based on the total number of 1,572,106,073 Units in issue as at the Latest Practicable Date.
- (2) Manulife (International) Limited (“MIL”) is a wholly-owned subsidiary of Manulife International Holdings Limited (“MIHL”). MIHL is therefore deemed interested in MIL’s direct interest in 84,657,792 Units.
- (3) MIHL, Manufacturers Life Reinsurance Limited (“MLRL”) and Manulife US Real Estate Management Pte. Ltd. (“MUSREM”) are wholly-owned subsidiaries of Manulife Financial Asia Limited (“MFAL”). MFAL is therefore deemed interested in (i) MIHL’s deemed interest in 84,657,792 Units; (ii) MLRL’s direct interest in 46,356,369 Units; and (iii) MUSREM’s direct interest in 3,865,143 Units.
- (4) MFAL is a wholly-owned subsidiary of Manulife Holdings (Bermuda) Limited (“MHBL”). MHBL is therefore deemed interested in (i) MFAL’s direct interest in 1 Unit; and (ii) MFAL’s deemed interest in 134,879,304 Units.
- (5) MHBL is a wholly-owned subsidiary of The Manufacturers Life Insurance Company (the “Sponsor”). The Sponsor is therefore deemed interested in MHBL’s deemed interest in 134,879,305 Units.
- (6) The Sponsor is a wholly-owned subsidiary of Manulife Financial Corporation (“MFC”). MFC is therefore deemed interested in the Sponsor’s deemed interest in 134,879,305 Units.
- (7) Prudential Corporation Asia Limited (“PCAL”) and Prudential plc are deemed interested in Manulife US REIT’s Units held and managed by PCAL’s subsidiaries as fund managers.
- (8) Not meaningful.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

4. DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the proposed renewal of the Unit Buy-Back Mandate as set out in paragraph 2 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the proposed renewal of the Unit Buy-Back Mandate.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Unit Buy-Back Mandate, Manulife US REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

6. DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection during normal business hours at the registered office of the Manager at 8 Cross Street, #16-03 Manulife Tower, Singapore 048424¹ for so long as Manulife US REIT is in existence.

Yours faithfully

Manulife US Real Estate Management Pte. Ltd.

(Registration Number: 201503253R)

as manager of Manulife US Real Estate Investment Trust

HSIEH TSUN-YAN

Chairman and Non-Executive Director

¹ Prior appointment with the Manager will be appreciated.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

IMPORTANT NOTICE

This Letter does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Manulife US REIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on 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 indicative of the future performance of Manulife US REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Letter may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

GLOSSARY

%	:	Per centum or Percentage
AGM	:	The annual general meeting of Unitholders to be convened and held by electronic means on 18 May 2020 at 10.00 a.m., to approve the matters set out in the Notice of Annual General Meeting
Average Closing Price	:	The average of the closing market prices of the Units over the last five Market Days, on which transactions in Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days
CDP	:	The Central Depository (Pte) Limited
Code	:	The Singapore Code on Take-overs and Mergers
Companies Act	:	Companies Act, Chapter 50 of Singapore
date of the making of the offer	:	The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase
Directors	:	Directors of the Manager
DPU	:	Distribution per Unit
FY2019	:	The financial year ended 31 December 2019
FY2019 Audited Financial Statements	:	The audited consolidated financial statements of the Manulife US REIT Group for FY2019
Latest Practicable Date	:	30 April 2020, being the latest practicable for the purposes of this Letter
Letter	:	This Letter dated 30 April 2020

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US REIT
Mandate Duration	:	Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: <ul style="list-style-type: none">(i) the date on which the next annual general meeting of Manulife US REIT is held;(ii) the date by which the next annual general meeting of Manulife US REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or(iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated
Manulife US REIT	:	Manulife US Real Estate Investment Trust
Market Day	:	A day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted is open for trading in securities
Market Repurchases	:	Repurchases of Units made by way of market repurchases
MAS	:	Monetary Authority of Singapore
Maximum Price	:	Means 105.0% of the Average Closing Price of the Units in accordance with Rule 884 of the Listing Manual
NAV	:	Net asset value
Off-Market Repurchases	:	Repurchases of Units made by way of off-market repurchases

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Public Float	:	Refers to the percentage of Units held by the public
REIT	:	Real estate investment trust
Related Expenses	:	Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
SGX-ST	:	Singapore Exchange Securities Trading Limited
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Trust Deed	:	The trust deed dated 27 March 2015 constituting Manulife US REIT, as amended, varied, or supplemented from time to time
Unit	:	A unit representing an undivided interest in Manulife US REIT
Unit Buy-Back	:	The repurchase of Units pursuant to the Unit Buy-Back Mandate
Unit Buy-Back Mandate	:	The unit buy-back mandate to be given to the Manager by way of an Ordinary Resolution in a general meeting to exercise its powers to procure the repurchases of Units for and on behalf of Manulife US REIT without the prior specific approval of Unitholders at a general meeting
Unitholders	:	The registered holders for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
US\$ and US cents	:	US dollars and cents

LETTER TO UNITHOLDERS DATED 30 APRIL 2020

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Letter to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Letter, figures and percentages are rounded off where applicable.