



 **Manulife**

| US REIT

1Q 2019 Financial Results

(1 Jan 2019 to 31 Mar 2019)

25 April 2019

Important Notice

This presentation shall be read in conjunction with Manulife US REIT's financial results announcement dated 25 April 2019 published on SGXNet.

This presentation is for information purposes only and 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 jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. 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. The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT.

This presentation may contain forward-looking statements that involve 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. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of office rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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.

Contents

- ① Financial Highlights
- ② Portfolio Performance
- ③ Looking Forward
- ④ Appendix: U.S. Outlook and Highlights
- ⑤ Appendix: About Manulife US REIT



Financial Highlights

1Q 2019 Key Highlights



Net Property Income
US\$25.1 m
increased 27.7% YoY



Distributable Income
US\$19.3 m
increased 23.7% YoY



Adjusted Distribution per Unit (DPU)
1.51 US cents
increased 0.7%¹ YoY



Occupancy Rate
97.4%



WALE
6.0 Years



Gearing Ratio
37.6%²

- (1) Based on Adjusted DPU for 1Q 2018 of 1.50 US cents. Adjusted DPU was calculated based on the weighted average number of Units in issue and has been restated for the preferential offering of which 227,935,981 Units were issued on 20 June 2018
- (2) Based on gross borrowings as percentage of total assets

1Q 2019 Adjusted DPU¹ Increased 0.7% YoY

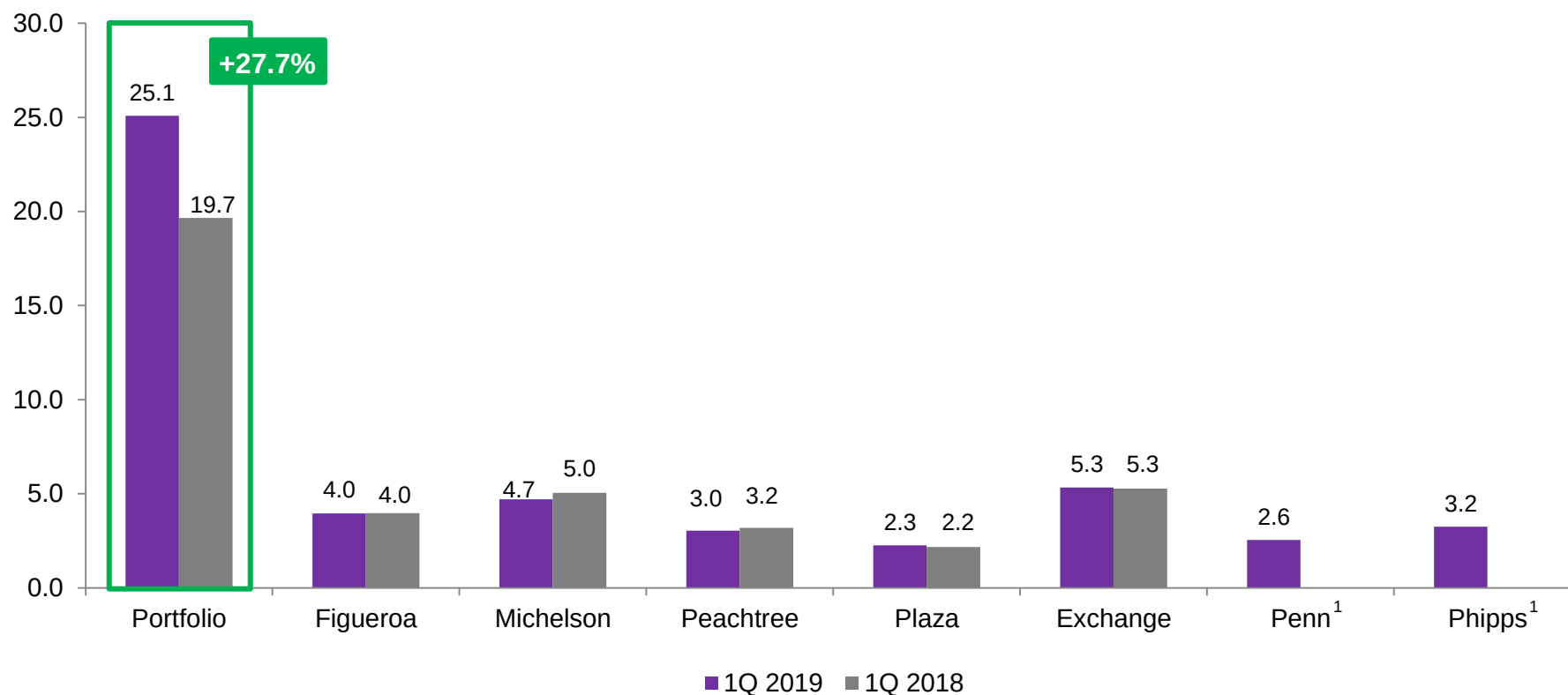
	1Q 2019 (US\$'000)	1Q 2018 (US\$'000)	Change (%)
Gross Revenue	40,025	31,153	▲ 28.5
Net Property Income	25,084	19,650	▲ 27.7
Net Income	13,724	11,534	▲ 19.0
Distributable Income	19,343	15,633	▲ 23.7
DPU (US cents)	1.51	1.23 ²	▲ 22.8
Adjusted DPU ¹ (US cents)	1.51	1.50	▲ 0.7

- (1) For illustrative purposes, adjusted DPU was calculated based on the weighted average number of Units in issue and has been restated for the preferential offering of which 227,935,981 Units were issued on 20 June 2018
- (2) The distributable income from 1 January 2018 to 31 March 2018 was paid out with 1H 2018 distribution based on 1,269,858,052 Units (including preferential offering). As such, there was a drag on 1Q 2018 DPU for the enlarged Unit base resulting from the preferential offering Units issued on 20 June 2018 to partially fund Penn and Phipps acquisitions while there was no income contribution from Penn and Phipps properties in 1Q 2018

Delivering Robust Income through Fortified Portfolio

Diversified and Stable Net Property Income

Net Property Income (US\$ m)



(1) Penn and Phipps were acquired on 22 Jun 2018 (U.S. Time). Please refer to SGX announcement dated 25 Jun 2018 on completion of acquisition

Strong Balance Sheet

	As at 31 Mar 2019 (US\$'000)
Investment Properties	1,753,004
Total Assets	1,794,013
Borrowings	670,482 ¹
Total Liabilities	752,124
Net Assets Attributable to Unitholders	1,041,889
Units in Issue and to be Issued	1,283,495,469
NAV per Unit (US\$)	0.81
Adjusted NAV per Unit (US\$)	0.80 ²

(1) Net of upfront debt related unamortised transaction costs of US\$3.3 million

(2) Excluding distributable income

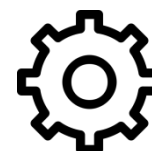
(3) Based on gross borrowings as percentage of total assets

(4) Based on net income before finance expenses, taxes and net fair value change in investment properties, over finance expenses

As at 31 Mar 2019



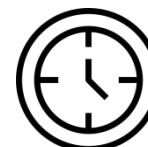
Gross Borrowings
US\$673.8 m



Gearing Ratio
37.6%³



Weighted Average Interest Rate
3.28%



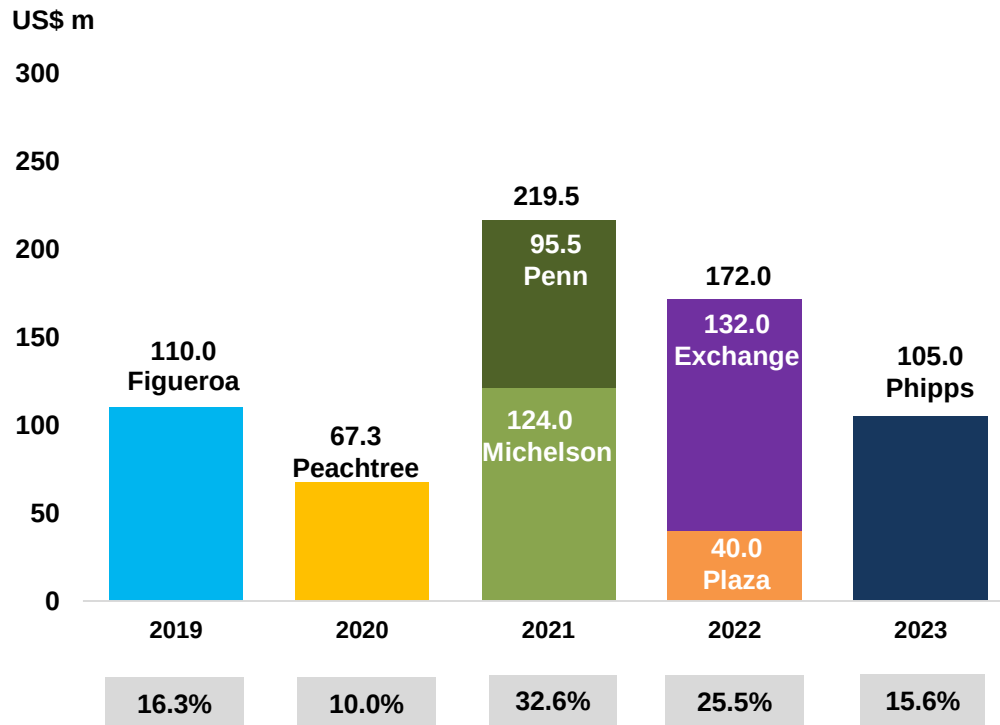
Weighted Average Debt Maturity
2.5 years



Interest Coverage
3.9 times⁴

Disciplined and Prudent Capital Management

Well-Spread Debt Maturity Profile¹



(1) Excludes undrawn good news facilities and revolving credit facilities

Figueroa's Loan Refinancing

- In advanced negotiations with local banks
- To benefit from lower interest rate environment

98.2% Fixed Rate Loans

Enhance Financial Flexibility

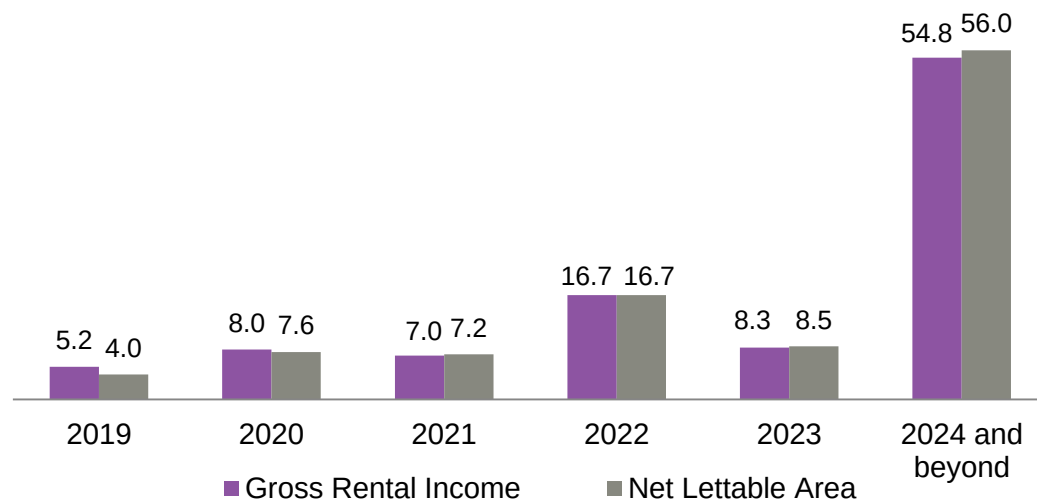
- Unencumbering of assets
- Distribution reinvestment plan
- Additional facilities:
 - Committed revolving credit facility of US\$10.0 m
 - Uncommitted credit facility of US\$200.0 m



Portfolio Performance

Favourable Lease Profile with WALE of 6.0 Years¹

Lease Expiry Profile as at 31 Mar 2019 (%)



- **Portfolio occupancy increased to 97.4%**
 - Strong leasing momentum with 230,000 sq ft of leases signed
- **94% of leases by gross rental income have rental escalations averaging 2.5% to 3.0% p.a.**



Peachtree Midtown Atlanta

- Atlanta: 10th largest economy in U.S. with GDP growth of 3.7%² and unemployment rate of 3.8%³
- Strong leasing momentum with occupancy up from 93.7% to 99.4% QoQ
- ~121,000 sq ft of leases executed in 1Q 2019
 - Positive rental reversions with rental escalations of 2.5% - 3.0% p.a.
- Passing rent is ~14% lower than Midtown Atlanta's average passing rent

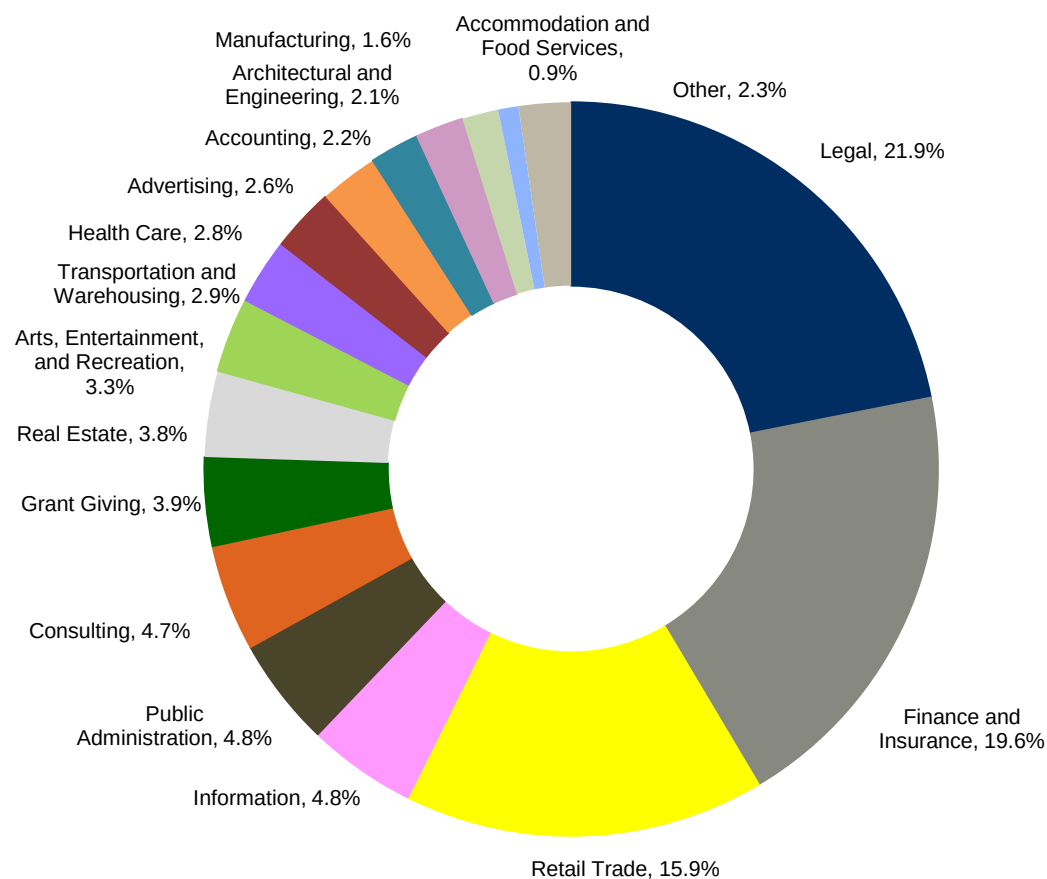
(1) Weighted by NLA

(2) Bureau of Economic Analysis – Real GDP Growth Average (2013 – 2017)

(3) Bureau of Labor Statistics – Local Area Unemployment (Feb 2019)

Well-Diversified Tenant Base

Gross Rental Income Breakdown by Trade Sector



Amounts may not sum to 100% due to rounding
Data as at 31 Mar 2019

No Tenant Contributing more than 7.3% of Gross Rental Income

Top 10 Tenants by Gross Rental Income (GRI)

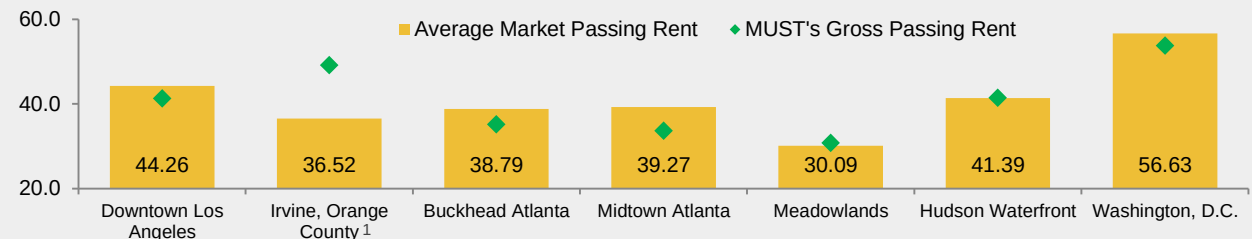
Tenant	Sector	% of GRI
The William Carter Co.	Retail Trade	7.3%
TCW Group	Finance and Insurance	5.0%
Kilpatrick Townsend	Legal	4.8%
The Children's Place	Retail Trade	4.1%
US Treasury	Public Administration	4.0%
United Nations Foundation	Grant Giving	3.9%
Quinn Emanuel Trial Lawyers	Legal	3.6%
Hyundai Motor Finance	Finance and Insurance	3.5%
Amazon	Retail Trade	3.5%
Chubb	Finance and Insurance	2.8%
Total Top 10 Tenants		42.5%

Strong Growth Markets with Limited Supply

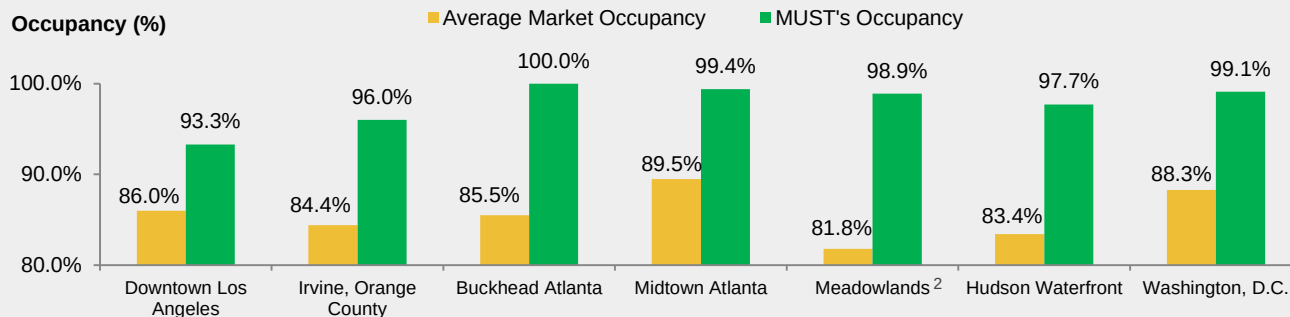
Rent Growth Potential

Majority of our properties are 5% – 14% below market rents

Passing Rent (US\$)



Occupancy (%)



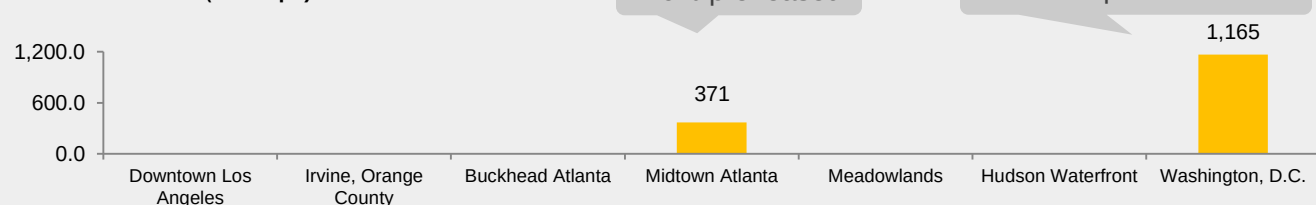
Best-in-Class Properties Exceed Market Occupancies

All properties' occupancies exceed their market average

Limited Supply

Minimal upcoming construction

New Construction ('000 sq ft)



(1) Not comparable to Class A data as Michelson is a Trophy building

(2) Vacancy include old/incomparable buildings. Plaza's competitive set has ~5% vacancy rate

Source: CoStar Market Analysis & Forecast – As at 1 Apr 2019



Looking Forward

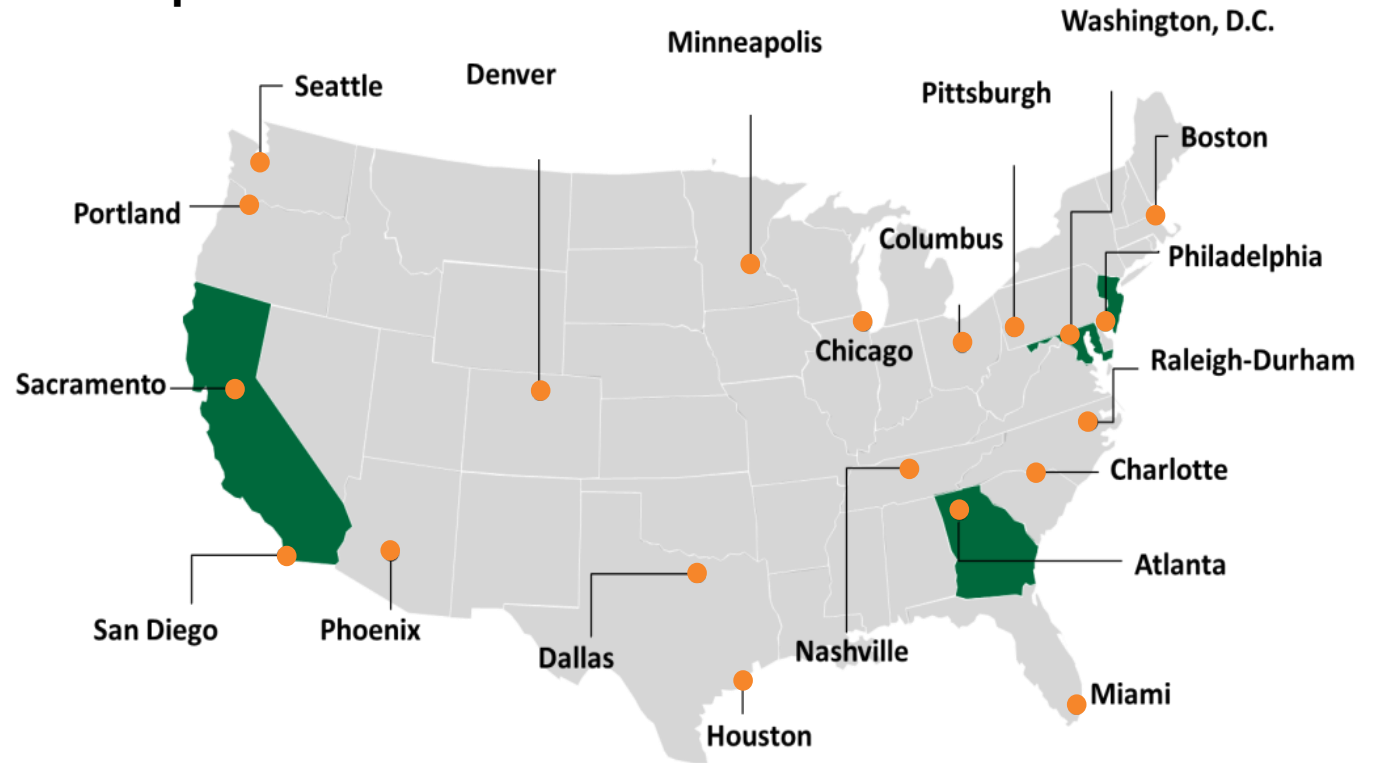
Poised for Growth

U.S. is the Largest Real Estate Market in the World

① U.S. economy remains bright spot despite challenging global economic backdrop

② Continues to drive leasing and asset management

③ Seeks accretive acquisitions – at the right price and right time





US REIT

For enquiries, please contact:
Ms Caroline Fong, Head of Investor Relations
Direct: (65) 6801 1066
Email: carol_fong@manulifeusreit.sg

MANULIFE US REAL ESTATE INVESTMENT TRUST
8 Cross Street, #16-03 Manulife Tower, Singapore 048424

<http://www.manulifeusreit.sg>

Exchange, Jersey City, New Jersey



Appendix: U.S. Outlook and Highlights

Benefitting from Growth of World's Largest Economy

2.9%

2018 GDP Growth¹

3.8%

Low unemployment²

541k

Jobs created
1Q 2019²

196k

Non-farm jobs added
in March²

- Economy continues momentum with positive outlook for remainder of 2019
- Labour markets remain tight with historically low unemployment, leading to stable consumer confidence
- No rate hikes expected in 2019

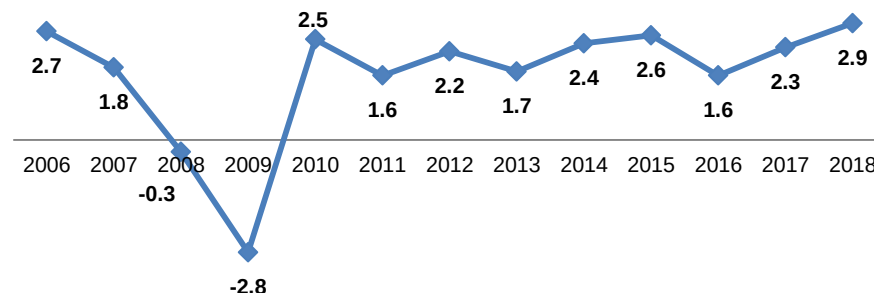
(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis (Apr 2019)

(2) Source: U.S. Department of Labor, Bureau of Labor Statistics (Apr 2019)

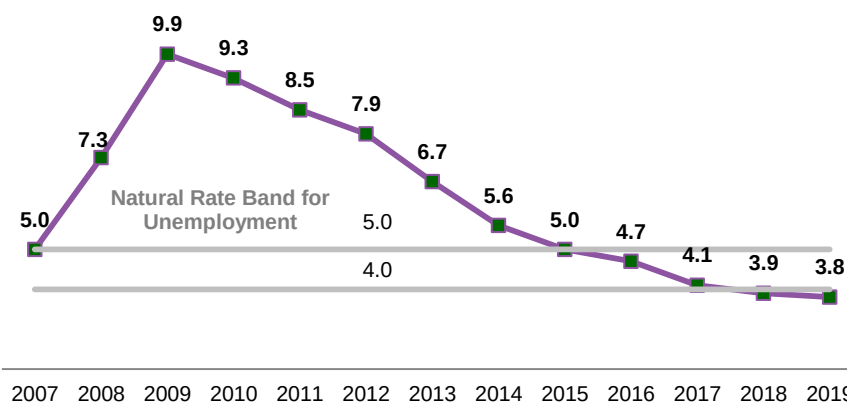
(3) GDP Growth Rate Source: U.S. Department of Commerce, Bureau of Economic Analysis

(4) Unemployment Rate Source: U.S. Department of Labor, Bureau of Labor Statistics as at Apr 2019

U.S. GDP Growth (YoY %)³



U.S. Unemployment (%)⁴



Favourable U.S. Office Real Estate Outlook

14.7%¹

1Q 2019²
vacancy steady

+2.9%¹

Annual²
increase in rents

+14.0M

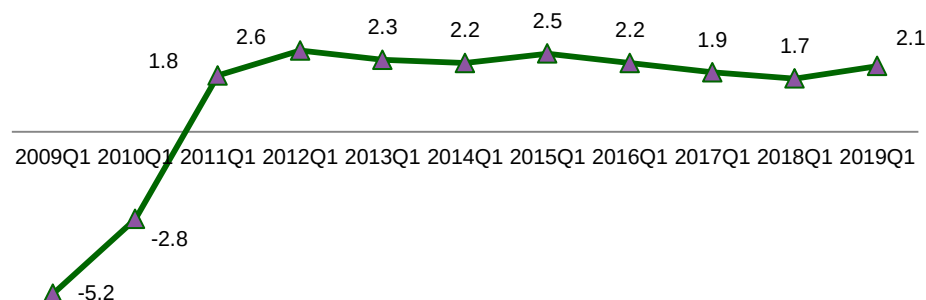
1Q 2019²
net absorption

15.5M¹

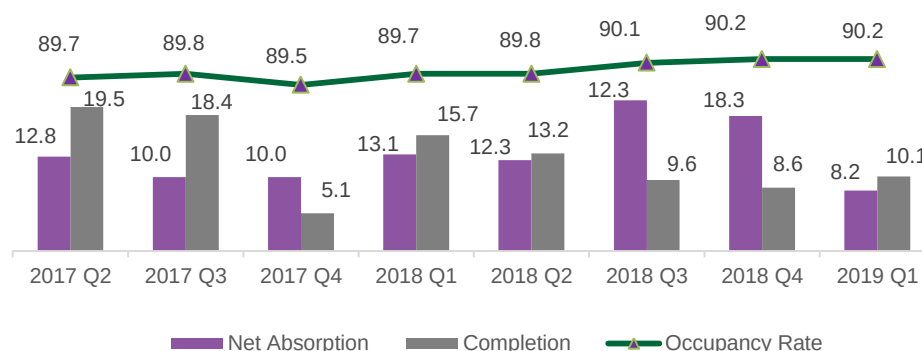
New supply in
1Q 2019²

- Class A product remains highly sought after, outpacing all other classes in net absorption²
- 40% of Q1 leasing attributed to expansionary activity, led by Finance, Technology and Coworking²

U.S. Office Employment (YoY %)³



U.S. Office Net Absorption (m sq ft) and Occupancy Rate (%)⁴



(1) Includes all office

(2) As at 31 Mar 2019. Source : JLL U.S. Office Outlook 1Q 2019

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

(4) 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 383 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.	57,652	327,167,434	-	20,494,100	-
New York	72,205	19,979,477	1	1,717,712	1
Los Angeles	65,331	13,291,486	2	1,043,735	2
Chicago	65,757	9,498,716	3	679,699	3
Dallas-Fort Worth	63,870	7,539,711	4	535,499	4
Houston	62,922	6,997,384	5	490,074	7
Washington	97,148	6,249,950	6	529,990	5
Miami	51,758	6,198,782	7	344,882	12
Philadelphia	66,285	6,096,372	8	444,975	8
Atlanta	61,733	5,949,951	9	385,542	10
Boston	81,838	4,875,390	10	438,684	9

(1) Source: 2013 – 2017 American Community Survey Five-year Estimate

(2) Source: U.S. Census Bureau – Population Estimate by MSA: 2018

(3) Source: Bureau of Economic Analysis – Current-Dollar GDP by MSA: 2017

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

- Considered the “CBD” of Orange County
- Strong labour pool with senior executives, middle managers and administrative personnel all living within Orange County
- Scores of technology companies headquartered here, including: Google, Blizzard Entertainment, Broadcom and Vizio



Atlanta

- International Gateway - Headquarters for 15 Fortune 500 Firms
- 10th largest economy in U.S.
- 20 minutes from Atlanta Hartsfield-Jackson International Airport – the busiest airport in the world

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



Secaucus

- Affordable office and residential alternative to Manhattan attracts major corporations
- Excellent regional connectivity through public transportation infrastructure and interstate highways
- Surrounded by 1 m sq ft of retail space and sports facilities



Jersey City

- Outstanding location across the Hudson River from Manhattan
- Affordable alternative office and residential location to Manhattan
- Within minutes drive and a quick train ride away from Wall Street



Washington, D.C.

- Nation's capital, government hub, heart of CBD
- One of the strongest cities in the world hosting 176 foreign embassies
- HQ for many global firms, trade unions, non-profit companies and professional associations
- Amazon's 2nd HQ in Northern Virginia

Limited Supply in Our Cities

Majority of our Properties are 5% - 14% Below Market Rents

1Q 2019 Class A Market	RBA (mil sq ft)	Vacancy (%)	Gross Asking Rent (US\$)	Net Absorption (‘000 sq ft)	Net Delivery (‘000 sq ft)	12 Month Rent Growth ¹ (%)	New Properties Under Construction (‘000 sq ft)	Delivery Year
Downtown Los Angeles	39.5	14.0	44.26	(24.0)	0	2.6	0	N/A
Irvine, Orange County	14.6	15.6	36.52	(82.7)	0	1.5	0	N/A
Buckhead Atlanta	16.2	14.5	38.79	(21.8)	0	6.6	0	N/A
Midtown Atlanta	16.6	10.5	39.27	84.6	0	7.2	371 ²	Q2 2019
Meadowlands ³	3.5	18.2 ⁴	30.09	(267.7)	0	(0.6)	0	N/A
Hudson Waterfront ⁵	18.7	16.6	41.39	(5.0)	0	(0.9)	0	N/A
Washington, D.C.	27.9	11.7	56.63	(33.2)	0	0.2	1,165 ⁶	Q2 2019 – Q2 2020

(1) All building classes

(2) Approximately 20% pre-leased

(3) Secaucus is within the Meadowlands submarket

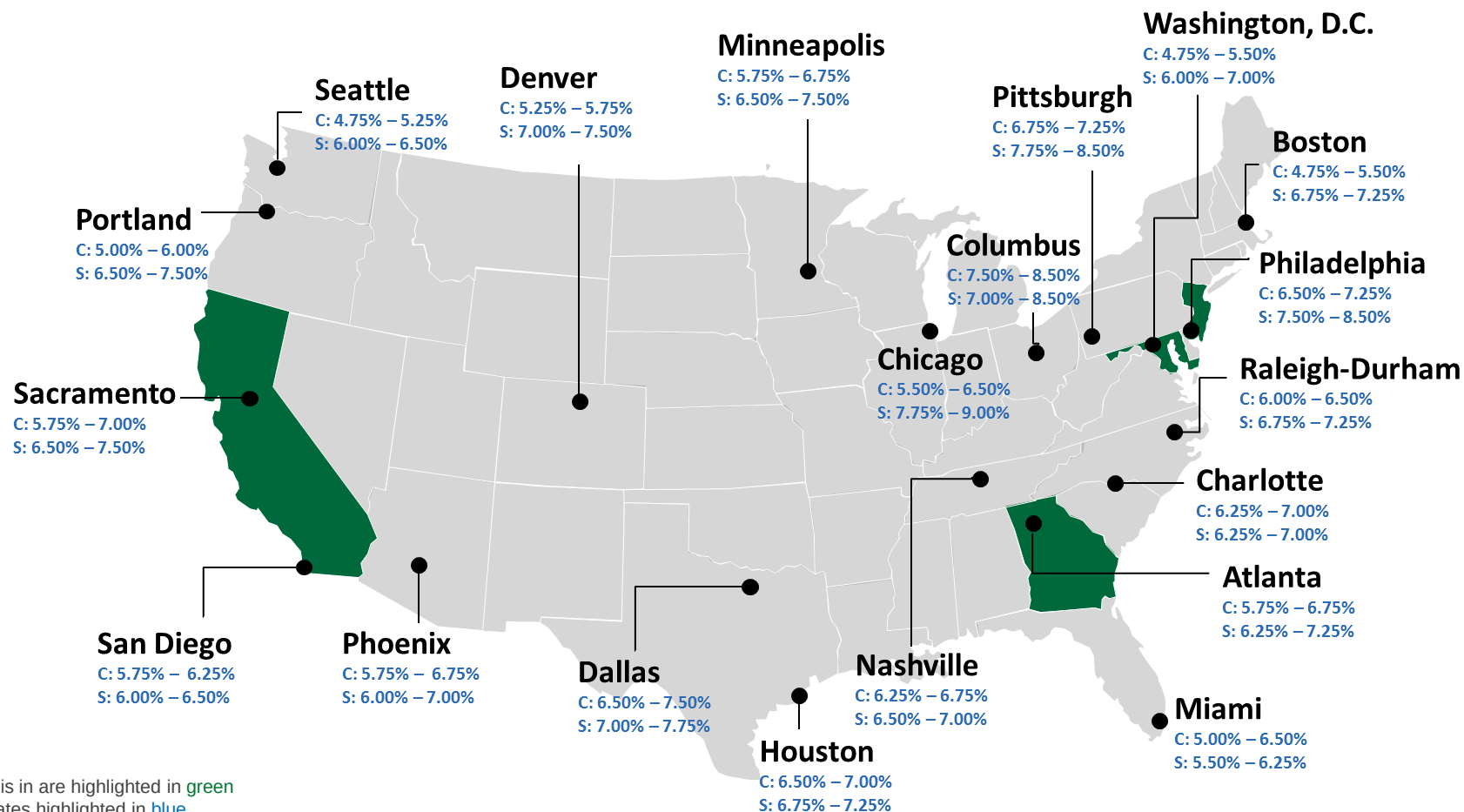
(4) Vacancy and availability include old and incomparable buildings. Plaza's competitive set has ~5% vacancy rate. New construction is not comparative to Plaza

(5) Jersey City is within the Hudson Waterfront submarket

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

Source: CoStar Market Analysis & Forecast – As at 1 Apr 2019

Vast Choice of Yield-Accretive Assets in World's Largest Real Estate Market



Notes:
 States MUST is in are highlighted in green
 Class A cap rates highlighted in blue
 C: CBD cap rates
 S: Suburban cap rates
 Source: CBRE Cap Rate Survey – Second Half 2018

Key Investment Criteria and Rationale

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

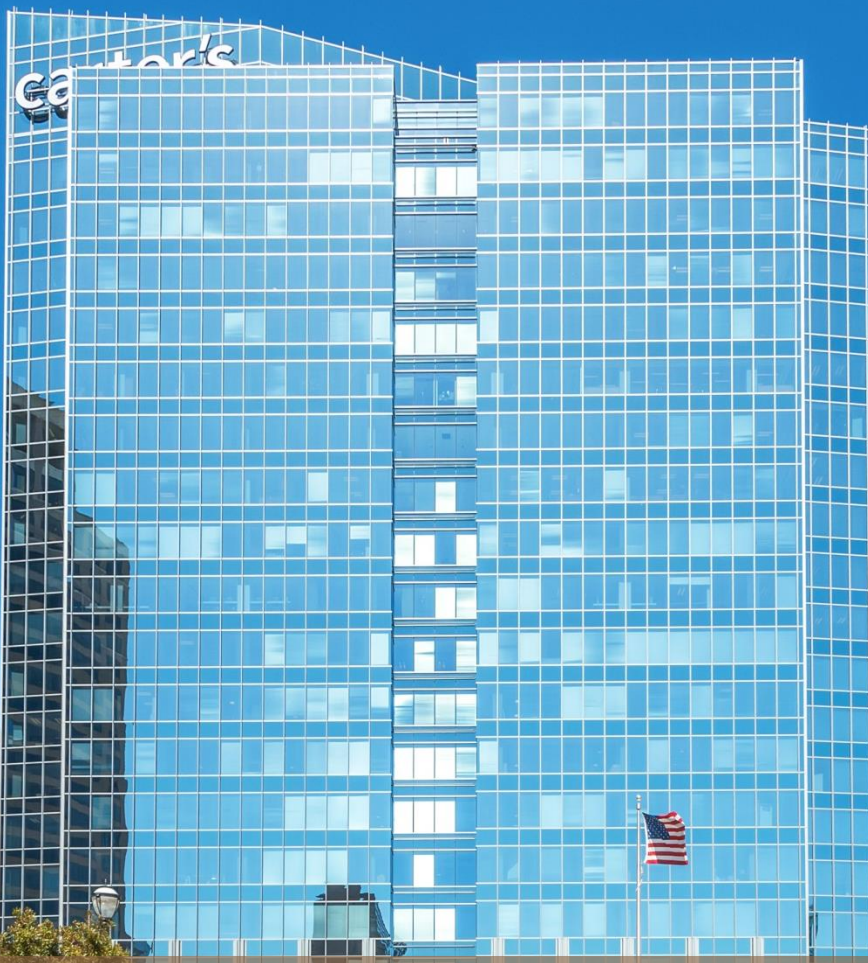
3 Long WALE and High Occupancy

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

Phipps, Atlanta, Georgia

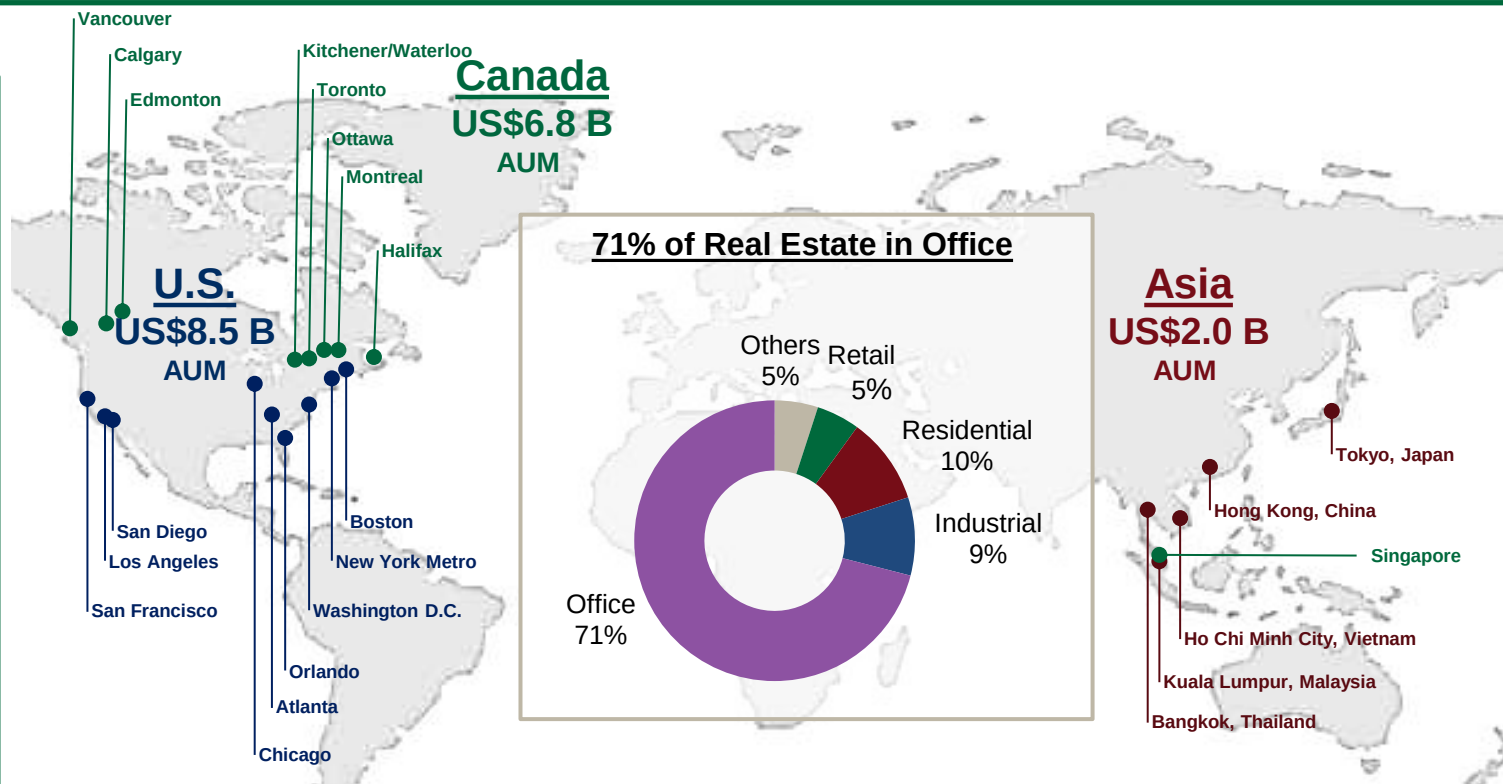


Appendix: About Manulife US REIT

Reputable Sponsor with Proven Track Record

Vertically-Integrated Real Estate Platform: Global Real Estate AUM of US\$17.4 b

Sponsor



>80 years in real estate

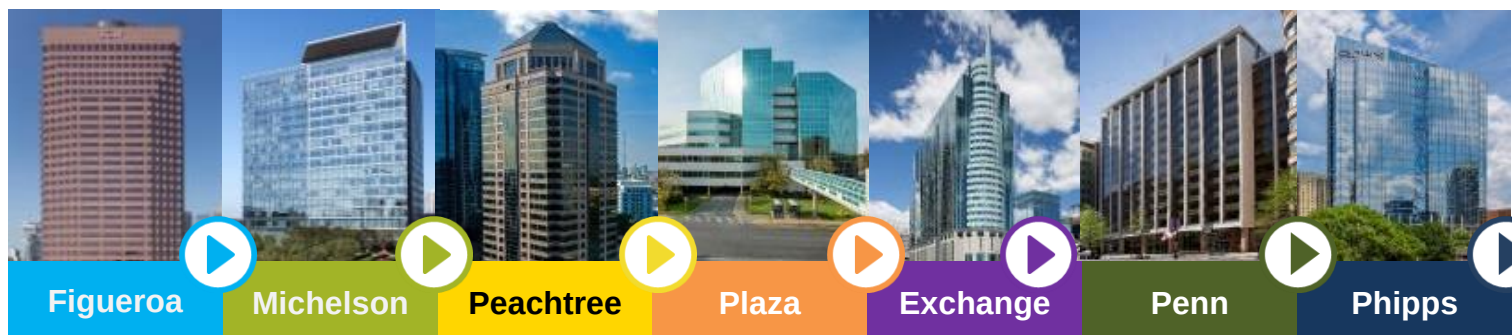
>540 professionals in 25 cities globally

Strong leasing network of >1,000 tenants

Note: All AUM in fair value basis as at 31 Dec 2018

Portfolio Overview

Click  to watch videos!



	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps
Location	Los Angeles	Irvine	Atlanta	Secaucus	Jersey City	Washington, D.C.	Atlanta
Property Type	Class A	Trophy	Class A	Class A	Class A	Class A	Trophy
Completion Date	1991	2007	1991	1985	1988	1964	2010
Last Refurbishment	2015	-	2015	2016	-	2018	-
Property Value (US\$ mil)	332.2	350.8	204.8	119.8	344.7	189.0	211.7
Occupancy (%)	93.3	96.0	99.4	98.9	97.7	99.1	100.0
NLA (sq ft)	702,861	532,933	557,560	461,525	736,383	277,597	475,199
No. of Tenants	28	14	25	7	23	10	10
WALE (Years by NLA)	4.4	5.2	5.4	7.2	6.0	5.6	8.9

Data as at 31 Mar 2019
Please refer to the website for videos of the properties

Tax Advantaged Tax Structure

1 MUST's tax advantage

- No US corporate taxes (21%)
- No US withholding taxes (30%)
- No Singapore corporate taxes on domestic institutions (17%) or Singapore withholding taxes (10%)
- Minimum taxes paid (1.5% to 2.5% of distributable income)

For illustrative purposes only			
	US REIT	S-REIT ¹	Manulife US REIT
DPU Yield	3.2% ²	7.0%	7.0% ³
U.S. Withholding Taxes	(1.0%)	-	-
Net Yield – Singapore Retail Investor	2.2%	7.0%	7.0%
Net Yield – Singapore Institutions	2.2%	5.8% ⁴	7.0%
Net Yield – Foreign Institutions	2.2%	6.3% ⁵	7.0%

2 Stable U.S. tax jurisdictions

3 MUST's tax structure supported by 4 strong pillars

- (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 2019 distribution Yield of 18 US Office REITs listed in US stock exchange as at 24 Apr 2019 (Source: Bloomberg)
- (3) Analyst consensus for Manulife US REIT's FY 2019 distribution yield as at 24 Apr 2019 (Source: Bloomberg)
- (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 Structure

Predominantly Supported by Four Pillars



Parent US REIT Structure

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



US Portfolio Interest Exemption Rule

- No 30%¹ withholding tax on interest and principal on shareholder's loan



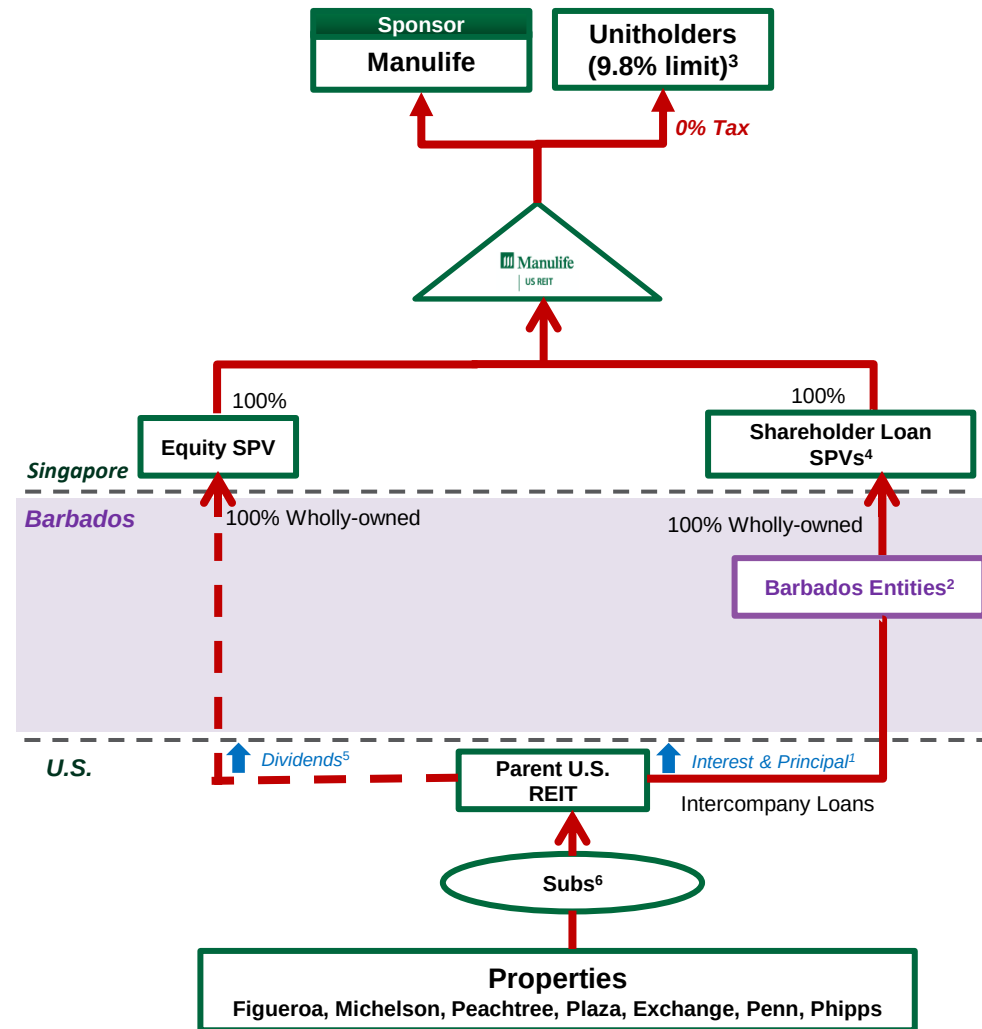
Barbados Entities (US Tax Act Dec 2017 Section 267A)

- Barbados limited partnerships² are “fiscally transparent”
- Interest income on intercompany loans are taxed in Barbados and principal repayments are not subjected to tax



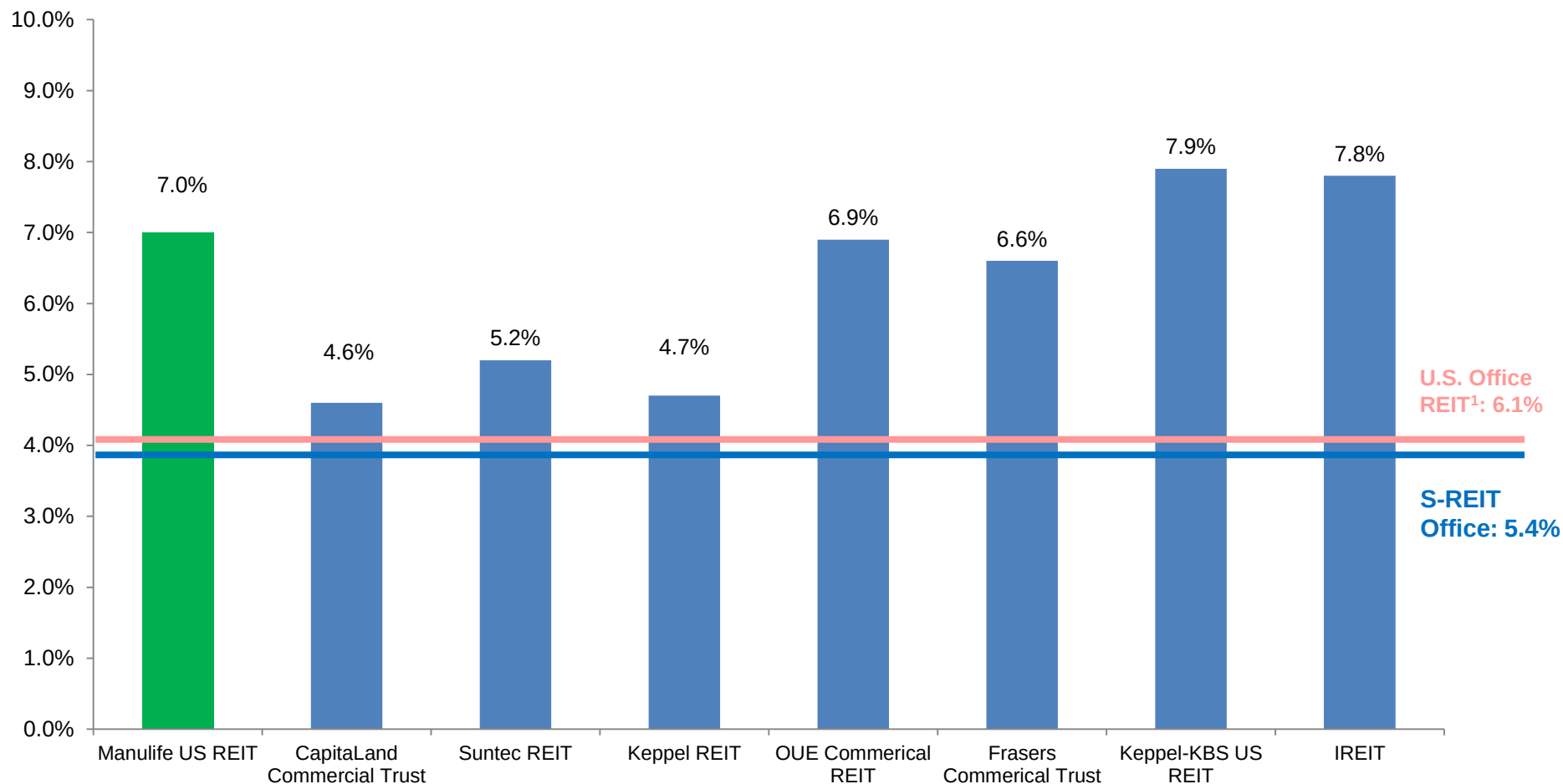
Foreign Sourced Income

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



- (1) Principal repayments are not subject to U.S. withholding taxes. Interest payments 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
- (2) The Barbados Limited Partnerships have extended intercompany loans to the Parent U.S. REIT and the interest income on the loans is taxed in Barbados
- (3) 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. – applies to pillars 1 and 2 above
- (4) There are three wholly-owned Shareholder Loan SPVs, each of which has made equity investments in two wholly-owned Barbados entities which had formed a Barbados Limited Partnership
- (5) Subject to 30% withholding tax
- (6) Each Sub holds an individual property

MUST's FY2019 Distribution Yield Remains Attractive



Source: Bloomberg as at 24 Apr 2019

(1) Based on weighted average FFO of 18 U.S. Office REITs

Additional Disclaimer

CoStarPS does not purport that the CoStarPS Materials herein are comprehensive, and, while they are believed to be accurate, the CoStarPS Materials are not guaranteed to be free from error, omission or misstatement. CoStarPS has no obligation to update any of the CoStarPS Materials included in this document. Any user of any such CoStarPS Materials accepts them “AS IS” WITHOUT ANY WARRANTIES WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, TITLE AND FITNESS FOR ANY PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES SHALL COSTARPS OR ANY OF ITS AFFILIATES, OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER ARISING OUT OF THE COSTARPS MATERIALS, EVEN IF COSTARPS OR ANY OF ITS AFFILIATES HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES.

The CoStarPS Materials do not purport to contain all the information that may be required to evaluate the business and prospects of Manulife US REIT or any purchase or sale of Manulife US REIT units. Any potential investor should conduct his, her or its own independent investigation and analysis of the merits and risks of an investment in Manulife US REIT. CoStarPS does not sponsor, endorse, offer or promote an investment in Manulife US REIT. The user of any such CoStarPS Materials accepts full responsibility for his, her or its own investment decisions and for the consequences of those decisions.