



FY 2020 Financial Results

8 February 2021



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01

Key Highlights



Weathered FY 2020 with a *quality* portfolio



Financials

Distributable income
US\$89.0 m

Increased **6.8%** YoY

Distribution per Unit
5.64 US Cents

Decreased **5.4%** YoY

Strong collections
97%¹

Deferment **0.6%²**,
abatement **0.5%²**

Gearing
41.0%

Well below MAS
50% limit

High occupancy
93.4%

Above U.S. Class A
average ~ **84%³**

Executed leases
5.9%

By portfolio NLA;
~279,000 sq ft

Low subleasing
3.3%⁴

Reduced by **29%** YoY

Long WALE
5.3 years

WALE of **6.4 years**
for 2020 leases



Portfolio

(1) FY 2020 as at 15 Jan 2021; 4Q 2020: 94%

(2) Based on GRI for FY 2020

(3) Source: JLL Q4 2020 US Office Outlook





(4) Actual subleased space as a % of occupied NLA. Tenants seeking to sublease/have sublease availability is 4.8% of occupied NLA

02

Financial Highlights



FY 2020 distributable income *increased* by 6.8% YoY

	2H 2020 (US\$'000)	2H 2019 (US\$'000)	Change (%)	FY 2020 (US\$'000)	FY 2019 (US\$'000)	Change (%)
Gross Revenue	95,682	94,514	1.2	194,312	177,853	 9.3
Net Property Income (NPI)	53,664	58,434	(8.2)	115,837	110,776	 4.6
Distributable Income (DI)	40,989	43,374	(5.5)	88,967	83,341	 6.8
DPU (US cents)	2.59	2.92	(11.3)	5.64	5.96	 (5.4)

Higher FY 2020 NPI and DI YoY mainly due to:

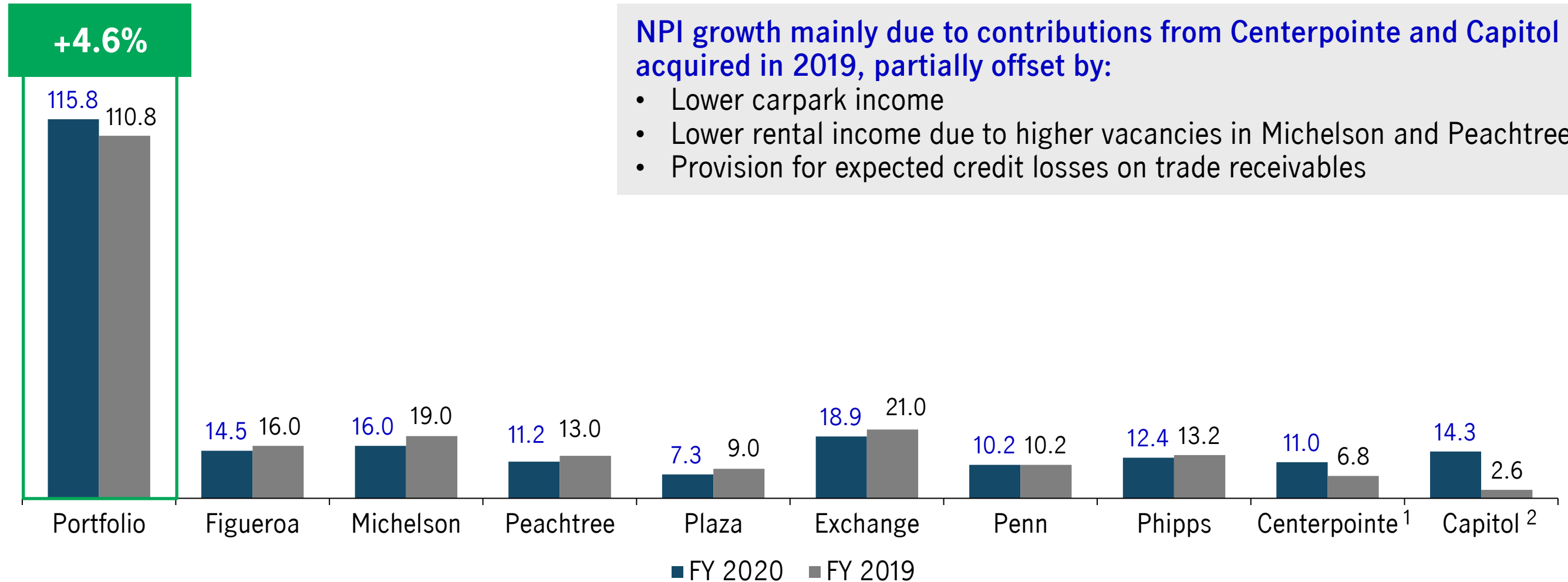
- Contributions from Centerpointe and Capitol acquired in 2019

Lower FY 2020 DPU due to 2H 2020:

- Lower property income
- Provision for expected credit losses

Delivering *robust* income through fortified portfolio

NPI (US\$ m)



NPI growth mainly due to contributions from Centerpointe and Capitol acquired in 2019, partially offset by:

- Lower carpark income
- Lower rental income due to higher vacancies in Michelson and Peachtree
- Provision for expected credit losses on trade receivables

Strong balance sheet; *100%* pay-out for FY 2020 distributions

	As at 31 Dec 2020
Investment Properties (US\$'000)	1,992,800
Total Assets (US\$'000)	2,088,059
Borrowings (US\$'000)	852,287 ¹
Total Liabilities (US\$'000)	930,171
Net Assets Attributable to Unitholders (US\$'000)	1,157,888
Units in Issue and to be Issued	1,591,660,945
NAV per Unit (US\$)	0.73
Adjusted NAV per Unit (US\$)	0.70 ²
Total DPU for FY 2020 (US Cents)	5.64
DPU paid for 1 Jan to 30 Jun 2020 (US Cents)	3.05
DPU payable for 1 Jul to 31 Dec 2020 (US Cents)	2.59

Distribution schedule

Upcoming DPU:

2.59 US Cents

Ex-Distribution Date

16 Feb 2021

Book Closure Date

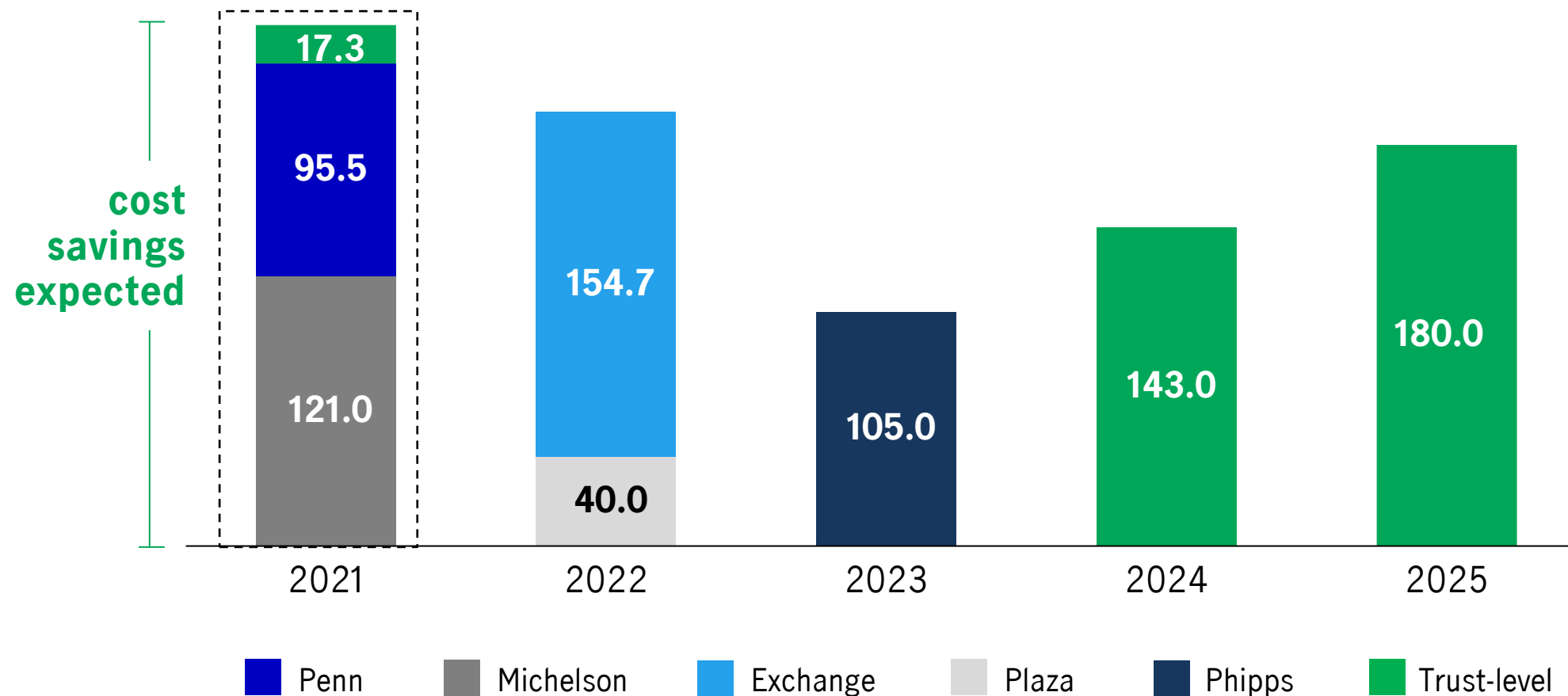
17 Feb 2021

Payment Date

30 Mar 2021

Advanced negotiations on *sustainability-linked* loan for 2021 refinancing

Debt maturity profile as at 31 Dec 2020 (US\$ m)



Gross Borrowings

US\$856.5 m

Total Undrawn Committed Facilities

US\$115.0 m

Gearing

41.0%¹

Weighted Ave. Interest Rate

3.18%

Weighted Ave. Debt Maturity

2.3 years

Interest Coverage

3.5 times²

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

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

03

Portfolio Performance



Phipps, Georgia



Solid leasing in the face of COVID-19 storm

Leases executed in FY 2020

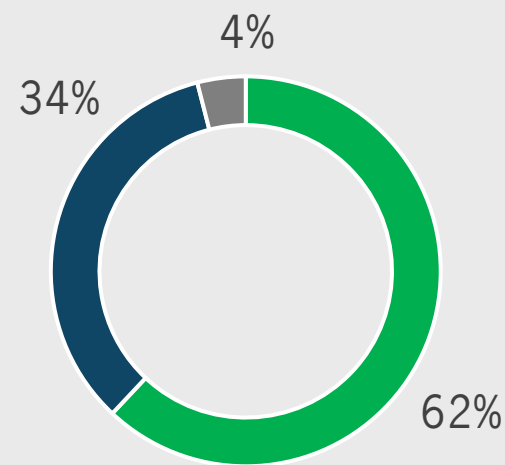
~279,000 sq ft

- 5.9% of portfolio by NLA
- Mainly from legal, real estate, information, finance and insurance
- Rental reversion +0.1%¹ (+4.7% excluding a mark to market lease)
- WALE 6.4 years

Rental escalations

2.0% p.a.

- Annual escalations of 2.6% p.a.
- Mid-term/periodic escalations
- No escalations (89% govt leases)



Case study:

Allen Matkin's (legal) renewal & expansion at Figueroa, LA

- Tenant expanded despite pandemic as their litigation business performed well due to changes in COVID-19 regulations
- Took advantage of pandemic to start construction, ensuring timely return to office

Renewed
51,000 sq ft

Expanded
13,000 sq ft

Positive
rental reversion

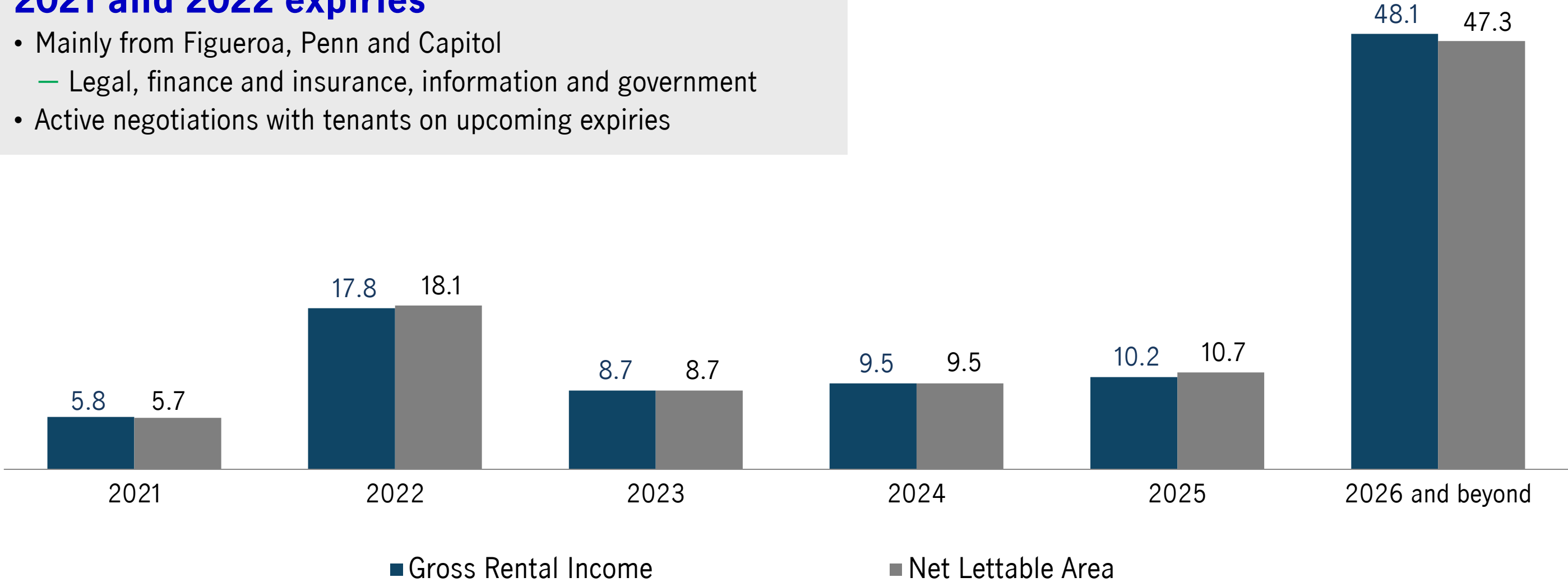


Long WALE of 5.3 years by NLA; *minimal* expiries in 2021

Lease expiry profile as at 31 Dec 2020 (%)

2021 and 2022 expiries

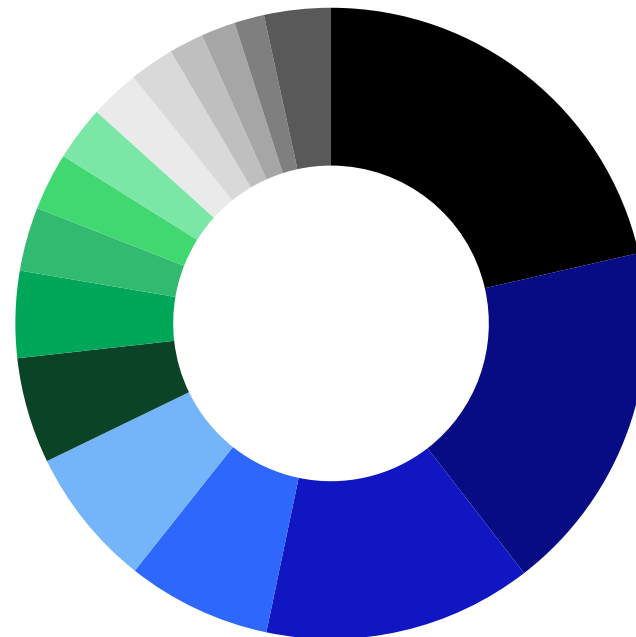
- Mainly from Figueroa, Penn and Capitol
 - Legal, finance and insurance, information and government
- Active negotiations with tenants on upcoming expiries



Well-diversified tenant base with top sectors *outperforming* U.S. unemployment

Trade sector by gross rental income (GRI) (%)

■ Legal	21.4
■ Finance and insurance	18.1
■ Retail trade	13.8
■ Real estate	7.4
■ Information	7.1
■ Public administration	5.4
■ Consulting	4.4
■ Grant giving	3.3
■ Arts, entertainment, and recreation	2.9
■ Accounting	2.8
■ Healthcare	2.6
■ Advertising	2.3
■ Transportation and warehousing	1.8
■ Architectural and engineering	1.8
■ Administrative and support services	1.5
■ Others	3.4



Unemployment Rate ¹	% of GRI	Apr 2020 (%)	Dec 2020 (%)
U.S. average	-	14.8	6.7
Legal²	21.4	5.8	4.1
Finance and insurance	18.1	3.8	2.8
Retail trade	13.8	18.6	5.9
Real estate	7.4	7.7	4.0
Total/average	60.7	9.0	4.2

5.6-year WALE for top 10 tenants; majority *HQ/listed/govt*

Top 10 tenants by gross rental income (GRI)

Tenant	Sector	Lease Expiry	NLA (sq ft)	% of GRI
The William Carter	Retail trade	Apr-2030	304,013	6.3
TCW Group	Finance and ins	Dec-2022	188,835	4.1
Kilpatrick Townsend	Legal	Jul-2025	184,653	3.7
The Children's Place	Retail trade	May-2029	197,949	3.6
US Treasury	Public admin	Jan-2022	120,324	3.3
United Nations	Grant giving	Dec-2028	94,988	3.3
Quinn Emanuel Trial	Legal	Aug-2023	135,003	3.1
Amazon	Retail trade	Apr-2025	129,259	3.0
Hyundai Motor Finance	Finance and ins	Apr-2030	97,587	3.0
Quest Diagnostics	Health care	Oct-2029	131,612	2.4
Total top 10 tenants			1,584,223	35.8

Headlines of top tenants

Yahoo Finance, 11 Jan 2021

Baby Apparel Market to Reach USD 82.54 Billion by 2027; Growing Demand for Stylish Kid Clothes to Boost Market, states Fortune Business Insights™

Top companies covered in the baby apparel market report are *Carter's, Inc.*, *The Children's Place, Inc.*

Nasdaq, 18 Jan 2021

Quest Diagnostics Wins Covid-19 Contract With US Health Agency

Quest Diagnostics has inked an agreement with the US Centers for Disease Control and Prevention (CDC) to provide genomic sequencing to identify new mutations and patterns of transmission of SARS-CoV-2, the virus that causes COVID-19

Lower valuations mainly due to higher vacancies & leasing costs

Property	Valuation			Implied Cap Rates ²		
	31 Dec 2020 (US\$ m)	30 Jun 2020 (US\$ m)	Change (%)	31 Dec 2020 (US\$ Per Sq Ft ¹)	31 Dec 2020 (%)	30 Jun 2020 (%)
Figueroa	320.0	329.1	(2.8)	448.3	5.0	5.2
Michelson	319.0	335.0	(4.8)	598.1	4.0	4.3
Peachtree	203.1	205.8	(1.3)	363.6	6.3	6.1
Plaza	114.6	114.7	(0.1)	245.7	7.0	6.8
Exchange	333.0	338.0	(1.5)	451.7	5.2	5.5
Penn	176.5	180.2	(2.1)	634.7	5.2	5.2
Phipps	212.1	215.2	(1.4)	445.8	6.5	5.4
Centerpointe	118.5	120.5	(1.7)	282.1	7.5	7.8
Capitol	196.0	196.0	0.0	391.5	6.6	7.1
Total/ Weighted Ave	1,992.8	2,034.5	(2.0)	425.5	5.6	5.6

Limited supply and *positive* rent growth forecast

MUST cities' projected 12 months rent growth 1.2% outperforms U.S. average 1.0%

FY 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 (%)	Projected 12 Months Rent Growth ¹ (%)	New Properties Under Construction ('000 sq ft)	Delivery Year
Downtown Los Angeles	42.7	18.0	43.05	(6.9)	0.0	(0.2)	0.5	0.0	NA
Irvine, Orange County	15.0	18.7	36.05	(82.2)	0.0	(3.0)	1.3	0.0	NA
Buckhead Atlanta	16.6	22.1	39.39	(1,039.0)	0.0	(0.2)	1.2	340.0	2021
Midtown Atlanta	19.0	10.8	44.39	17.0	156.5	0.4	1.4	679.2 ²	2021
Meadowlands³	3.5	18.1	36.89	6.3	0.0	(2.3)	1.3	0.0	NA
Hudson Waterfront³	18.3	13.6	43.63	180.6	0.0	(2.0)	1.5	0.0	NA
Washington, D.C.	30.5	18.8	57.15	(287.4)	0.0	(1.6)	0.5	469.0 ⁴	2022
Fairfax Center	4.7	23.3	32.25	(34.1)	0.0	(1.2)	0.3	0.0	NA
Downtown Sacramento	10.2	5.7	39.89	(55.9)	0.0	1.1	2.8	0.0	NA

(1) All building classes

(2) 40% pre-leased

(3) Secaucus is within the Meadowlands submarket; Jersey City is within the Hudson Waterfront submarket

(4) Comprises Trophy assets which are not comparable to Penn

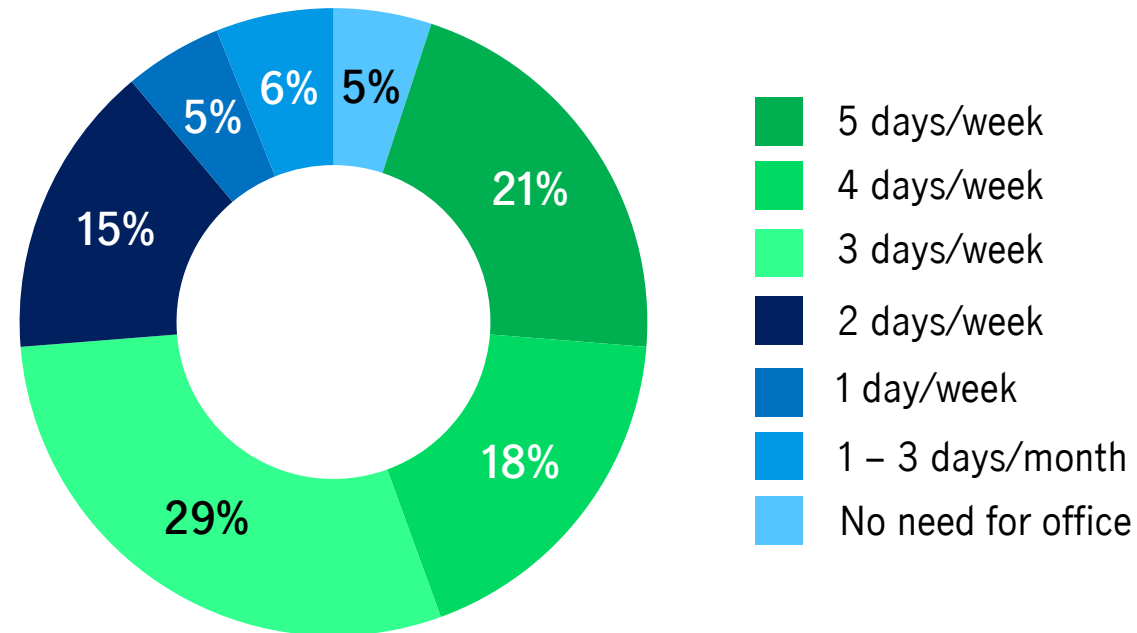
Source: All Submarket and Market Data as of 4 Feb 2021 from CoStar Market Analysis & Forecast Reports

Work from home? Bosses to employees: See you back in *office*

Latest survey: 75% of bosses surveyed expect more than half to WFO by Jul 2021

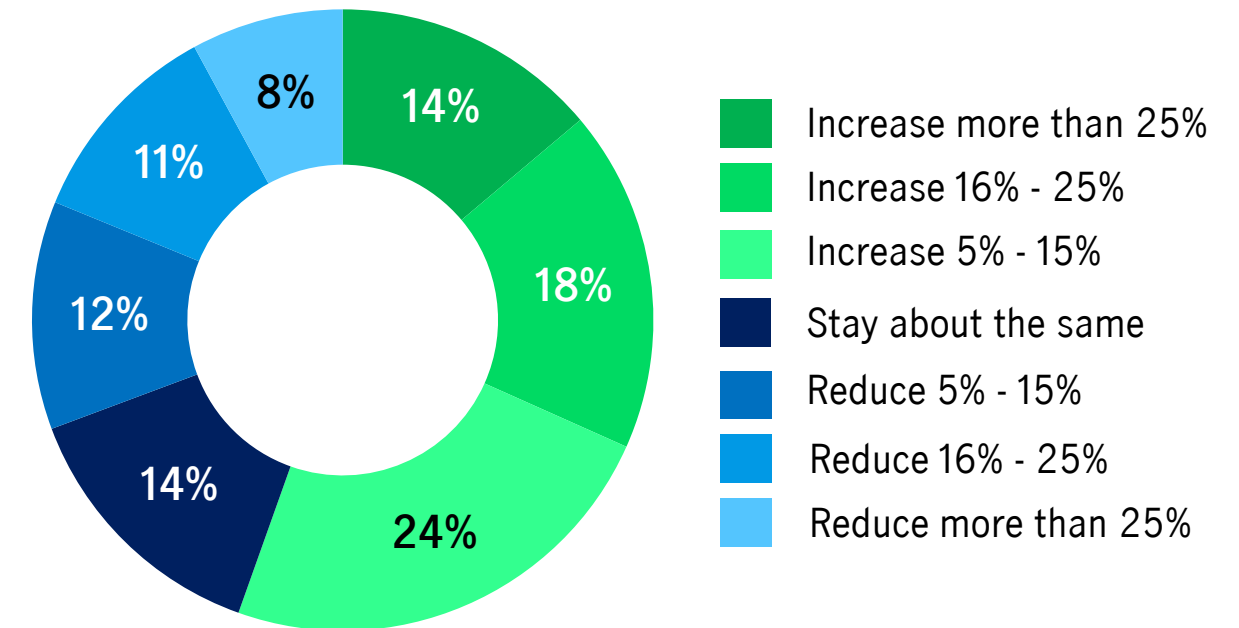
Hybrid model preferred

- ~70% bosses expect employees to WFO at least 3 days/week to maintain company culture
- Only 5% do not need employees in office



Physical office remains in demand

- ~70% bosses require same or more space post COVID-19
- Demand due to rising headcount & social distancing needs



MUST to *capitalise* on post-COVID-19 themes

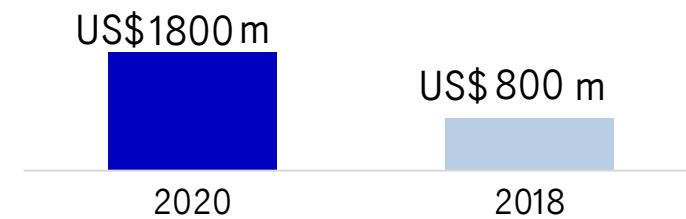
52% of AUM exposed to tech, entertainment and cloud security tailwinds

Atlanta (ATL): emerging tech hub
 Peachtree (10%)
 Phipps (11%)

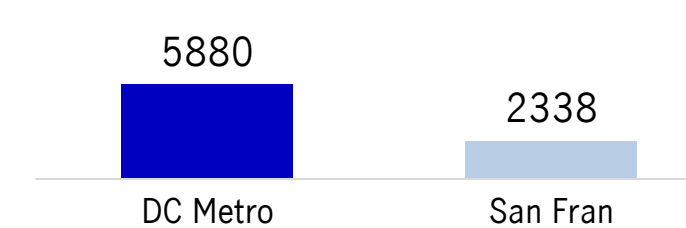
Washington, D.C. Metro (DC): cloud & cybersecurity hub
 Penn (9%)
 Centerpointe (6%)

Los Angeles (LA): streaming capital of the world
 Figueroa (16%)

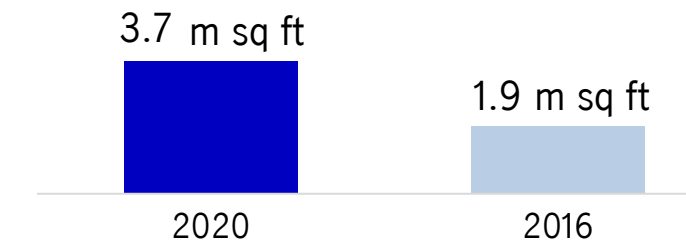
ATL's phenomenal growth in tech funding



DC cloud computing job openings vs San Fran²



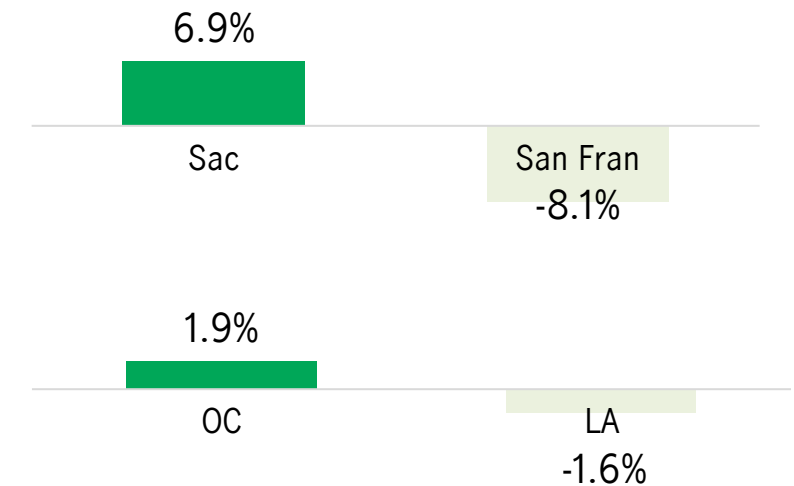
Office growth in LA streaming companies



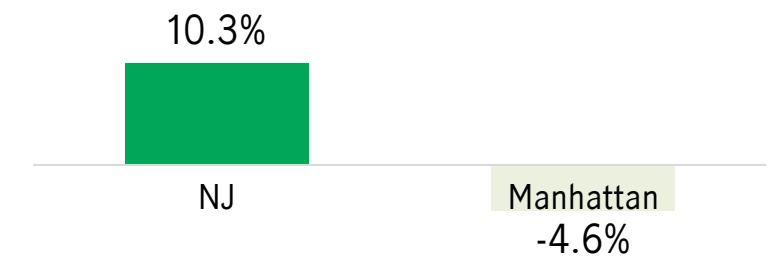
48% of AUM exposed to population migration – lower density, affordable, live-work-play tailwinds

Sacramento (Sac), Orange County (OC) and New Jersey (NJ): capturing big city migration flows
 Capitol (10%)
 Michelson (16%)
 Plaza (6%)
 Exchange (16%)

Strong residential rent growth in Sac and OC^{4,5}



Strong Home Price Growth in NJ^{4,6}

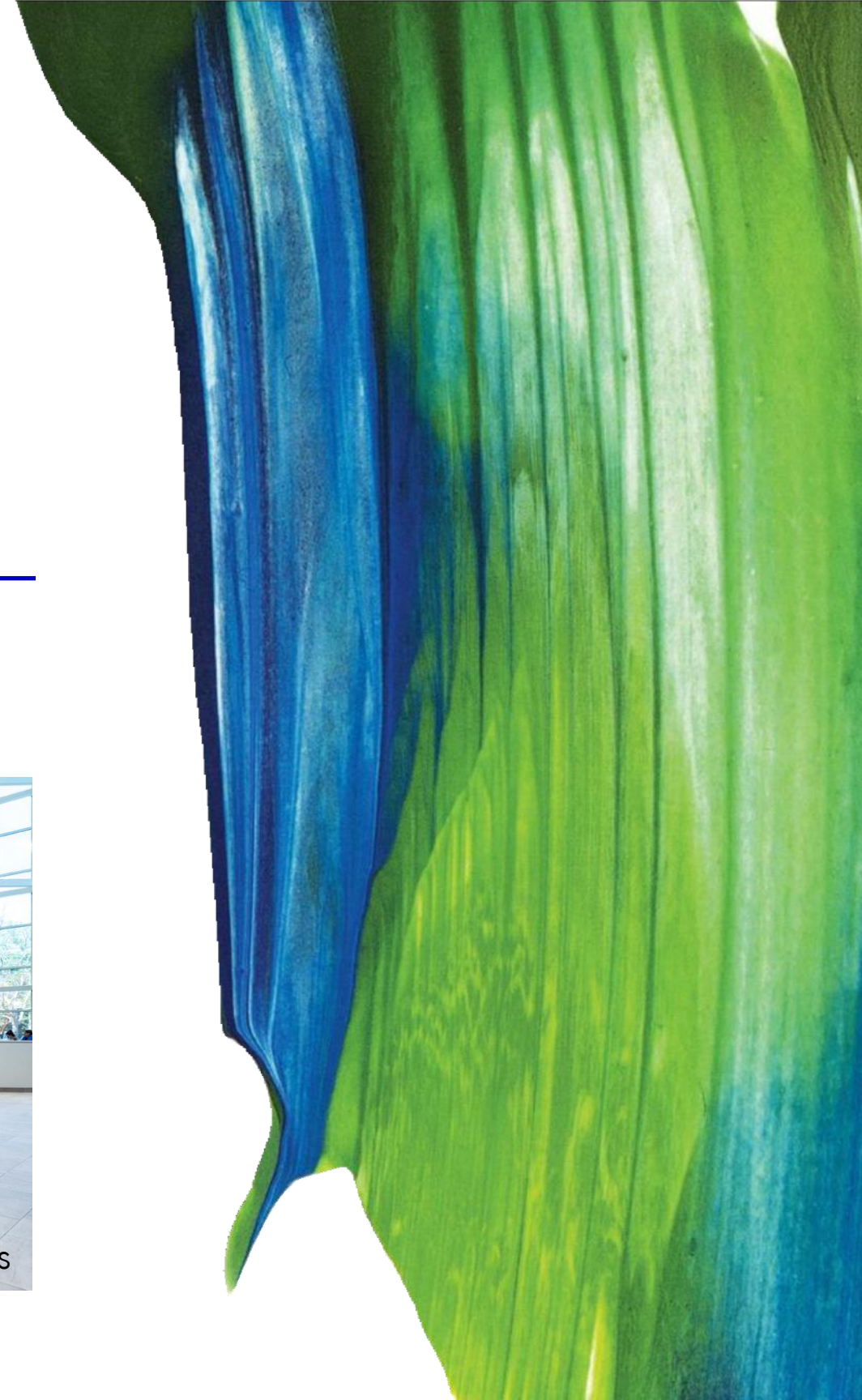


04

Looking Forward



Plaza, Secaucus



Ready, get set, *go!*

Proactive Leasing

Chase occupancy with flexible leasing options



U.S. to Rebound

- Vaccine – road to U.S. recovery
 - ✓ Biden ‘150 m vaccines in 100 days’
 - ✓ > 33 m given – exceed total cases 27.2 m

Capital Management

~67% of portfolio to be unencumbered post 2021 refinancing – Expect cost savings



Transformational Growth

- Enhance portfolio by acquiring at least 20% high growth tenants
 - ✓ Business parks
 - ✓ Tech and healthcare tenants
- Seek joint ventures/M&A

Solid Investor Base

- ~60% institutional
 - ✓ Target ESG investors



Click to read



*Independent
Market Report
2020**
on MUST cities

*For all IMRs, refer to
http://investor.manulifeusreit.sg/green_dot.html



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US REIT



Michelson, Irvine

Thank You!

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Manulife US Real Estate Management Pte. Ltd.

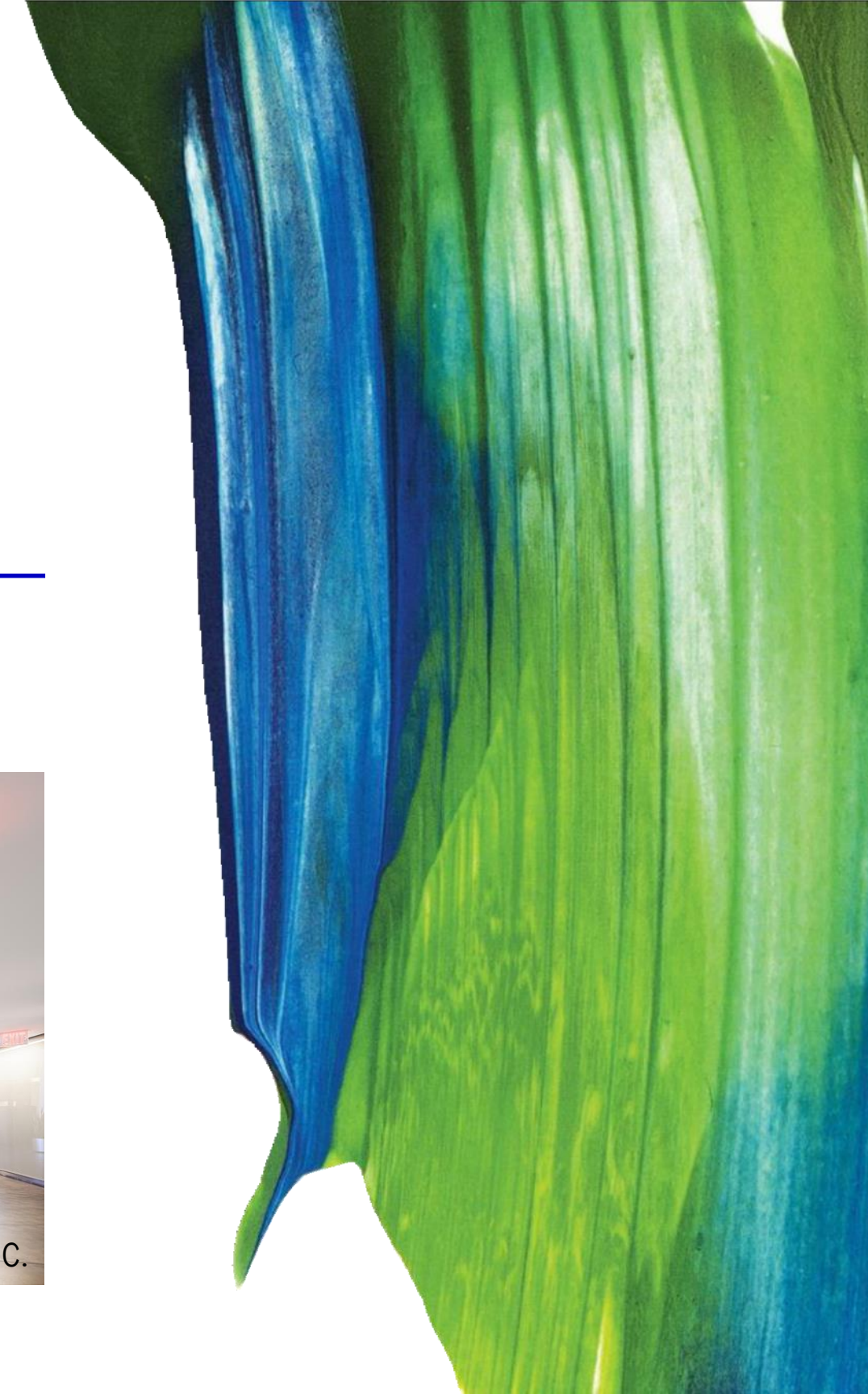
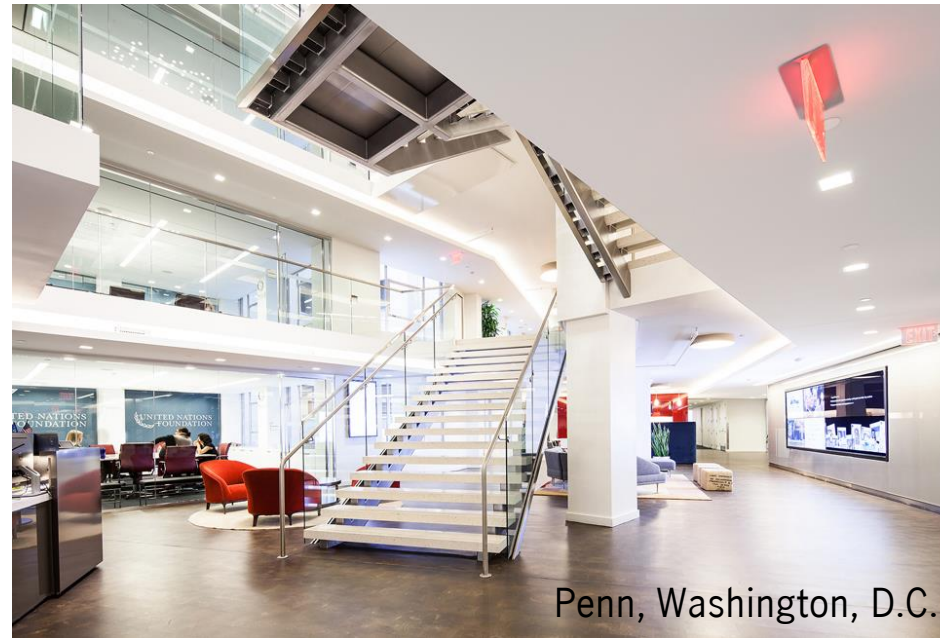
(Company registration no. 201503253R)

8 Cross Street, #16-03 Manulife Tower, Singapore 048424

<http://www.manulifeusreit.sg>

05

Appendix: U.S. Outlook



World's largest economy *bouncing back*

4.0%¹

**4Q 2020
GDP growth¹**

0.9m²

**4Q 2020
Jobs gained**

6.7%²

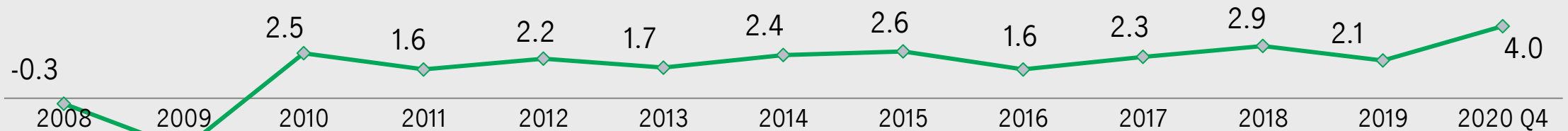
Unemployment

-140k²

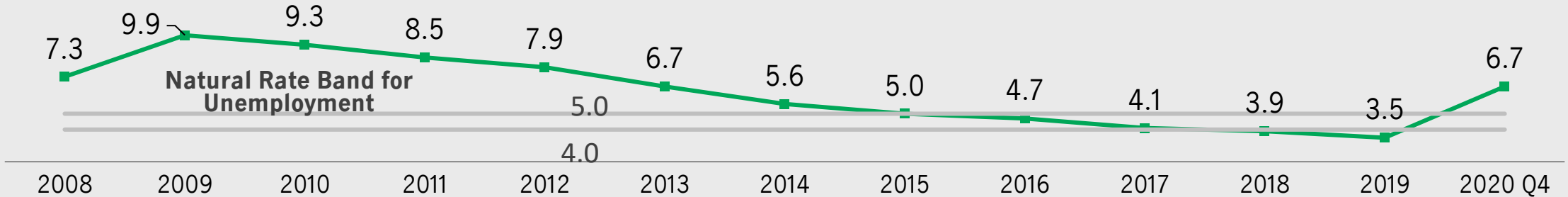
**Non-farm jobs
added in Dec**

- December unemployment continues positive trend down from September's 7.9%
- Professional and Business Services, Retail Trade, and Construction led December job gains

U.S. GDP Growth (%)³



U.S. Unemployment (%)⁴



(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis as of Jan 28, 2021, annualised rate

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

U.S. office real estate activity remains muted

17.1%¹

4Q 2020 vacancy

+0.5%¹

Annual rent increase

-40.6m¹

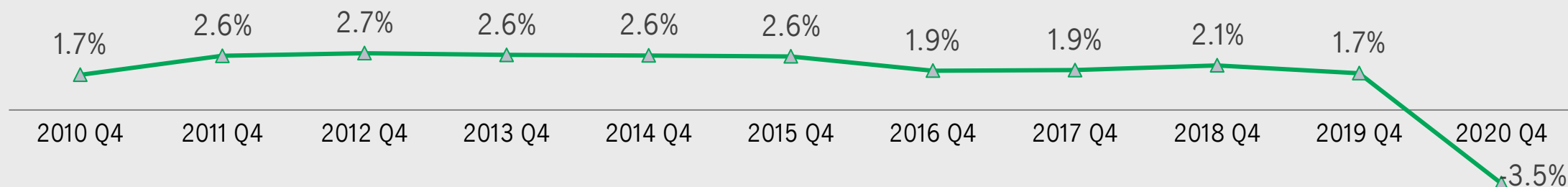
4Q 2020 net absorption (sq ft)

13.2m¹

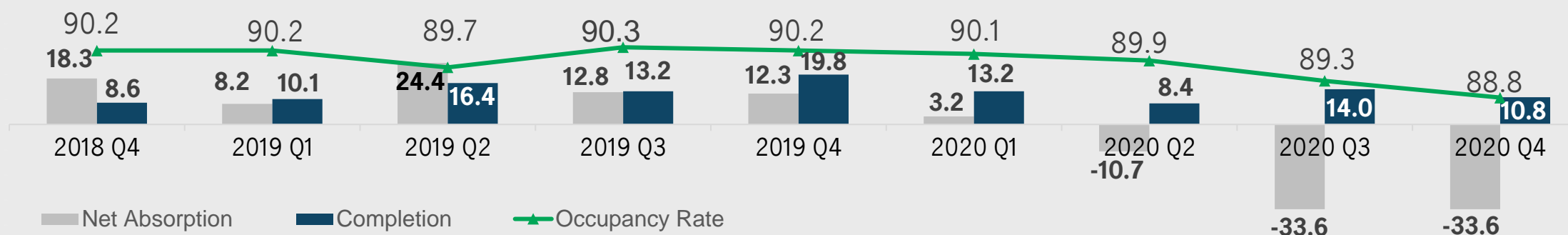
4Q 2020 new supply (sq ft)

- Quarterly occupancy loss of 40.6 m sq ft largest on record
- 68.7% of Q4 leasing deals were renewals, of which 43% were five years or less in duration

U.S. Office Employment YoY (%)²



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



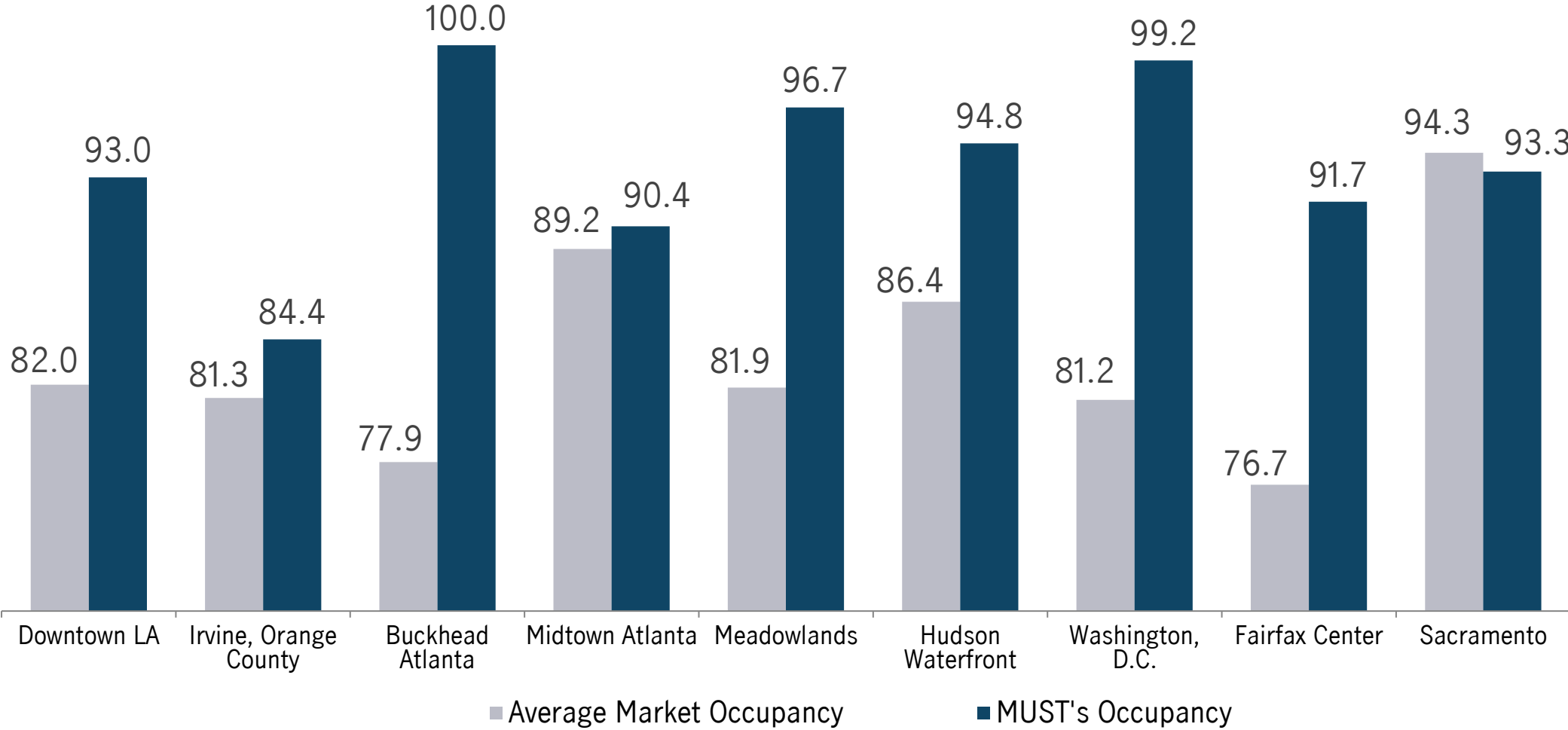
(1) Includes all office as at 31 Dec 2020. Source: JLL U.S. Office Outlook 4Q 2020

(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

Best-in-class properties *exceed* market occupancies

Occupancy (%)



Meadowlands

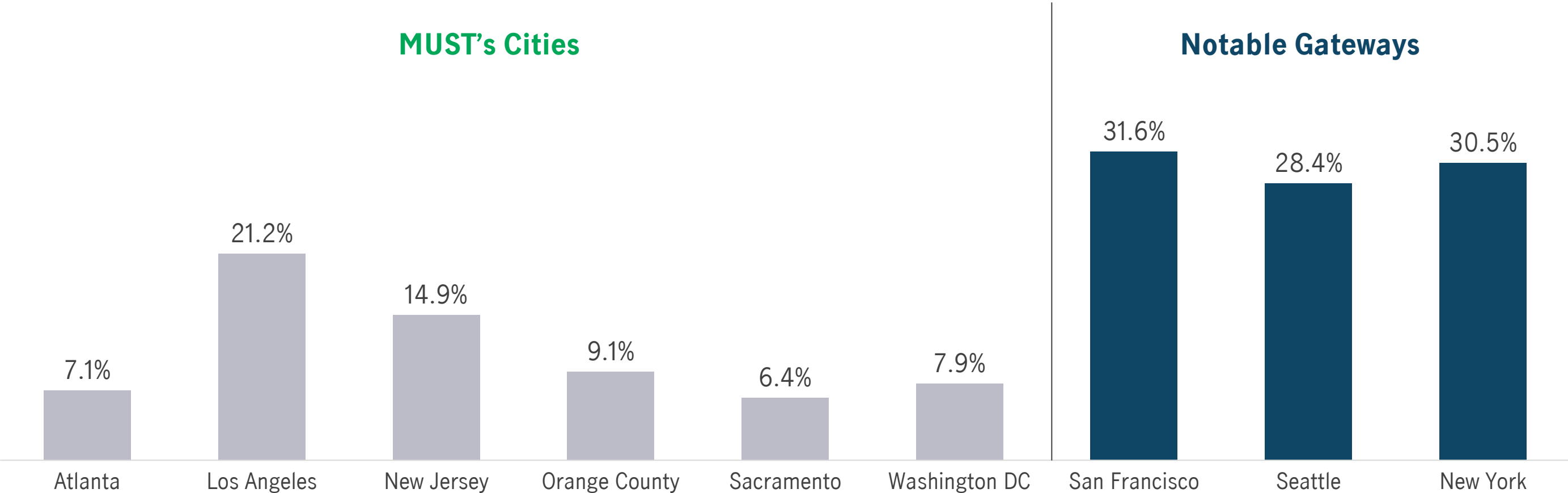
Vacancy includes old/incomparable buildings

Fairfax Center

Supply of quality office product in submarket is limited.

MUST markets better *insulated* from sublease dynamics

Sublease market as at 31 Dec 2020¹ (%)



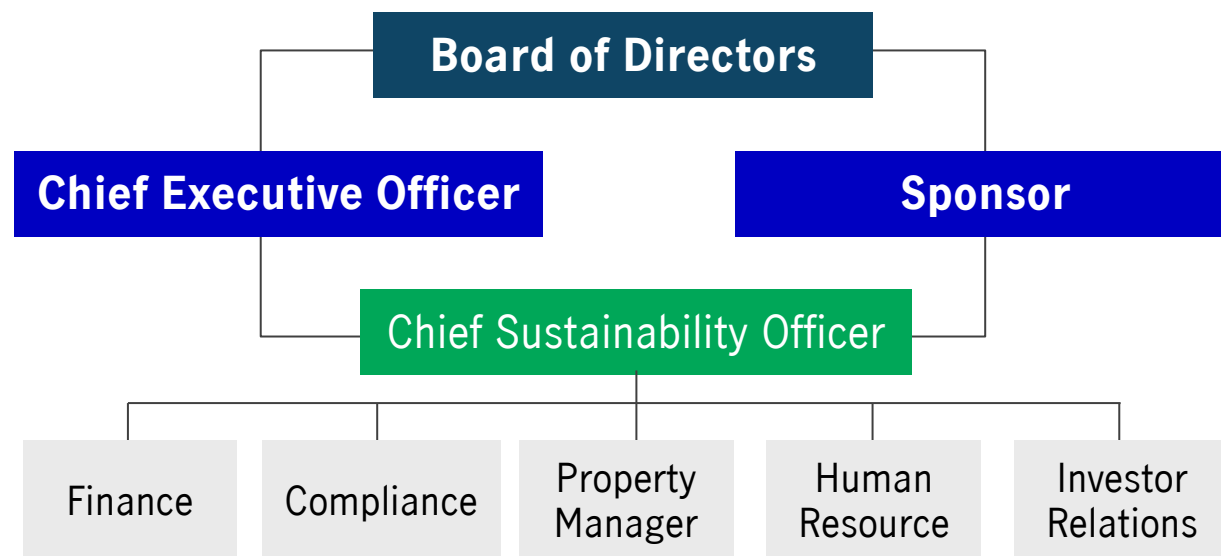
Appendix: ESG Highlights



Our *ESG* structure and approach

Sustainability steering committee

Committee was established in 2017 to drive sustainability strategies/action plans, set targets, oversee monitoring processes and review performance



Our sustainability focus



Sustainable properties

Create value for tenants by reducing the environmental impact of our properties and generating sustainable value for our Unitholders



External relations

Understand and meet the needs of the investment, tenant and local communities through regular and effective engagement initiatives



Human capital

Attract and retain talent by cultivating a positive work environment that focuses on diversity, equal opportunities, training, health and wellness



Ethical corporate behaviour

Ensure continued adherence to rules and regulations through the highest standards of governance and best practices by employing stringent corporate compliance and internal audit practices

Taking care of *stakeholders* during COVID-19



Tenants

- ✓ Issued return to office guidebook
- ✓ Upgraded air filters
- ✓ Increased frequency of cleaning
- ✓ Implement social distancing measures in buildings

Investors

- ✓ First S-REIT to hold virtual AGM
- ✓ Met with ~1,700 investors, analysts and media
- ✓ Produced 'on-the-ground' video to showcase Downtown LA & asset during COVID-19
- ✓ Published sustainability and thought leadership pages on website

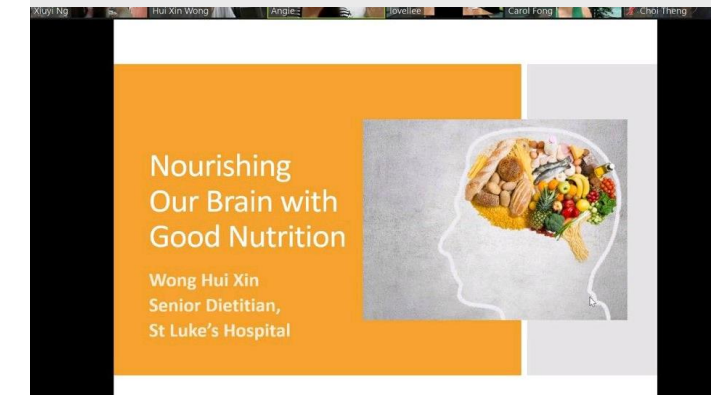


Local community

- ✓ Donated hand sanitisers, surgical and reusable masks to Methodist Welfare Services (MWS)
- ✓ Donated surgical masks to St. Luke's Hospital
- ✓ Distributed biscuits to Migrant Worker Centre
- ✓ Virtual gardening with MWS elderly

Employees

- ✓ Provided employees with thermometers, surgical and reusable masks
- ✓ Delivered fruit baskets to employees and their families
- ✓ Organised health workshops and webinars on mental and physical well-being
- ✓ Engaged staff via virtual 'Breakfast on the House'



Achieving ESG *excellence*

Global Real Estate Sustainability Benchmark 2020

Public Disclosure **A**

Ranked **1st** out of 10 peers
(Asia | Office)

Real Estate Assessment **5 Green Stars**

Ranked **4th** out of 15 peers
(U.S. | Listed | Office)

Governance Index for Trust 2020

4th out of 45 Singapore REITs and Business Trusts

Singapore Governance Transparency Index 2020

9th out of 45 Singapore REITs and Business Trusts

Certifications



LEED™ Platinum

Capitol



LEED™ Gold

Michelson, Exchange, Penn, Phipps



Energy Star®

Figueroa, Michelson, Peachtree, Plaza, Exchange, Phipps, Capitol

07

Appendix: About MUST



Figueroa, Los Angeles

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	320.0	319.0	203.1	114.6	333.0	176.5	212.1	118.5	196.0
Occupancy (%)	93.0	84.4	90.4	96.7	94.8	99.2	100.0	91.7	93.3
NLA (sq ft)	713,789	533,375	558,510	466,496	737,207	278,063	475,778	420,013	500,662
WALE by NLA (years)	3.3	5.6	4.8	7.1	5.8	4.0	6.7	5.9	5.0
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
No. of Tenants	29	13	24	8	24	10	10	19	39

Data as at 31 Dec 2020

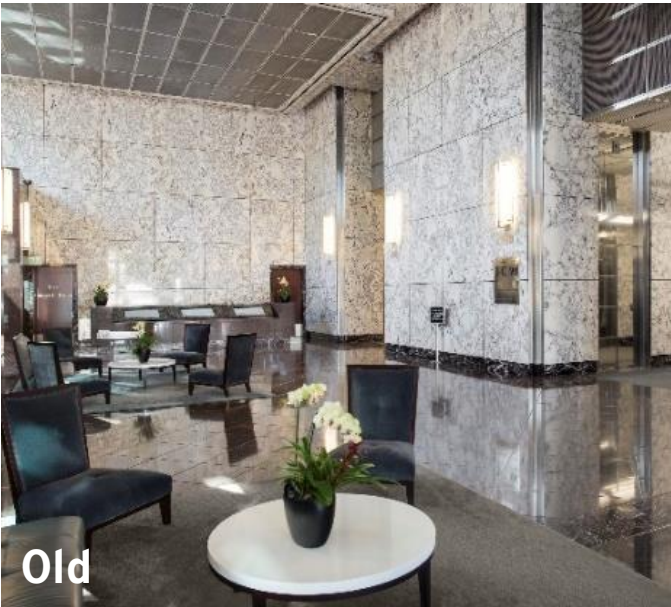
(1) Based on 31 Dec 2020 appraisals

Keeping Figueroa and Exchange relevant and *refreshed* with AEs

Figueroa:

US\$10 m Lobby Renovation

New ceiling, lighting, flooring, access control system, cameras, security desk and entrance signage, + new café opening soon



Exchange:

US\$8 m Lobby Renovation

New ceiling, lighting, flooring, access control system & turnstiles, front security desk, entrance signage, revolving doors



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	MUST
DPU Yield	3.9% ²	7.8%	7.8%³
U.S. Withholding Taxes	(1.2%)	-	-
Net Yield – Singapore Retail Investor	2.7%	7.8%	7.8%
Net Yield – Singapore Institutions	2.7%	6.5% ⁴	7.8%
Net Yield – Foreign Institutions	2.7%	7.0% ⁵	7.8%

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 20 Office REITs listed in U.S. as at 5 Feb 2021

(3) Based on FY 2020 DPU of 5.64 US cents and closing price of US\$0.72 as at 5 Feb 2021

(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

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