



Manulife US REIT Presentation

14 November 2018

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Contents

1 Introduction and Overview

2 Financial and Portfolio Highlights

3 Summary

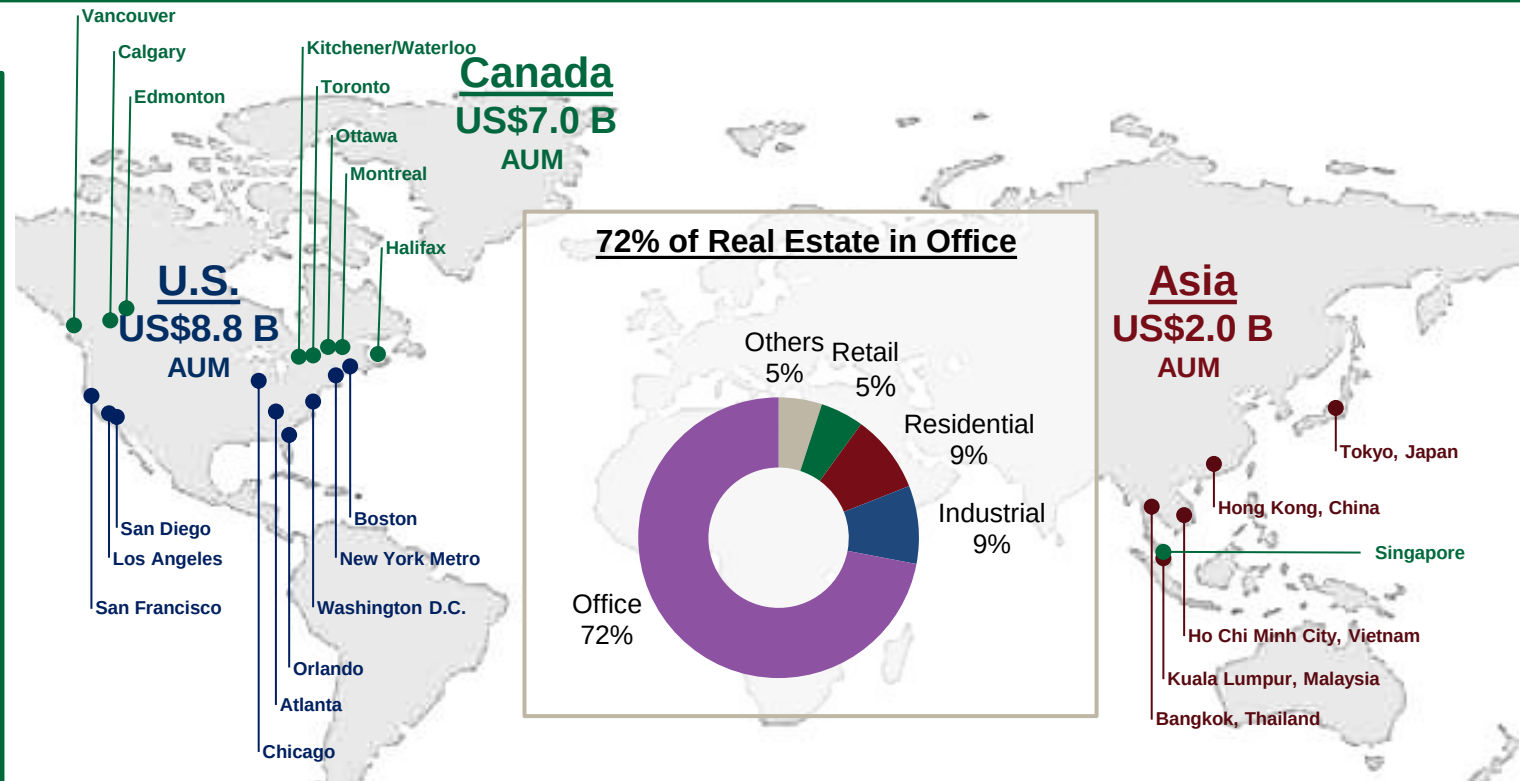
Exchange, Jersey City, New Jersey

Introduction and Overview

Reputable Sponsor with Proven Track Record in Property Management

Vertically-Integrated Real Estate Platform: Global Real Estate AUM of US\$17.8 b

Sponsor



More than 80 years of experience in real estate

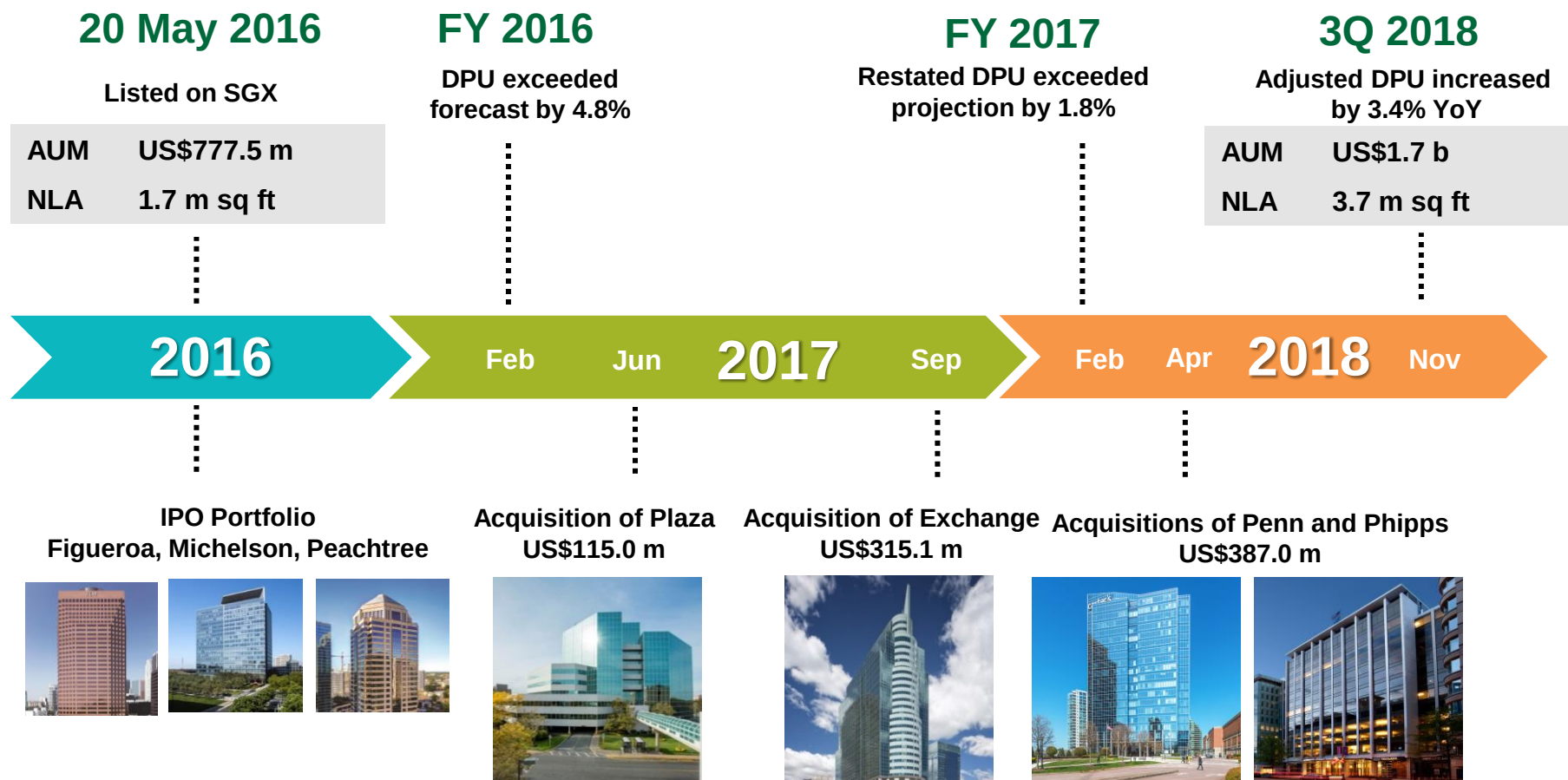
Over 540¹ real estate professionals in 23 offices globally

John Hancock AUM of US\$8.8 b and strong leasing network of >1,000 tenants

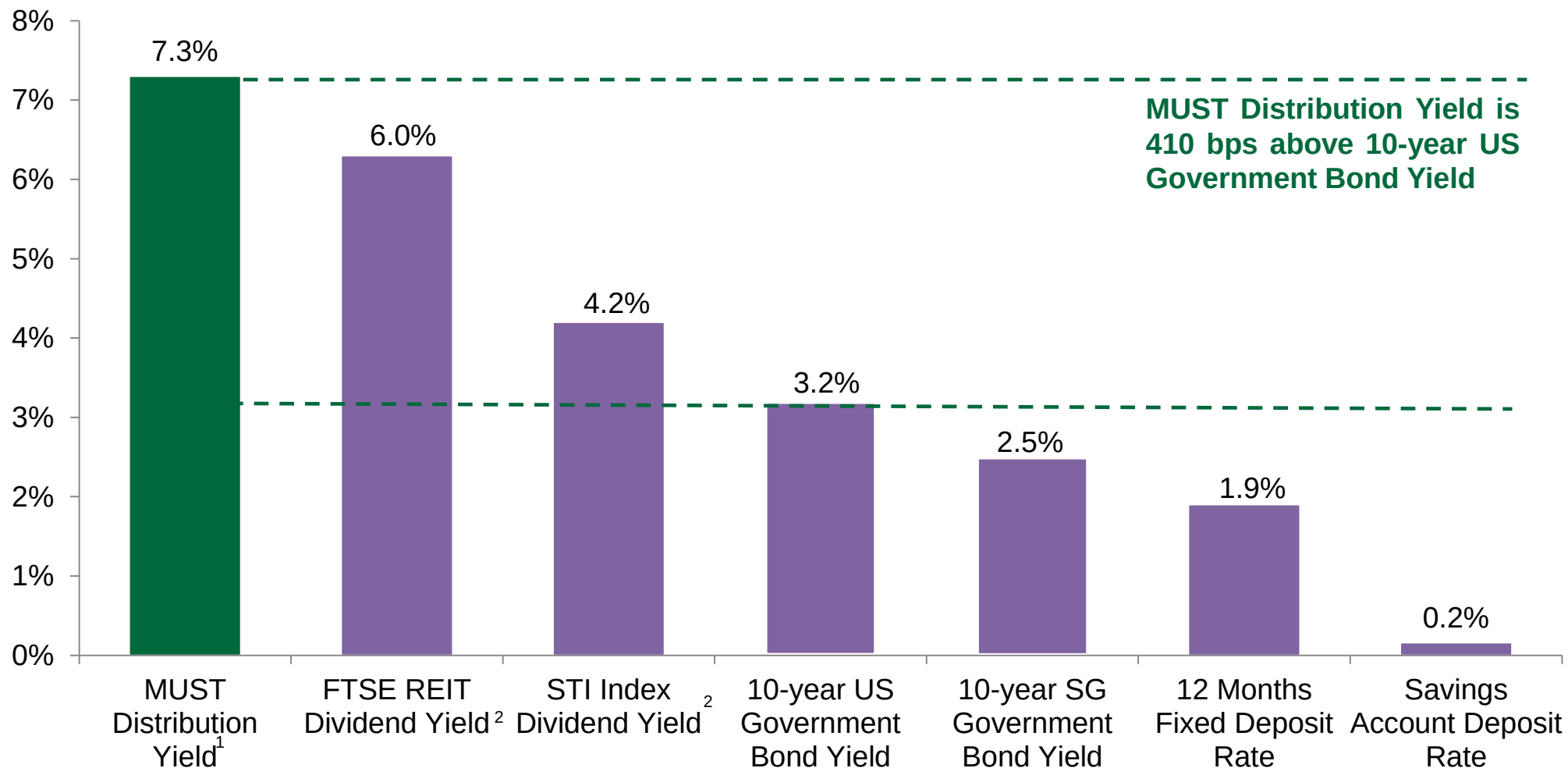
Note: All AUM in fair value basis as at 30 Sep 2018

(1) As of 30 Sep 2018, headcount no longer includes part-time, contingent and on leave employees

MUST's Key Milestones since IPO



Distribution Yield of MUST vs. Other Investments



(1) Manulife US REIT FY 2018 distribution yield is based on Bloomberg analyst consensus over unit price of US\$0.78 as at 9 Nov 2018

(2) Based on Bloomberg 2018 estimates as at 9 Nov 2018

Source: Bloomberg as at 9 Nov 2018

Peachtree, Atlanta, Georgia



Financial and Portfolio Highlights

3Q 2018 Key Highlights

DPU Growth

Net Property Income

US\$25.1 m

▲ 74.9% YoY

Distributable Income

US\$19.3 m

▲ 64.9% YoY

Distribution per Unit

1.51 US Cents

▲ 33.6% YoY

Adjusted DPU of 1.52 US cents, increased 3.4% YoY

Strong Leasing Momentum

Occupancy Rate

96.5%¹

Increased occupancy for four properties

WALE

6.0 years

Rental Reversion

+13.5%²

Eight leases signed in 3Q 2018³

100%⁴ Fixed Rate Loans

Gearing Ratio

37.4%

Weighted Average Debt Maturity

3.0 years

Weighted Average Interest Rate

3.27%

(1) Committed occupancy (includes signed leases where tenant has not yet assumed occupancy) as at 30 Sep 2018

(2) Weighted by NLA. Excludes one lease that does not meet rental reversion criteria

(3) NLA of ~69,000 sq ft, amounting to 1.9% of Portfolio by NLA

(4) Excludes drawn good news facilities of US\$0.8 million

Healthy Balance Sheet and Capital Management

	As at 30 Sep 2018 (US\$'000)
Investment Properties	1,725,409
Total Assets	1,772,082
Borrowings	658,481 ¹
Total Liabilities	731,477
Net Assets Attributable to Unitholders	1,040,605
NAV per Unit (US\$)	0.82
Adjusted NAV per Unit (US\$)	0.80 ²

- (1) Net of upfront debt related unamortised transaction costs of US\$3.9 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 30 Sep 2018



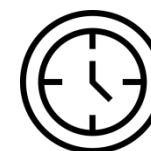
Gross Borrowings
US\$662.4 m



Gearing Ratio
37.4%³



Weighted Average Interest Rate
3.27%



Weighted Average Debt Maturity
3.0 years



Interest Coverage
4.4 times⁴

Trophy and Class A Assets Across the U.S.



As at 30 Sep 2018	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps	Portfolio
NLA (sq ft)	701,977	532,663	557,589	461,525	730,823	277,315	475,199	3.7 m
WALE (by NLA)	4.8 years	3.7 years	5.2 years	7.7 years	6.2 years	6.1 years	9.2 years	6.0 years
Occupancy (%)	94.3	96.0	93.3	98.9	96.2	100.0	100.0	96.5
Property Value ⁽¹⁾ (US\$)	328.6 m	342.0 m	203.0 m	119.6 m	338.0 m	187.0 m	207.2 m	1.7 b
Avg Gross Rent (US\$ psf p.a.)	40.81	51.19	32.48	30.74	39.36	52.02	35.52	39.65 ⁽²⁾

(1) Based on carrying value as at 30 Sep 2018

(2) Weighted by NLA

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 1m 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

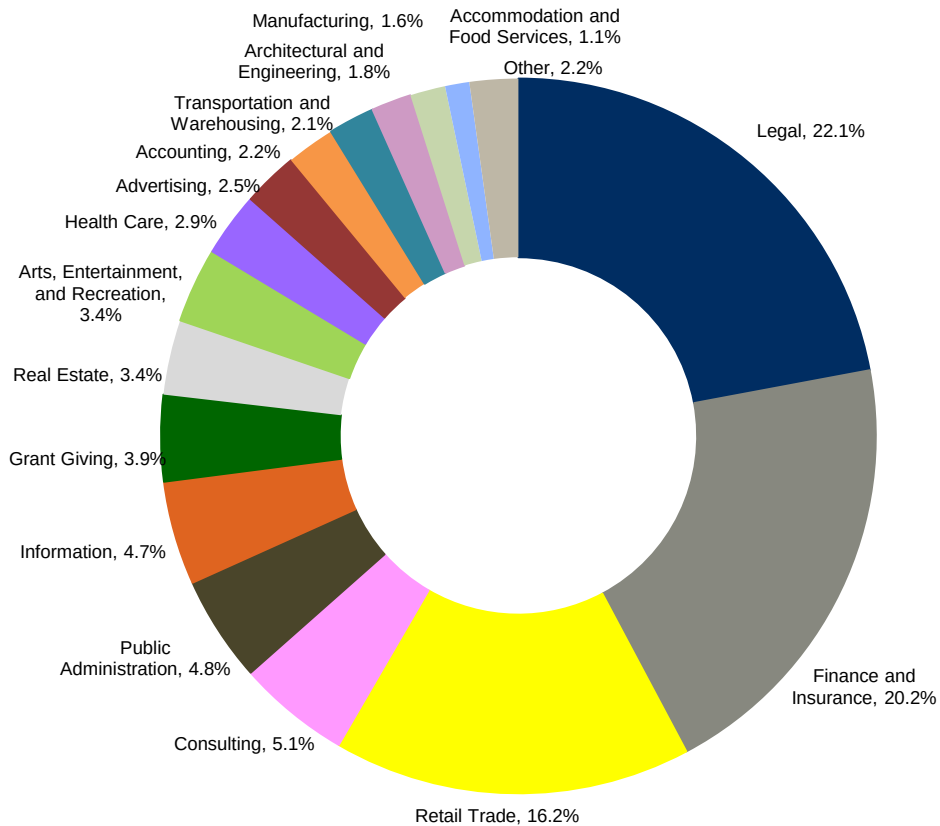


Washington, D.C.

- 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
- Preeminent commercial district commands higher rents with low vacancy

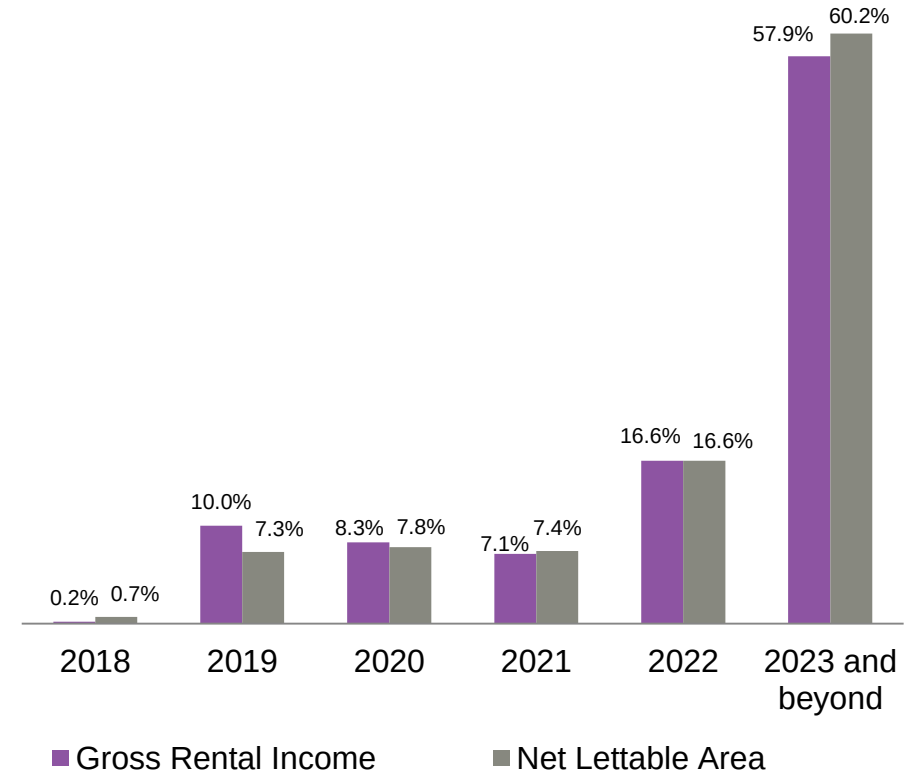
Quality, Diversified Tenant Base and Long WALE

Gross Rental Income Breakdown by Trade Sector



Amounts may not sum to 100% due to rounding
Data as at 30 Sep 2018

Long WALE of 6.0 Years



Limited Supply in Our Cities

Market	Properties Under Construction to be delivered from 2018 – 2020 ('000 sq ft)	Class A Inventory		Manulife US REIT ¹		
		Vacancy (%)	Gross Asking Rent per sq ft (US\$)	Properties	Vacancy (%)	Gross Passing Rent (US\$)
Downtown Los Angeles	0	13.5	43.15	Figueroa	5.7	40.81
Irvine, Orange County	0	17.6	35.72	Michelson	4.0	51.19
Midtown Atlanta	1,131 ²	9.1	38.59	Peachtree	6.7	32.48
Meadowlands ³	0	11.2 ⁴	29.78	Plaza	1.1	30.74
Hudson Waterfront ⁵	0	17.4	42.18	Exchange	3.8	39.36
Washington, D.C.	1,264 ⁶	11.6	54.98	Penn	0.0	52.02
Buckhead Atlanta	0	14.1	37.40	Phipps	0.0	35.52

Source: CoStar Market Analysis & Forecast – As at 4 Oct 2018

(1) Data as at 30 Sep 2018

(2) Approximately 50% pre-leased

(3) Secaucus is within the Meadowlands submarket

(4) Plaza's competitive set has vacancy rate of only 6%

(5) Jersey City is within the Hudson Waterfront submarket

(6) Of the properties under construction, only ~154,000 is directly comparable to Penn and is approximately 100% pre-leased



itol Building

Department of Commerce

Washington Monument

National Mall

DAR - Constitution Hall

White House

Department of Treasury

Pennsylvania Avenue

Lafayette Square

Executive Offices

17th Street

1750 PENNSYLVANIA AVENUE

Federal Reserve

Federal Deposit Insurance Corporation

World Bank

World Bank

Summary

Pennsylvania Avenue

18th Street

Summary



Macro Environment

- Limited trade war impact to date
 - ✓ 3Q 2018 GDP growth +3.5%
 - ✓ Increased consumer and government spending in the quarter
 - ✓ U.S. unemployment decreased to 3.7%
- Impact of rate hikes mitigated by 100%¹ fixed debt and rental escalations
- Riding out global uncertainties with high quality portfolio - strong occupancy and long WALE



Micro Environment

- Included in Phillip SING Income ETF listed 29 Oct 2018
- Continue to drive strong leasing momentum
- Focus on 2019 renewals
- Opportunistic acquisitions in strong growth markets with desirable Live, Work, Play environment

(1) Excludes drawn good news facilities of US\$0.8 million



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3Q 2018 Adjusted DPU¹ Increased 3.4% YoY

	3Q 2018 (US\$'000)	3Q 2017 (US\$'000)	Change (%)	YTD Sep 2018 (US\$'000)	YTD Sep 2017 (US\$'000)	Change (%)
Gross Revenue	40,379	23,037	75.3	104,053	62,776	▲ 65.8
Net Property Income	25,147	14,381	74.9	65,174	39,933	▲ 63.2
Net Income	13,470	9,271	45.3	44,011	39,021	▲ 12.8
Distributable Income	19,257	11,675	64.9	51,395	32,075	▲ 60.2
DPU (US cents)	1.51	1.13 ²	33.6	4.04	4.35	▼ (7.1) ³
Adjusted DPU¹ (US cents)	1.52	1.47	3.4	4.53	4.42	▲ 2.5

(1) Adjusted DPU was calculated based on the weighted average number of Units in issue, which normalises the impact of the enlarged Unit base from Preferential Offering in 2018 and Rights Issue in 2017

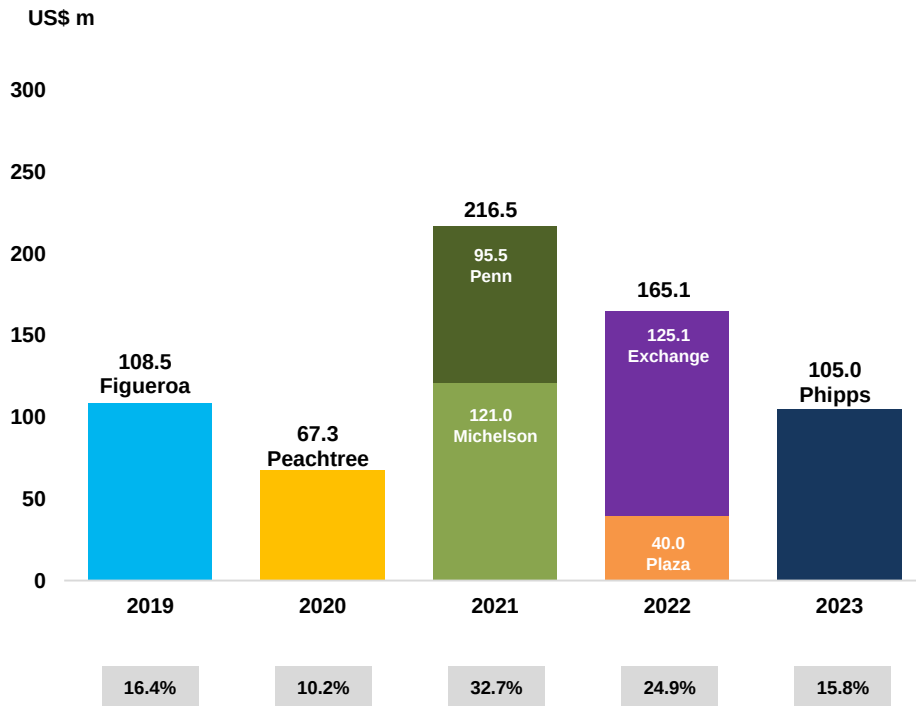
(2) 3Q 2017 DPU of 1.13 US cents was computed based on the enlarged Unit base from Rights Issue used to partially fund Exchange acquisition while there was no income from Exchange included in 3Q 2017 DPU since Exchange was only acquired on 31 Oct 2017 (U.S. Time). As such, 3Q 2018 DPU is 33.6% higher than 3Q 2017 DPU.

(3) YTD Sep 2018 DPU was lower largely due to the drag from the enlarged Unit base from the issuance of Preferential Offering to partially fund Penn and Phipps acquisitions, while income contribution from Penn and Phipps was only from acquisition date of 22 Jun 2018 (U.S. Time)

Disciplined and Prudent Capital Management

100%¹ Fixed Rate Loans Mitigate Impact of Rate Hikes

Well-spread Debt Maturity Profile²



Capital Management Strategy

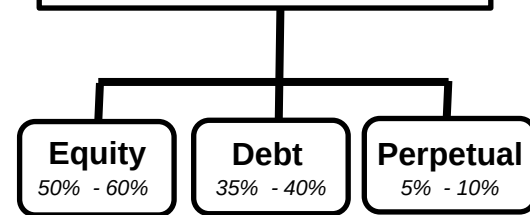
Increase financial flexibility

Diversify sources of funding

Lengthen weighted average debt maturity

Long-term Capital Structure

Unencumber properties



(1) Excludes drawn good news facilities of US\$0.8 million
(2) Excludes undrawn good news facilities and revolving credit facilities

Tax Structure¹

Predominantly Supported by Four Pillars

1

Parent US REIT Structure

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

2

US Portfolio Interest Exemption Rule

- No 30%² withholding tax on interest and principal on shareholder's loan

3

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

- Barbados limited partnerships³ are “fiscally transparent”
- Interest income on intercompany loans are taxed in Barbados and principal repayments are not subjected to tax

4

Foreign Sourced Income

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

- (1) As at 1 Jan 2018. Please refer to the SGX announcement dated 2 Jan 2018 titled “Redemption of Preferred Shares by U.S. REITs and Proposed Establishment of Wholly-Owned Entities” for details of the restructuring undertaken by MUST
- (2) 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
- (3) The Barbados Limited Partnerships have extended loans to the Parent U.S. REIT and the interest income on the loans is taxed in Barbados
- (4) 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 US – applies to pillars 1 and 2 above
- (5) 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
- (6) Subject to 30% withholding tax
- (7) Each Sub holds an individual property

