MANULIFE US REAL ESTATE INVESTMENT TRUST (“Manulife US REIT”)

(Constituted in the Republic of Singapore pursuant to a
Trust Deed dated 27 March 2015 (as amended and restated))

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7 One Marina Boulevard, Singapore 018989
DATE	:	Thursday, 18 April 2024
TIME	:	10:00 a.m.
IN ATTENDANCE[1]	:	**<u>Directors of the Manager (“Directors”)</u>** • Mr Marc Lawrence Feliciano – Chairman, Non-Executive Director and Nominating and Remuneration Committee Member • Professor Koh Cher Chiew Francis – Lead Independent Director, Non-Executive Director, Audit and Risk Committee Member and Nominating and Remuneration Committee Member • Ms Veronica Julia McCann – Independent Non-Executive Director and Audit and Risk Committee Chairman • Dr Choo Kian Koon – Independent Non-Executive Director and Nominating and Remuneration Committee Chairman; and • Mrs Karen Tay Koh – Independent Non-Executive Director, Audit and Risk Committee Member and Nominating and Remuneration Committee Member Ms Coco Ling Chui Shee – Company Secretary **<u>Management Team of the Manager (“Management”)</u>** • Mr William David Gantt III – Chief Executive Officer (“**CEO**”) • Mr John Casasante – CEO and Chief Investment Officer Designate (“**CEO and CIO Designate**”) • Mr Mushtaque Ali – Chief Financial Officer Designate (“**CFO Designate**”) • Mr Chong Chia Yee – Head of Finance • Ms Daphne Chua – Chief Compliance Officer **<u>Via Video-conference</u>** • Robert Wong Teck Ling – Chief Financial Officer (**“CFO”**) **<u>Others</u>** • Representatives from Ernst & Young LLP – Independent Auditors • Representatives from Allen & Gledhill LLP - Legal Counsel to the Manager • Representative from DBS Trustee Limited – Trustee to the Manager
PRESENT	:	Unitholders and invitees as set out in the attendance record maintained by Manulife US REIT
CHAIRMAN	:	Mr Marc Feliciano

[1] Parties were physically present at the AGM unless otherwise stated.

1. INTRODUCTION

1.1. Mr Marc Feliciano introduced himself as the Chairman of the Manager and the Annual General Meeting (the "**Chairman**") and welcomed the attendees to the Annual General Meeting of Manulife US REIT (the "**AGM**").

1.2. The Chairman thanked the Unitholders of Manulife US REIT (the "**Unitholders**") for taking the time to attend the AGM and for submitting their questions in advance of the AGM. The Chairman also informed the Unitholders that the responses to the questions submitted have been published on SGXNet and Manulife US REIT's corporate website on 12 April 2024.

1.3. Thereafter, the Chairman requested that all Unitholders switch their mobile phones and devices to silent mode before the commencement of the AGM.

2. QUORUM

2.1. As a quorum was present, the Chairman of the Manager declared the AGM opened at 10:00 a.m. and introduced the Directors and Management who were present at the meeting including Mr Mushtaque Ali as CFO Designate, Mr John Casasante as CEO and CIO Designate and Mr Tripp Gantt as Outgoing CEO.

3. PRESENTATION BY THE CHIEF FINANCIAL OFFICER DESIGNATE TO UNITHOLDERS

3.1. The CFO Designate of the Manager, Mr Mushtaque Ali, shared a presentation on Manulife US REIT's FY2023 Performance to provide Unitholders with an overview of Manulife US REIT's financial and operational performance for FY2023. A copy of the presentation slides is available on SGXNet and Manulife US REIT's website.

4. NOTICE

4.1. With the consent of the Unitholders present, the Notice of the AGM and Manulife US REIT's Annual Report containing, among others, the Manager's Statement, the Audited Financial Statements of Manulife US REIT for the financial year ended 31 December 2023 and the Auditor's Report were taken as read.

5. POLL VOTING

5.1. The Chairman informed Unitholders that, in his capacity as Chairman of the Meeting, he had been appointed as proxy by the Unitholders and would be voting in accordance with their wishes.

5.2. The Chairman then informed Unitholders that all resolutions tabled at the AGM will be voted on by way of poll, in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**" and the listing rules of SGX-ST, the "**Listing Manual**").

5.3. The Chairman noted that polling in relation to all resolutions will be conducted electronically via wireless handsets and the voting will take place immediately after each motion has been duly proposed.

5.4. The Chairman then affirmed Unitholders that all resolutions to be tabled at the AGM, as set out in the Notice of AGM dated 27 March 2024, will be proposed by him and that he will declare the results of the poll for each resolution, after the voting is closed.

5.5. The Chairman highlighted that the results of the poll of all votes will be rounded to the nearest two decimal places.

5.6. The Chairman noted that DrewCorp Services Pte Ltd has been appointed as scrutineers for the poll and that Boardroom Corporate & Advisory Services Pte Ltd has been appointed as the polling agent.

5.7. The Chairman further informed the Unitholders that the validity of proxy forms submitted by eligible Unitholders by the submission deadline on 15 April 2024 at 10:00 a.m. had been reviewed and the votes of all such valid proxies counted and verified. The Chairman then invited a representative from the polling agent to conduct a test poll following a short video that was played to explain the voting process.

5.8. A Representative from the polling agent, then proceeded to carry out the test poll. Following the test poll, the Representative handed the proceedings of the AGM back to the Chairman.

5.9. The Chairman requested Unitholders to raise their questions or comments after the motion in respect of the relevant agenda item had been proposed. The Chairman also reminded Unitholders that in due consideration to others, that each Unitholder limit him/herself to a reasonable number and length of questions and comments and to matters that are relevant to the agenda for the AGM. The Chairman then noted that questions outside the agenda of the AGM will be taken after the conclusion of the AGM.

6. QUESTION AND ANSWER SESSION

6.1. Chairman proceeded to open the floor to any other questions relevant to the agenda of the AGM. Unitholders physically present at the Meeting were invited first to ask questions.

6.2. The summarised questions and the responses are set out in the attached Appendix A.

6.3. The Minutes of this AGM along with the responses to all relevant and substantial questions received from Unitholders would be announced via SGXNet0 and uploaded on Manulife US REIT's website.

7. ORDINARY BUSINESS:

7.1. REPORTS AND AUDITED FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1

The Ordinary Resolution 1 as set out in the Notice of AGM was proposed by the Chairman, the motion was put to vote and the results of the poll for Ordinary Resolution 1 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
421,202,524	99.44	2,381,253	0.56	423,583,777	100.00

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:

"That the Report of DBS Trustee Limited, as trustee of Manulife US REIT, the Statement by the Manager and the Audited Financial Statements of Manulife US REIT for the financial year ended 31 December 2023 together with the Auditors' Report be received and adopted."

7.2. RE-APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION 2

The Meeting noted that the Auditors of Manulife US REIT, Messrs Ernst & Young LLP, had expressed their willingness to continue in office and Unitholders were asked to consider and approve their re-appointment.

The Ordinary Resolution 2 as set out in the Notice of AGM was proposed by the Chairman, the motion was put to vote and the results of the poll for Ordinary Resolution 2 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
422,519,724	98.97	4,400,453	1.03	426,920,177	100.00

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:

"That Messrs Ernst & Young LLP be re-appointed as Auditors of Manulife US REIT to hold office until the conclusion of the next Annual General Meeting of Manulife US REIT, and to authorise the Manager to fix their remuneration."

SPECIAL BUSINESS

7.3. AUTHORITY TO ISSUE UNITS – ORDINARY RESOLUTION 3

The text of Ordinary Resolution 3 as set out in the Notice of AGM was proposed by the Chairman, the motion was put to vote and the results of the poll for Ordinary Resolution 3 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
358,268,368	84.53	65,574,151	15.47	423,842,519	100.00

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:

*"That pursuant to Clause 5 of the trust deed constituting Manulife US REIT (as amended and restated) (the "**Trust Deed**") and listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Manager be authorised and empowered to:*

*(a) (i) issue units in Manulife US REIT ("**Units**") whether by way of rights, bonus or otherwise; and/or*

*(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,*

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with subparagraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units that may be issued under subparagraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed;

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by the Unitholders in a general meeting of Manulife US REIT, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Manulife US REIT or (ii) the date by which the next AGM of Manulife US REIT is required by applicable laws or regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Manulife US REIT to give effect to the authority conferred by this Resolution."

8. CONCLUSION

There being no other business, the Chairman declared the AGM of MUST closed at 11.55 a.m. and thanked everyone for their attendance.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

MARC FELICIANO
CHAIRMAN

APPENDIX A

MANULIFE US REAL ESTATE INVESTMENT TRUST ("MUST")

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 27 March 2015 (as amended and restated))

SUMMARY OF QUESTIONS AND ANSWERS DEALT DURING ANNUAL GENERAL MEETING HELD ON THURSDAY, 18 APRIL 2024 (the "AGM")

Question 1	**:**	**The mission and vision as stated on MUST's AR is as follows. The mission is to provide Unitholders with sustainable distributions while maintaining an appropriate capital structure. The vision is to be the leading U.S. office real estate investment trust backed by a portfolio of high-quality properties. Is this vision and mission one that is achievable, particularly in terms of sustainable distributions?**
Response (Marc Feliciano)	:	Our goal is to re-generate sustainable distributions. The focus of last year was to focus on stabilisation, recovery and growth, and we had accomplished this at the end of last year with the restructuring of the loans with the lenders. A big part of that is stabilising the existing US portfolio from an operational perspective and to move towards recovery thereafter. Part and parcel of that involves going through dispositions to pay down debt. We do have debt maturities due in May 2025, amounting to approximately US$131 million. As part of that restructuring, the agreement with the lenders was to suspend the distributions. Part of that was to stabilise the balance sheet, and in turn, to buy more time as part of the agreement through 2025. We do hope that in buying more time, which was a key objective of the restructuring, that the markets will begin to heal. MUST is beginning to see green shoots on the operational side in terms of leasing activity, with big anchor leases returning to the market, including some of the sub-markets that our current portfolio operates in. The goal is to stabilise the current office portfolio. As discussed in the meeting last December, we are of the view that there are lot of great opportunities over the next 3 years. Those opportunities will be present in other sectors that require less capital expenditure ("**CAPEX**"), which means that leasing will have less on an impact on cashflow as a result of CAPEX spending. Offices are known to be one of the heaviest CAPEX intensive sectors. In the vein of reinstating a sustainable distribution, we will look to pivot to where we can not only create unitholder value in these other sectors, but at what we think will be at attractive pricing over the next 3 years – but also into sectors which require minimal CAPEX. Lastly and the most important question that you have asked is if we believe that we can do this. As many of you know, it is public information that I personally purchased stock as well as a couple other board members. We, like you, do not simply buy stock without a convincing reason. So, I personally do believe that we will accomplish the goals of the restructuring through 2025. As noted in December last year, we see a path to re-instate distributions before the end of 2025, and that would be a key objective for MUST. We will need markets to co-operate without a doubt. But we will also need great execution by the new team and the existing management team. I, together with the other board members, personally believe that we can do this.

Question 2 : **The key management team has been changing on numerous occasions. This includes the change in the Chairman as well. Could we have more information on that? Is this a decision spearheaded and decided by the parent entity of MUST?**

Response (Marc Feliciano) : As mentioned in the announcements as well as our responses to analysts, the existing C-Suite have collectively decided to pursue other opportunities or to leave for family and/or personal reasons. Given the situation, we as the Board and the Sponsor used it as an opportunity to bring in a new CEO and CIO given what we need to do for the next 2 years.

Mr John Casasante, as the designate Chief Executive Officer ("**CEO**") and Chief Investment Officer ("**CIO**") for Manulife US REIT, will remain in the United States to focus on our existing portfolio. John brings a tremendous amount of property experience. He knows just about every major broker (i.e., tenant representatives who represents all the big anchor tenants, agency brokers) and most importantly, many of the capital markets/sales brokers in each of the markets that we operate in. Hence, he will bring a different skillset. Given what we need to accomplish and achieve, we used that as an opportunity to bring in John.

Mr Mushtaque Ali is an internal candidate. He has been in the private market sector and real estate sector prior to moving to Singapore and before becoming Head of Southeast Asia Finance of Manulife Investment Management. Mushtaque is very familiar with the real estate industry over his career and so, he will bring a real estate touch to the strategic Chief Financial Officer ("**CFO**") role that will be important as we execute the strategy.

Response (Mushtaque Ali) : One thing I would like to add, is to remember that we are in unprecedented times when it concerns interest rates. The market has not seen these type of interest rates in over a decade and this is not going to last forever. Everybody knows that good news is on the way. But the timing of that is not known. So, as the interest rates go down and as the market rebounds, there will be a lot of opportunities which we still believe that can generate value for our investors – the combination of the two gives us a lot of optimism. As Marc said, I have been close to the real estate industry. This is my passion and when I joined, I believed in this strategy for MUST and I think this is going to work. So, my heart is definitely in this.

Question 3 : **Given that MUST has been trying to sell its properties that are of lower quality and there has not been much progress on that since the initial re-capitalisation, is the management of MUST considering the sale of the whole portfolio?**

Response (Marc Feliciano) : We are not running the REIT or the REIT's portfolio based on hope – regardless of what happens with the interest rates. The execution of this strategy is not dependent on whether interest rates decrease. When interest rates drop, it helps buyers and improves liquidity. A normal rate structure curve certainly helps as opposed to something that inverses yields (i.e., a C-curve or flat curve). The return to normalcy would help. We will get there at some point.

We are required to sell approximately US$330 million of assets by 30 June 2024. We had an Extraordinary General Meeting to obtain the mandate from Unitholders to execute sales all the way through to 31 December 2025. We also considered liquidating the portfolio as we said last year. However, when we got through the analysis, including the due diligence of the market in which we operate, we found that for the office sector, that would lead to portfolio discounts. There is no portfolio premium. We are optimising across many factors including minimising the discount to the valuation. We would not have done the re-capitalisation if we did not think that there was light at the end of the tunnel. We do think that two years will give us a decent amount of time to conclude a reasonable number of sales.

Our first goal is to pay off US$130.7 million of debt due in May 2025.

The reason why we talk about stabilisation, recovery and growth is because as we get into recovery and growth, what may appear as destruction of unitholder value through crystallisation or sales of properties, is, as we move into the recovery and growth phase of the market, the remaining assets that we keep will recover and will appreciate. We do believe that there should be a lift in the price if we execute and that will give us an opportunity to access a cheaper cost of capital and balance or combine a cheaper cost of capital on the debt side, particularly as we pivot into other sectors.

The next 3-year period will have some wonderful investment opportunities that John and I probably have not seen in the last 30 years including the Great Financial Crisis. That will also allow us to grow in asset value, because, to Mushtaque's point, at some point, there will be some return to normalcy. While we will always focus on the 10-year long-term part of the curve, there is a 3-year and 5-year floating rate financing, and also some fixed rate financing at the 5-year point. When we return to the normal interest rate structure where it is no longer the flatter inverse, the shorter end of the curve will be lower than where it is today relative to the 10-year. We hope that the return to normalcy for the interest rate structure will allow us to access shorter term financing as opposed to longer term financing. There is light at the end of the tunnel, but we do need a return to normalcy. In this regard, we had reached an agreement with the lenders for a 2-year moratorium.

Question 4 : **Please provide an update on MUST's plan to dispose US$328.7 million worth of assets by 30 June 2025?**

Response (Marc Feliciano) : Without providing details on the specific properties to prevent our portfolio from getting exposed, we have begun that disposal process. In a market like this, there are 4 phases of the cycle (i.e., contraction, recovery, growth and slowdown). We are currently still in the contraction phase. We are seeing green shoots that may push us into the early bit of the recovery phase operationally.

Based on leasing activity, MUST is beginning to see some green shoots that is different from the pricing or capital markets cycle. When in the contraction phase of the property cycle, it is best not to opt for a traditional auction or go through a broker. We may still go through a broker in a limited off-market auction. That is where the relationships I referenced with John earlier, matter - knowing people in the market, knowing who the logical buyers are, in addition to the brokers, with the right execution strategy, is what is going to make a difference. Finding the right targeted buyer and not exposing ourselves and our portfolio – because once we get exposed, the market will wait for us to sell at fire-sale prices. We are being very deliberate and thoughtful in how we execute and which assets we intend to optimise, as best we can. Despite what might be a discount on the asset, we are looking at what the overall portfolio impact is. The current book value is around US$0.27 or US$0.28 as of the March quarter, and we are looking to minimise any disruption to that as much as possible.

Question 5 : **With the interest rate cuts, will the valuation of the properties increase and will the capitalisation rates reduce?**

The current capitalisation rate is pretty high in all the assets MUST is holding now, particularly the Tranche 1 Assets which are at a loss of about 30%. There is no capitalisation rate mentioned on the "Portfolio Overview" section of the Annual Report.

Could you tell us more about the current capitalisation rate and what the future capitalisation rate will be if we see the interest rates coming down? That may help to re-value the properties upward.

Response (Marc Feliciano) : As referenced during our meeting last December, historically, properties in the US have traded at a capitalisation rate spread to the 10-year treasury of 200 to 250 basis points.

MUST underwent a significant paradigm shift in office usage which meant a paradigm shift in pricing which added another 100 basis points to the existing 250 basis points giving us a 350 basis points spread to the 10-year treasury. If the 10-year treasury is going to settle around 3.5% at 350 basis points, we will have a 7% capitalisation rate. When talking about capitalisation rates at 1.5% or 2% prior to the pandemic or earlier at the 200 basis points, that is how the office and other property types are trading in the US.

But beyond that, the most important point is to look at the green shoots. There is liquidity on the balance sheets of particularly the big money-centred banks of the US. It is really whether it provides enough liquidity to borrowers or not, which currently they are not. Preparing for the worst-case scenario, there always is the central bank's intervention. So, there will be a tremendous amount of co-ordination if there is a significant deterioration. Nothing is worse in the US than stagflation. The Federal Reserve knows this, and they are not going to let it happen.

Question 6 : **MUST is in the contracting phase and has not moved to the recovery phase for the last couple of years. In relation to the type of commercial real estate that MUST owns, when is the best estimate that this will finally turn around, to the recovery phase?**

Response (Marc Feliciano) : Rather than giving you a forecast or an estimate, I am going to lay out the facts. So, when talking about cycles, we have the operating cycles, leasing, rent growth, supply and demand of buildings and office space or office inventory. We also have the capital markets cycle which has to do with the availability of debt/financing as well as the availability of equity which relates to pricing. Typically, what happens is that the operating cycle leads the capital markets cycle.

Statistically and factually, we have seen green shoots in the operating cycle beginning as of November 2023 and certainly by December 2023. We have seen a pick-up nationally for the office sector in roughly 14%-15% pick-up in leasing activity. We also see specific green shoots depending on the sub-market where a bunch of leasing activity has been contained to smaller tenants.

Question 7 : **Is the amount of tenant incentives required going up or has it stabilised. What is the estimated amount of tenant incentives which are required?**

Have tenant incentives and free rent started to trend down for the type of assets held by MUST?

Response (Marc Feliciano) : We are beginning to see greater activity among the bigger anchor tenants. Depending on the survey, there is roughly 5 billion square feet of office inventory in the US. Of that office inventory, there is only about 10%-12% of Best-in-Class/Class A types (i.e., the younger generation of 2016 vintage and younger) and that is a component of those 4.5 to 5 billion square feet. That 10% is approximately 95%+ leased.

The tenants that have been, in the last 2 years during this contraction phase, looking for space despite the space requirement reductions, have been gravitating towards that 10% of the total inventory. There is not much left as I noted, because relative to those 4.5 billion square feet, there is only 62 million square feet of office under construction. That alone is not going to satisfy the pent-up demand. What we are beginning to see as part of any normal operating market is that tenants looking at Best-in-Class/Class A are now looking at Commodity A asset types. They then gravitate down to Class B and Class B Plus asset types. This is because when you look at the Best-in-Class buildings, the rent for offices are higher than they were pre-pandemic.

The rent differentials for the top 10% buildings are, depending on the micro-market or the hyper-local market, anywhere from 75% to 100% higher than that Commodity A product or Class B product. So, tenants now have a real economic decision to make, because in the old days, when the difference between the Commodity A and Best-in-Class products was only 25%, tenants would reduce their office space requirements by 25% or 35%, and pay the higher rent per foot as the net dollars spent is neutral if not better. Tenants do not have that option anymore given the pricing difference. So, we are beginning to see that, and that trend has sustained all the way up till now, compared to November and December. Despite the operating cycle recovery, we need the capital markets cycle to improve to effect the asset sales that we are trying to do over the next year and a half.

Based on the data and the experience of our asset managers in these markets we have seen tenant improvement demands dropping from about US$200 a foot to US$125-US$150 a foot.

In the US, there is typically a free month of rent for every year of term. For example, for a 15-year term, sometimes tenants are looking for 24 months of free rent – the first 24 months of free rent, which initially did not make much sense, but we are now seeing that the free rent be staggered throughout the 15-year term. Again, we are seeing specific green shoots. This needs to be sustained. If it is sustained, then at some point, the capital market pricing will improve.

Question 8 : **The re-structuring plan was very well structured given the circumstances that MUST was in. At the same time, I am wondering if categorising our assets into different tranches would have hindered our flexibility because it has been a buyer's market out and out, of the kind that has probably not been seen, not because of the pandemic alone but because also of the work-from-home phenomenon, which continues, and also because of the capital market.**

So, was the sale of US$328 million worth of assets predicated on interest rates coming down (which was a reasonable assessment in November/December when we made it)?

The past 6 months seem to show us that the interest rate cycle might still not be supportive. So, could the Manager discuss with the Sponsor on the possibility of maybe coming in as a 50% owner of the Tranche 1 Assets?

I understand that the Sponsor is not interested in the Tranche 2 and Tranche 3 assets. But could it come in as an owner of 50% of the 2 Tranche 1 Assets – gives the Sponsor a great asset at a good price, which again could be negotiated between the Manager and Sponsor, giving Unitholders some exit? Because currently our Tranche 1 Assets, I understand they are weak, but they are also generating an average NPI in excess of 9.1%. When we sell this at a further discount to our December 2023 valuation, we are disposing them at a 12% NPI yield, and when we say that we are almost at the bottom of the cycle, it might make sense to hold on – but could we perhaps, bank on the Sponsor further supporting Unitholders through this tough time?

Additionally, MUST has this clause on performance fee where the Manager is entitled to a 25% performance fee on the incremental distributable income. So, this means that the incremental distributable income of a particular year or the immediately preceding year.

We had a distributable income of 4 to 5 cents. That goes down to zero. It will definitely go up once distribution resumes, after which the Manager will take 25% of that increase as a performance fee while the performance fee should really be an increment of whatever we have achieved in the past in terms of distributions.

As a good gesture to Unitholders, could the Manager look into waiving that clause, until we go back into the pre-covid times?

Response (Marc Feliciano) : The annual distributable income was slowly declining all along, in the absence of the suspension.

		In relation to the performance fee, we have to think through this but we are not going to charge a performance fee from zero. We would look at the prior distribution or some other metric that is on the table, but we are certainly not going to charge a performance fee from zero to where it gets re-instated. In terms of the asset disposition, the Sponsor has stepped up with the Tanasbourne and Park Place dispositions. While nothing is ever really off the table, for now, we will stick to the plan of asset disposition in the market. The goal is to maximise unitholder value and also to re-instate distributions.
Question 9	**:**	**The Unitholder mentioned that he seldom invests in REITs and has only done so recently. He mentioned that he had made a profit when selling his units shortly after the recent unit purchase by some directors. The unitholder also enquired about needing to provide his NRIC number to attend the AGM. Finally, he suggested that the Board consider increasing the number of Directors to eight, instead of the current six.**
Response (Francis Koh)	:	Mr Francis Koh noted his observations.
Question 10	**:**	**This question was asked in Chinese and translated by Mr Francis Koh. – Whether the valuations will decline in the forthcoming months?**
Response (Marc Feliciano)	:	It is hard to say with certainty. If you look at the surveys, the expectations are that there will continue to be valuation declines across the real estate sector in the US and elsewhere. But, beyond the US, the expectation from the surveys is that the pace of the valuation declines will slow. So, there is an expectation that the valuation declines will be less than what we experienced in the last 15-18 months. The forecast is that the valuation declines will end and flatten out after the first half of this year and other surveys have reflected that it will continue to go down through the end of the year. Nonetheless, the expectation, including for office, is that the valuation decline will begin to slow down. As to when they 100% flatten out and begin to pick up in terms of pricing, no one is forecasting that just yet. Our intention is to get through the next 12 months.
Question 11	**:**	**This question was asked in Chinese and translated by Mr Francis Koh. – Is the occupancy going to increase from 84.4% this coming year? How do you see the occupancy of your properties?**
Response (Marc Feliciano)	:	I'll try to answer this question again factually without any forecast in relation to whether our occupancy will pick-up. Any leasing activity outside renewals that occurs today will usually trigger a pick-up in physical occupancy. Of the 4.5-5 billion square feet of US office inventory, 60% of the vacancy is in the bottom 10% of office classification type. The majority of the vacancy that exists in the US is tied up in the bottom 10% while the top 10% has little vacancies.

		Accordingly, we can be optimistic that the unfulfilled demand for the top 10% can flow down to the next 20%. It is a competitive market. There are landlords who are doing a lot of non-economic leases (i.e. negative and net effective rent deals), because they are simply trying to keep occupancy. I do not think that any of our Unitholders or lenders will want us to re-invest in a property that actually is not going to lead to any accretion in value.
Question 12	**:**	**This question was asked in Chinese and translated by Mr Francis Koh. – Is the situation in relation to occupancy improving in the real estate office market?**
Response (Marc Feliciano)	:	In certain markets, we are seeing operational improvements. Slowly but surely, leasing activity is picking up. Tenants are looking to move out to the best markets (i.e., West L.A. to downtown L.A.). So, we are beginning to see a shift. Whether the shift is permanent, lasting or huge, depends on the micro-market across the US.
Response (Francis Koh)	:	The situation as is, is evolving and developing. So, we have to wait and see when the volatility stabilises.
Question 13	**:**	**On the management front, the announcement on the co-ordinated departure of the top 4 individuals within the management team was surprising. The change in management was announced on 19 March 2024. The PDF copy of the Annual Report was published on 20 March 2024. It was posted on SGXNet on 27 March 2024.** **It seems very strange, especially when we look at this statement on pages 12 to 13 of the Annual Report detailing the discussion on what the management team did in the past year and their efforts to work with the regulators and investors to secure the mandate of Unitholders, mandate of lenders and the re-structuring plan. So, to have a sudden change is quite concerning. The way it seems to be done, especially in light of what is described at pages 12-13, seems to be very abrupt. Could you provide more details on that?**
Response (Marc Feliciano)	:	This was a decision by each of the individuals who are departing and the Board and the Nominating and Remuneration Committee ("**NRC**") moved quickly to ensure there was no further risk to Unitholders. As noted, the outgoing management team is departing to pursue other opportunities or for personal reasons. So, in terms of how we managed to hire individuals like John and Mushtaque so quickly is because– the candidates that we can move quickly on are basically two types of profiles, one being an internal candidate, as in Mushtaque, and two, someone who is very familiar with any one of us. For example, John and I have worked together for 18 years prior. So, we have a track record of working together and being successful together. As Mushtaque noted, he is making a bet on the success of this strategy as well and so is John. John has a big role on a significantly larger real estate platform that manages US$85-90 billion of assets.

Question 14	**:**	**Is there a risk that regulatory approval for John and Mushtaque is not received?**
Response (Marc Feliciano)	:	Mushtaque has received his approval to act as CFO and has passed the exams. John's application has been approved and he only needs to pass the exam. So, when that happens, he will move from designate CEO and full CEO and CIO.
Question 15	**:**	**Right now, we have 5 directors on the Board, 4 of which are independent. The longest serving director has been with us since 2015 which will be approaching the 10-year limit based on the new independence rules. We have directors with us who have served since 2017, 2019 and 2021. We have also shrunk from 7 to 5 directors. Previously, I understand we had 3 non-executive directors against 4 independent. Now, we have 4 against 1 non-executive director. On this, I would like to understand what the Board's thinking is on renewal?** **At the same time, I recall saying sometime in December that I am thankful that we finally have a Chairman who has a clear grasp of the real estate business. But if I am going to ask the longest serving independent director in terms of being able to articulate the strategy, am I going to see that kind of balance at the board level in board discussions because right now the Chairman has significant amount of knowledge. The ability to perhaps express a counter argument with the same background of knowledge is something that I would perhaps like to understand. Could you provide us with more details on the balance of independence of the Board, how that affects the Board's discussions and the Board's renewal?**
Response (Marc Feliciano)	:	One of the things you don't see behind the scenes is how the US REIT leverages our real estate platform in the US. So, I believe part of the question is whether there is a counter-opinion when required by someone who has real estate expertise. The US REIT leverages our US real estate platform (i.e., our asset managers, transaction officers). As part of the governance before any leasing transaction is approved, it has to be recommended to our US investment committee ("**Investment Committee**"). If the Investment Committee approves, it will go to this Board for review. So, there is in place that layer of oversight and monitoring in the US. In terms of process, in relation to a lease, the asset managers will recommend it. The CEO and CIO, Head of Transactions and myself will have a vote on the Investment Committee regarding such a lease. Therefore, you have the most senior leadership among all the functions in the US voting as part of that governance committee known as the Investment Committee who vote to approve or reject the lease/sale/acquisition before it goes to this Board. Notwithstanding that, this Board can decide to reject the transaction even if it is recommended by the Investment Committee.
Response (Francis Koh)	:	The CEO and CIO have to have steep expertise in the real estate sector. In addition to the CEO and CFO being real estate people, the Chairman now, too, is a real estate person. So, we have sufficient real estate experience in the Manager. The question is whether there is a need for more real estate expertise among the Directors. That is something we can look into. As

independent directors, we remain independent and we will look into governance to address all necessary issues to ensure that the Manulife US REIT moves forward. We are now also in the process of looking to appoint more Board Members and we therefore will consider your observation seriously.

Question 16 : **How is the Board looking at the renewal process because essentially, we have 3 independent directors. Is there a target size? As it is, the Board size has shrunk from 7 to 5 - is there an intent to expand the Board size? Is there an ideal consideration?**

Response (Francis Koh) : There is no fixed number that is set upon. But we are always on the lookout for qualified, talented candidates to join us. We will also be holding a NRC meeting shortly after the AGM to consider some of these issues, including the type of Board members we need to complement the current Board and the replacement for Independent Directors who have served their 9-year tenure. Succession has always been on our mind.

Question 17 : **How many of MUST's properties lies in the Sunbelt Cities? It is said that there are many companies moving into the Sunbelt Cities. If majority of our properties are out of the Sunbelt Cities and people are moving into the Sunbelt Cities, what do we do with those properties that are not in the Sunbelt Cities? Moreover, if we have to do asset enhancement to these properties, will we able to capture the demand?**

Response (Marc Feliciano) : We have 2 office properties in Atlanta and 1 office property just outside Pheonix. So, in that perspective, 3 properties out of 10 are located in the Sunbelt City. Stabilisation, recovery and growth of the existing portfolio, irrespective of where it is located, whether it is in Tempe, Atlanta, Sacramento or L.A., is first and foremost focus.

We will focus on the asset sales to pay down the debt and meet the terms of the restructuring. We will sell to pay down debt and then look to grow. There is a tremendous amount of higher yielding and great opportunities in student housing, that can offer tremendous rate of return without all the CAPEX burden that office has.

Even in the Sunbelt area, office will have the same high CAPEX intensity as it does in the other parts of the US. So, when we get to the growth phase, we will certainly take your comment into consideration when looking at the office sector. But we will be looking beyond the office sector to create sustainable dividends which really requires less CAPEX.

Question 18 : **What are your plans to address the trend on work from home ("WFH")? WFH means less people go into the office. What is the impact of this? Moving forward from that, is this something within MUST's control and is this going to be a structural problem?**

Response (Marc Feliciano) : The office utilisation rates in the US have flattened out. They have not gotten worse. The caution is that they have not seen much improvement either.

Utilisation rates have improved, but they have now started to plateau, which is a concern.

Statistically, the situation has not gotten worse but it has not gotten better. Utilisation rates is around 50% utilisation depending on the market. That being said, most of the space reductions by office tenants have already occurred. As mentioned earlier, 60% of the existing office space inventory is captured in the bottom 10%, that amounts to 600 basis points. If that is included with the national occupancy figure in the US of 81%, it would lead to 87% occupancy. Looking backwards, historically, 87 or 88% occupancy would have been the usual number.

In relation to the WFH phenomenon, we are at a moment in time when things have slowly been improving. There are signs nationally that things are improving, but the question is whether that translates to better pricing and liquidity.

Question 19	**:**	**Do you see WFH and people moving into the Sunbelt Cities creating a structural problem for MUST?**
Response (Marc Feliciano)	:	It would be a problem if WFH and the migration into the Sunbelt City is permanent. But nothing is permanent, it is cyclical. The question is when we will move into the next phase of the cycle. As mentioned earlier, we have a huge national real estate platform that this REIT leverages and utilises to deal with these concerns and challenges.
Question 20	**:**	**Among the S&P 500 companies, there are many companies which are downsizing. This could hurt occupancy rates. Could I have your comments on this?**
Response (Marc Feliciano)	:	They have been downsizing for quite a while. While the space requirement reductions have been in play, we have also started to see the operational green shoots. There are also employees of tech companies being required to show up for 5 days a week of attendance. It is more than likely that we would begin to see utilisation rates go up.
Question/Comment 21	**:**	**By voting for Ordinary Resolution 3 - there is a disconnect between management and the Unitholders. We find out information from newspapers or the internet as opposed to from you most of the time. When there are negotiations run by you with a 3rd party to take over the management last year, we had no news on that.** **In relation to Ordinary Resolution 3, to authorise the issuance of Units and/or to make or grant offers, agreements or options etc. – the cost of this exercise will be expensive and will further dilute our Unitholder value – please could we get clear confirmation from the Manager that the approval sought is just purely for this resolution and the Manager and/or the management is not taking any such actions and intending to issue any new securities under Resolution 3 at this point in time?**

Response (Francis Koh)	:	I believe the suggestion is that there should be more disclosures by management to provide notice to Unitholders – you want more direct dissemination of information to Unitholders. That is a fair comment. There are some things that cannot be disclosed because they are not finalised or crystallised yet. The information we release follows a very strict disclosure procedure mandated by both SGX and MAS. There is no intention of issuing these new securities at this point in time. If we do resort to issuing any new securities, we will first consult the necessary financial advisors to make sure that it is optimal for everybody.