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))

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE	:	Raffles City Convention Centre Olivia Ballroom (Level 4) 80 Brash Basah Road Singapore 189560
DATE	:	Tuesday, 19 September 2017
TIME	:	10.00 a.m.
PRESENT	:	Please see Attendance List attached hereto.
CHAIRMAN	:	Mr Hsieh Tsun-Yan

QUORUM

As a quorum was present, the Chairman of Manulife US Real Estate Management Pte. Ltd., Manager of MUST (the “**Manager**”) declared the Extraordinary General Meeting of MUST (“**EGM**”) opened at 10.00 a.m. and introduced the Directors and Management who were present at the meeting.

PRESENTATION BY CHIEF EXECUTIVE OFFICER (“CEO”) TO UNITHOLDERS

The CEO of the Manager, Ms Jill Smith, shared a short presentation on MUST’s proposed acquisition of “10 Exchange Place” in New Jersey and the proposed Rights Issue to provide unitholders with an overview on the agenda for the EGM.

Following the CEO’s presentation, the Chairman proceeded with the business of the EGM.

NOTICE

With the consent of the unitholders present, the Notice convening the meeting and the Circular dated 2 September 2017 were taken as read.

INTRODUCTION

The Chairman informed the meeting that:

(i) Mr Davy Lau, in his capacity as the Lead Independent Director of the Manager, had been appointed as proxy by unitholders and would be voting in accordance with their wishes;

(ii) all the resolutions tabled at the EGM would be voted by way of poll (in accordance with the requirements of the Listing Rules of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”));

(iii) the polling for all the resolutions would be conducted electronically via wireless handset and the voting would take place immediately after each motion had been duly proposed and seconded; and

(iv) the Q&A session would be opened to the floor upon each motion had been proposed and seconded by the unitholders.

ORDINARY BUSINESS:

1. THE PROPOSED ACQUISITION OF 10 EXCHANGE PLACE, JERSEY CITY, HUDSON COUNTRY, NEW JERSEY – RESOLUTION 1

The Chairman informed the meeting that he would voluntarily abstain from voting on the Resolution 1 in the interest of good corporate governance as explained in Page 34 of the Circular and handed the chair to Mr Davy Lau for Resolution 1.

There being no objection from the unitholders, Mr Davy Lau took over the Chairmanship for Resolution 1.

The meeting noted that:

(i) Resolution 1 was to seek unitholders' approval on the proposed acquisition of the office building located at 10 Exchange Place, Jersey City, Hudson County, New Jersey (the "**Acquisition**") from John Hancock Life Insurance Company (U.S.A.), an indirect, wholly-owned subsidiary of The Manufacturers Life Insurance Company (the "**Sponsor**");

(i) since the Sponsor is a controlling shareholder of the Manager, the Acquisition would be considered as an "interested person transaction" under Chapter 9 of the SGX's Listing Rules as well as "interest party transaction under Appendix 6 of the Code on Collective Investment Schemes; and

(ii) the details, rationale for and merits of the Acquisition were set out on Pages 8 to 16 and paragraph 4 of the Circular, and the text of the Resolution 1 was set out on Page F-1 of the Circular.

The text of Resolution 1 as set out in the Notice of EGM was proposed by Mr Davy Lau and seconded by a unitholder/proxy.

After dealing with questions from the unitholders, the motion was put to vote and the results of the poll for 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 (%)
242,165,723	94.31	14,610,200	5.69	256,775,923	100.00

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

"That subject to and contingent upon the passing of Resolution 2:

*(a) approval be and is hereby given for the proposed acquisition of the office building located at 10 Exchange Place, Jersey City, Hudson County, New Jersey (the "**Property**" and the proposed acquisition of the Property, the "**Acquisition**") from John Hancock Life Insurance Company (U.S.A.) ("**JHUSA**") an indirect, wholly-owned subsidiary of The Manufacturers Life Insurance Company (the "**Sponsor**"), on the terms and conditions set out in the purchase agreement entered into between Hancock S-REIT JCITY Corp., an indirect, wholly owned subsidiary of Manulife US REIT and JHUSA;*

(b) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and

*(c) Manulife US Real Estate Management Pte. Ltd., as the manager of Manulife US REIT, (the "**Manager**"), any director of the Manager, and DBS Trustee Limited, in its capacity as the trustee of Manulife US REIT (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, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Acquisition."*

Mr Davy Lau handed the chair back to the Chairman.

2. THE PROPOSED RIGHTS ISSUE – RESOLUTION 2

The Chairman informed the meeting that:

(i) Resolution 2 was to seek unitholders' approval on the proposed issue of 299,288,423 Rights Units (representing approximately 41% of the units in issue, pursuant to Rule 805(1) of the Listing Manual), primarily for the funding of the Acquisition;

(ii) subject to the approval by the unitholders, the Manager would be authorised to issue new units in MUST under the underwritten renounceable rights issue on the basis of 41 Rights Units for every 100 existing units in MUST; and

(iii) the details, rationale for and merits of the proposed rights issue were set out on Pages 16 to 21 and paragraph 3.9 of the Circular, and the text of the Resolution 1 was set out on Page F-1 of the Circular.

The text of Resolution 2 as set out in the Notice of EGM was proposed by the Chairman and seconded by a unitholder/proxy.

After dealing with questions from the unitholders, the motion was put to vote and the results of the poll for 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 (%)
296,032,779	95.24	14,782,202	4.76	310,814,981	100.00

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

*"(a) approval be and is hereby given for issue of new units in Manulife US REIT (the "**Rights Units**") under the underwritten renounceable rights issue (the "**Rights Issue**") on a basis of 41 Rights Units for every 100 existing units in Manulife US REIT ("**Existing Unit**", and the basis of the Rights Issue, the "**Rights Ratio**") held as at the time and date on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of the Rights Units to the Eligible Unitholders (as defined in the Circular), at an issue price of US$0.695 per Rights Unit, in the manner described in the Circular; and*

(b) the Manager and any director of the Manager, and DBS Trustee Limited, in its capacity as 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, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the issuance of the Rights Units."

CONCLUSION

There being no other business, the Chairman declared the EGM of MUST closed at 11.20 a.m. and thanked everyone for their attendance.

**CONFIRMED AS TRUE RECORD
OF PROCEEDINGS HELD**

**HSIEH TSUN-YAN
CHAIRMAN**

MANULIFE US REAL ESTATE INVESTMENT TRUST (“MUST”)
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EXTRAORDINARY GENERAL MEETING

ATTENDANCE LIST
(Directors and Management)

PLACE : Raffles City Convention Centre
Olivia Ballroom (Level 4)
80 Brash Basah Road
Singapore 189560

DATE : Tuesday, 19 September 2017

TIME : 10.00 a.m.

S/No.	**Name**	**Position**
1.	Hsieh Tsun-Yan	Chairman / Non-Executive Director
2.	Lau Chun Wah @ Davy Lau	Independent Non-Executive Director / Lead Independent Director
3.	Ho Chew Thim	Independent Non-Executive Director
4.	Veronica Julia McCann	Independent Non-Executive Director
5.	Dr Choo Kian Koon	Independent Non-Executive Director
6.	Kevin Adolphe	Non-Executive Director
7.	Michael Floyd Dommermuth	Non-Executive Director
8.	Jill Smith	Chief Executive Officer
9.	Jagjit Obhan	Chief Financial Officer
10.	Jeffrey Charles Wolfe	Chief Investment Officer
11.	Caroline Fong	Head of Investors Relations
12.	Choong Chia Yee	Financial Controller

APPENDIX

MANULIFE US REAL ESTATE INVESTMENT TRUST ("MUST")

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SUMMARY OF QUESTIONS AND ANSWERS DEALT DURING EXTRAORDINARY GENERAL MEETING HELD ON TUESDAY, 19 SEPTEMBER 2017 (the "EGM")

Question 1	**:**	**What are the risk factors and downsides associated with this acquisition, in particular, the current political administration in the United States of America ("US") and the potential political threats imposed by North Korea?** **What are the precautionary measures deliberated and implemented by the Audit and Risk Management Committee to mitigate these potential risks and threats?**
Response (Jill Smith)	:	The Manager of MUST is aware of and has always carefully considered the potential political risks and threats. MUST is of the view that politics is politics and business is business. It is fortunate that the current President of the US (Mr Donald Trump) is a businessman and in the past 9 months under his political party's administration the US economy has grown at a steady pace. There are also other factors such geo-political matrix, which will be dealt by the diplomats. Be assured that MUST do consider and discuss these issues at all times.
Question 2	**:**	**MUST's proposed rights issue ("Rights Issue") is to fund its proposed acquisition of a commercial building. Based on one of Jill's interviews in a recently published newspaper, she had mentioned that the accretive acquisition is a solid way to grow MUST and there will be more such acquisitions in the future.** **How will the future acquisitions be diversified in terms of tenants and building types (i.e. apart from commercial building and locations)?**
Response (Jill Smith)	:	Yes, MUST aims to grow through accretive acquisitions. However, it is difficult to predict MUST's next expansion/acquisition target at the moment. MUST has set for itself certain principle in respect of its growth plan and would adhere to these principles. MUST has been and will continue to explore various opportunities geographically and in different sectors/trading sectors as well as diversification of its tenant base, in particular, buildings with extremely credible and creditable tenants. MUST's ultimate goal is to ensure that its growth plan benefits the unitholders.
Question 3	**:**	**Would the proposed acquisition be fully funded by the proposed Rights Issue or partially-funded by debt?** **Is the gearing ratio for the debt 30%?**
Response (Jagit Obhan)	:	The total cost of this acquisition is US$332 million, out of which: ▪ US$208 million of the total acquisition cost will be funded by the proceeds from the Rights Issue; ▪ The acquisition fees of US$2.4 million, being 0.75% of the purchase consideration, will be paid in units to the Manager of MUST and the units

issued will be vested for a period of at least 1 year or longer; and

- The remaining amount of the total acquisition cost will be funded through debt.

In the pro forma financials for the proposed acquisition and Rights Issue, interest rate of 3.5% had been assumed for a 5-year loan and this gives a weighted average interest rate of 2.84% per annum. MUST's goal is to secure fixed rate loan for a longer tenure period.

The gearing ratio post acquisition will be 34.5%, a marginal increase of 1.4% compared to pre-acquisition gearing ratio of 30%.

Question 4 : **Reference was made to MUST's Portfolio Summary in the Circular dated 2 September 2017. The occupancy rate for the new property at "10 Exchange Place" ("the Property") was stated as 93.1%. However, in the CEO's presentation earlier, the occupancy rate for the Property was shown as 95.8%.**

Which is the correct occupancy rate?

Response (Jill Smith) : After the acquisition of the Property, MUST's overall the occupancy rate will be 95.8%.

Response (Caroline Fong) : To clarify, the 93.1% is the existing occupancy rate for the Property and 95.8% is the occupancy rate for MUST's enlarged portfolio post acquisition.

Question 5 : **Following the acquisition of the Property, the valuation of MUST's portfolio increases from US$973.5 million to US$1,306.5 million, which is approximately over US$300 million increase. However, the accretive yield of 2.2% is comparatively not a very high accretive. The accretive yield for the 4 buildings in MUST's current portfolio is 6.1% and the total accretive yield had only increased by 0.1342% to 6.23% (post acquisition). This increment is not considered high based on MUST's current portfolio size and the occupancy rate of 95.8% for the Property. The overall growth is only approximately 4.2%. (*i.e. assets size increased but not in proportion to the accretive yield*)**

How does MUST intend to improve the occupancy rate and show a better yield in the near future?

Response (Jagjit Obhan) : The transaction should be viewed in its totality i.e. the assets acquired, the NPI yield and the types of internal funding undertaken for the acquisition. The acquisition of the Property is partly funded by cash and equity NPI, which will add to the net profit income of MUST's enlarged portfolio. In addition, MUST has secured a fixed rate loan for this acquisition, so the 2.2% accretive yield with the Rights Issue is actually a very attractive accretion. It would be inaccurate to co-relate the asset growth with the accretive yield, and should be viewed separately.

Response (Jeffrey Wolfe) : The occupancy rate in Singapore is typically between 95% to 97%. Whereas in the US, the average occupancy rate is much lower - generally in the mid to high range of 80%. As such, the occupancy rate of 95.8% for MUST's enlarged portfolio is far above the average occupancy rate in the US and the Property's occupancy rate of 93.1% exceeds the Hudson Waterfront's average occupancy rate of 90.2%. Overall, the occupancy rate for MUST's portfolio is generally in excess of the national and market averages. MUST endeavours to increase the occupancy rate for its portfolio on an ongoing basis.

Question 6 : **What is the NPI yield based on the total acquisition cost of US$332 million?**

What is a cash NPI yield?

Response (Jagit Obhan) : Based on MUST's pro forma financials, the cash NPI yield for the Property is 5.7%.

Cash NPI yield refers to the cash net profit income that is flows to the distribution to the unitholders, and it is different from the accounting net profit income.

Question 7 : **Reference was made the current business condition in the US and there had been some significant renewal of lease for the Property over the past 6-12 months.**

What is the rental reversion rate over the past months?

Response (Jeffrey Wolfe) : MUST does not own the Property as yet and therefore, does not have the calculation of the rental reversion rates for the past months. In general, the market rate for rents has been rising (in the Hudson Waterfront area). A very recent lease entered into by the Sponsor (prior to MUST acquiring the Property) was at the high end of the current market rent range for the Property. As mentioned by Jill (during the CEO's presentation earlier), market rent is a passive rental income for the Property.

Question 8 : **Are there any potential new office spaces or new projects being developed at the Hudson Waterfront area (within close proximity of the Property)over the next 2 years?**

Response (Jill Smith) : There is no new office construction in the area. There is, however, a huge demand for flats and apartments at the Hudson Waterfront area due to cheaper rental (compared to Manhattan/New York City, which is on the other side of the Hudson River) and a great deal of new apartments are being built around the area.

Question 9 : **Part of acquisition scheme, the acquisition fees is being paid in units. What is the price of the units paid?**

Response (Jag Obhan) : The acquisition fees of US$2.4 million (i.e. 0.75% of the purchase consideration) will be paid in units. The price per unit will be determined based on 10 days average after the closing of the transactions.

Question 10 : **The Property is a commercial property, and it is common for tenants of commercial properties to request for rent free periods. When MUST acquires the Property will there be any rent free period granted to any of the existing tenants (post acquisition)?**

It was mentioned in the Circular that the Sponsor will pay on behalf of certain tenants during these rent free period – is that correct?

Response (Jeffrey Wolfe) : For the commercial real estate transactions in the US, in particular, when dealing with office properties, it is common for the seller to credit the purchaser for any outstanding rents (payable by the tenants to the landlord during such rent free periods granted). Similarly, the Sponsor will reimburse MUST for the amount of rent payable by certain tenants who had already been granted rent free period (prior to MUST's acquisition). This is consistent with the general market practice in the US.

Question 11	**:**	**Post acquisition, the Sponsor will reimburse MUST for the rents incurred by some of the existing tenants during the rent free period. MUST will not be collecting any rents from these tenants and there will be no rental income during the said rent free period – is that correct?**
Response (Jeffrey Wolfe)	:	Yes, that is correct.
Question 12	**:**	**Are there any more tenants or outstanding cases whereby the Sponsor will not be reimbursing MUST for the rent free periods and MUST will not be collecting any rents from these tenants (other than those rents which MUST is already being compensated by the Sponsor)?**
Response (Jeffrey Wolfe)	:	There are no other tenants with contractual free rent period for which MUST need to pay for post acquisition. However, once MUST acquires the Property and as and when there are any renewal/extension of lease or new leases entered into between MUST and the tenants, MUST is obliged to offer re-rent concession to the tenants in line with the market practice in the US.
Question 13	**:**	**For commercial properties in Singapore, it is common for tenants to request for free rent period. In the US, typically how many months of rent free period is MUST required to grant its prominently large tenants such as Amazon?** **Rent free period means there is a loss of income and this will have a direct impact on MUST's distribution per unit ("DPU") payable to its unitholder. Is there any specific/standard rent free period adopted by MUST?** **When calculating DPU does MUST take into account the rent free period since it does not come with income?**
Response (Jeffrey Wolfe)	:	The amount of free rent in terms of matrix and number of months varies according to the various markets within the US depending on the supply and demand situation. In respect of the Property, its market matrix for rent free period is 1 month free for each year of lease term. In the US, it is common for tenants to enter into a very long lease term. The lease term for prominently large tenants is at least 10 years and they will be entitled to 10 months of rent free period. MUST has included a provision in its lease agreement when negotiation with its tenants, which allows MUST to eliminate that free rent period. Thus, there are also situations whereby MUST does not experience the rent free period.

Question 14	**:**	**Reference was made to the top 10 tenants by cash rental income for the Property.** **Are all the top 10 tenants of the Property entitled to the 10-month rent free period ?What is the rent free period for the remaining 9 top tenants or is it computed based on the tenure of their respective lease term entered into with MUST?**
Response (Jeffrey Wolfe)	:	MUST is only aware of 2 tenants in the Property that are entitled to rent free period, of which: ▪ 1 of the tenant's lease will expire before the close of this transaction; and ▪ As for the other tenant, the Sponsor will reimburse MUST during the rent free period. Based on the top 10 tenants for the Property, none of these tenants have any contractual rent free period, other than the 1 tenant which will be compensated by the Sponsor.
Comment	**:**	**A unitholder commented that DPU is a key factor considered by unitholders when deciding on which is a good REIT to invest in or buy more units by participating in the proposed Rights Issue, and requested MUST to take into account the rent free periods when calculating its DPU and be transparent when reporting its DPU.**
Response (Jeffrey Wolfe)	:	Be assured that all of MUST's actual DPU distribution reports provided to its unitholders since its IPO have factored in for the same markets, the same tenants and same leases that have free rents.
Question 15	**:**	**The Rights Issue is being issued at a discounted price of US$0.695 per Rights Unit compared to the current market price, with an option for unitholders to sell their rights entitlement. Given that Rights Issue will always result in a dilution of unitholdings of large unitholders:** ➢ **How did MUST derived at the issue price of US$0.695 per Rights Unit?** ➢ **What is the resultant dilution effect and how will it affect the unit price post Rights Issue?**
Response (Jag Obhan)	:	The discounted unit price for the Rights Issue was derived based on the theoretical ex-rights price of 88.6 US cents. The theoretical ex-rights price is normally calculated to take into account the dilution effect post the Rights Issue. MUST's 21.6% discount to the theoretical ex-rights price is quite in line with other precedent rights exercise done recently in the market. The amount of discount and issue price for the Rights Issue was determined taking into account factors such as: the amount of proceeds required by MUST to fund the proposed acquisition; to achieve an accretive yield on the acquisition; and also ensure that MUST in line with the market standards.

Question 16	**:**	**Reference was made to page 2 of the Circular. The Property is being acquired from John Hancock Life Insurance Company (U.S.A.) (“JHUSA”), an indirect, wholly-owned subsidiary of the Sponsor. In this regard, how was the valuation for the property carried out and how many valuers were involved?**
Response (Jeffrey Wolfe)	:	This is considered an Interested Person Transactions since the Sponsor is selling a property to the REIT. According to the requirement under the SGX-ST Listing Manual that 2 independent appraisers must be appointed. The Trustee, who represents the unitholders, had appointed Colliers International Valuation & Advisory Services, LLC as its independent valuer and the Manager had appointed RERC, LLC as its independent valuer for this transaction.
Question 17	**:**	**Was the valuation carried out by property valuers, and why is there only one property valuation report in the Circular?**
Response (Jeffrey Wolfe)	:	That is the market research report. There will be differences in the appraisal values when multiple appraisers are appointed. Each appraiser will submit to MUST their own independent views of the property’s value, which is generally based on the income generated from the property, and sometimes different yield rates or different future market rent assumption are made leading to the variation in the valuation report..
Question 18	**:**	**How much did JHUSA pay for the Property?**
Response (Jeffrey Wolfe)	:	JHUSA paid US$285 million for the Property in 2011.
Question 19	**:**	**MUST is now paying US$313.2 million for the Property. Do the independent directors consider the purchase consideration of US$313.2 million to be at fair value?**
Response (Jeffrey Wolfe)	:	Absolutely, the independent appraisers have recommended to the Board that the Property’s value is significantly higher and the purchase consideration is indeed a very fair value for MUST to acquire the Property.
Question 20	**:**	**Is this building in the path of 911?**
Response (Jill Smith)	:	There are other taller buildings around the Property near the Hudson Waterfront area. China International America is going to build an even taller building in that area. Unfortunately, there are terrorism threats everywhere these days and all we can do is to remain very vigilant about disaster recover contingency plans.
Response (Jeffrey Wolfe)	:	To add to Jill’s response, many major tenants had moved from Manhattan to Hudson Waterfront area after the 911 incident. Their main concern was that Manhattan might be at a higher risk of terrorism attacks. Frankly speaking, there is no zero risk anywhere.

Question 21 : Does MUST have any insurance for terrorism threats?

Response (Jill Smith) : Absolutely, yes.

Response (Jeffrey Wolfe) : Yes, MUST has insurance coverage for terrorism.

Question 22 : Why MUST did not issue units to JHUSA for the purchase consideration of the Property?

Response (Jagjit Obhan) : Based on the units issue mandate approved by the unitholders at MUST's Annual General Meeting held on 24 April 2017, MUST is only permitted to issue up to 20% of the total number of issued Units on a non-pro rata basis. Given that MUST had already utilised majority of the said limit for the placement exercise to fund the acquisition of Plaza in July this year, MUST would not be able to issue any more new units to JHUSA for this acquisition. In addition, due to tax implication, the Sponsor cannot hold for more than 9.8%. If MUST was to issue units, the Sponsor would exceed this threshold.

Question 23 : If a unitholder buys a new "nil-paid" rights in the market, will the unitholder be entitled apply for the excess rights or only allowed to subscribe the rights entitlement based on the unitholdings?

Response (Caroline Fong) : Subject to the approval of the proposed Resolutions 1 and 2 at today's EGM, an Offer Information Statement (OIS) will be issued to all unitholders on 2 October 2017. Unitholders can accept their rights entitlement from 2 October 2017 to 16 October 2017. The application for excess rights is a separate procedure and outcome of the application will be based on ballot, after rounding-up the odd lots. In order to maximize their rights entitlement, unitholders can purchase more units from now up to 27 September 2017.

Question 24 : If a unitholder buys "nil-paid" rights in the market, is the unitholder allowed to subscribe for excess rights?

Response (Caroline Fong) : Unitholders who buy the "nil-paid" rights from the market will not be entitled to subscribe for the excess rights.

Question 25 : Is the Hudson Waterfront area prone to natural disaster such as hurricane, flood?

Response (Jeffrey Wolfe) : Compared to the southern states in the US such as California, this area is not prone to hurricane or any other natural disasters. The Property has insurance coverage for flood.

Question 26 : Is there any income support from the Sponsor for the acquisition of this Property?

Response (Jeffrey Wolfe) : No, the Sponsor has not provided any income support to MUST for the acquisition of all its properties, including the 3 properties at IPO.

Question 27	**:**	**Reference was made to the valuation reports. MUST had used the market capital of 5.0% to 5.1%. What is the general average market capital for properties in Hudson Waterfront area?**
Response (Jeffrey Wolfe)	:	Both the independent appraisers had considered comparable sales of properties around Hudson Waterfront area and had determined that 5% is the appropriate market capital for the area. MUST is also of the view that 5% is the fair estimate of the average market capital in that area.
Question 28	**:**	**Does the Property have insurance coverage for earthquake?**
Response (Jeffrey Wolfe)	:	Yes, the Property has insurance coverage for earthquake. As explained earlier, the North East state of US, where the Property is located, is unlikely to be affected by natural disaster.
Question 29	**:**	**Did the Board carry out its own checks on the valuation of properties in the Hudson Waterfront area to ensure that valuation and purchase consideration recommended by the independent valuers were not over-priced?** **Why is there a huge increase in the purchase price paid by MUST (US$313.2 million) compared to the amount JHUSA had paid for the same Property in 2011 (US$285 million)?**
Response (Jeffrey Wolfe)	:	In the US, the professional appraisers' are accredited by the Member Appraisal Institute, and they are specially trained and subject to strict regulations when carrying out any valuation assessment. I am also a MAI appraiser and am uniquely qualified to check and ensure whether the valuation provided by the valuers is appropriate and not over-priced. The difference in the purchase price paid by JHUSA in 2011 compared to the amount payable by MUST now is roughly US$30 million for over a 6-year period. This is approximately 1.5% increase in value per year. Looking at the appropriate timeline and price appreciation, the purchase price of $313.2 million payable by MUST is fair.
Comment	**:**	**A unitholder requested the Board of Directors of the Manager of MUST to ensure that thorough due diligence reviews be carried out and MUST does not overpay for any of the properties it is acquiring.**
Question 30	**:**	**Had the Board considered issuing non-renounceable/non-transferable Rights Issue? If no, what was the Board's basis for issuing renounceable Rights Issue?**
Response (Jill Smith)	:	The Board of Directors of the Manager of MUST had considered all possible types and options to fund the acquisition. One of the key determining factor for the Board was the outcome of the the placement exercise done in June 2017. Although the placement exercise had attracted some new unitholders, the overall response for the exercise was not good. Some of the existing unitholders for one reason or other (internationally or otherwise) had not been able to participate in the placement exercise. Another key reason for the Board was that renounceable Rights Issue allows unitholders the flexibility to sell their rights entitlement, since some may not have the money to exercise their rights entitlement.