![Manulife US REIT]

PRESS RELEASE

Manulife US REIT Marches towards Washington, D.C. and Buckhead, Atlanta with US$387.0 million Acquisitions

- **Conquers the Capital of U.S. and gains exposure to Buckhead, Atlanta's strongest office submarket –** *click **here** to view video*
- **High occupancy of 97.2% and 97.3% for Penn and Phipps respectively**
- **Fortifies trade sectors and lengthens WALE by NLA from 5.7 years to 6.3 years**
- **Acquisition of both properties from Sponsor at 1.8%[1] discount**
- **Accretive acquisitions increase DPU by 1.4%[2]**
- **Establishment of US$1.0 billion Multicurrency Debt Issuance Programme**

Singapore, 13 April 2018 – Manulife US Real Estate Investment Trust ("Manulife US REIT" or the "REIT"), the first pure-play U.S. office REIT listed in Asia, today announced that it has entered into sale and purchase agreements with John Hancock Life Insurance Company (U.S.A.) ("JHUSA"), an indirect, wholly-owned subsidiary of The Manufacturers Life Insurance Company (the "Sponsor"), to acquire **1750 Pennsylvania Avenue** in Washington, D.C. ("Penn") and **Phipps Tower** in Buckhead, Atlanta ("Phipps") at a total purchase price of US$387.0 million (the "Acquisitions").

Penn is located in the nation's capital, government hub, heart of D.C.'s CBD

Penn is a 13-storey Class A office building totalling 277,243 sq ft that is located a block away from the White House on the highly coveted Pennsylvania Avenue, and within close proximity to the International Monetary Fund, the World Bank and the Federal Reserve. This prime property has a purchase price of US$182.0 million[3] and counts the U.S. government, leading U.S. corporates and global agencies amongst its tenants.

[1] Based on the average of US$394.2 million of two independent appraisals.
[2] Refer to the announcement dated 13 April 2018 for details of the pro forma financial effects of the Acquisition.
[3] Subject to closing and post-closing adjustments in the ordinary course of business.

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Phipps sits in Atlanta's strongest office submarket; High-end "Live, Work, Play" environment

With a purchase price of US$205.0 million[4], Phipps is a 19-storey Trophy quality office tower totalling 475,091 sq ft which has obtained LEED-CS Gold Certification. The property is located in the heart of Buckhead, which is one of the primary business districts of Atlanta with a high-end "Live, Work, Play" environment and surrounded by 2.5 million sq ft of retail space, 5-star hotels and deluxe residential.

The estimated total Acquisition costs comprising the total purchase price of US$387.0 million, acquisition fee of US$2.9 million, professional and other transaction fees and expenses of US$9.0 million, is approximately US$398.9 million. The funding mix may comprise a combination of debt and issuance of capital market instruments such as perpetual securities under Manulife US REIT's US$1.0 billion Multicurrency Debt Issuance Programme (the "Programme") and/or equity fund raising. However, the Manager's acquisition fee is to be paid in the form of units of Manulife US REIT ("Units").

The final decision regarding the funding mix for the Acquisitions will be made by the Manager at the appropriate time taking into account the then prevailing market conditions and interest rate environment, availability of alternative funding options, the impact on Manulife US REIT's capital structure, distribution per Unit ("DPU") and debt expiry profile and the covenants and requirements associated with each financing option.

Commenting on the Acquisitions, Ms Jill Smith, Chief Executive Officer of the Manager said, ***"We are delighted to plant Manulife US REIT's flag in the U.S. capital through the acquisition of Penn. This property sits strategically on the highly coveted Pennsylvania Avenue in Washington, D.C.'s preeminent commercial district. We are equally pleased to acquire the magnificent Trophy quality property, Phipps in Buckhead, Atlanta's strongest office submarket. Both properties met our investment criteria for acquiring Trophy/Class A assets with long WALE and high occupancies. With the launch of our US$1 billion Multicurrency Debt Issuance Programme, we will optimise our capital structure and increase financial flexibility in order to support inorganic growth and propel the REIT forward in the best interest of Unitholders."***

[4] Subject to closing and post-closing adjustments in the ordinary course of business.

Landmark Assets and Exposure to Prime Office Submarkets

Penn – Conquering the Capital of the United States

Located in the CBD which is one of Washington, D.C.'s premier submarkets due to its central location and extensive accessibility by roads, rail and air, Penn offers views of the National Mall landscaped park, various monuments, and it is strategically located one block from the White House. The 13-storey Class A office property was constructed in 1964 and underwent significant renovations from 2012 to 2018, which included a two-storey refurbished main lobby and overhauls of the restrooms and common corridors.

According to JLL, the CBD submarket is historically Washington, D.C.'s strongest fundamentally, carrying a 10-year average vacancy rate of 10.7%, the lowest in the city. A large development pipeline, combined with continued give-backs and consolidation from key users is exacerbating a flight to quality and divergence in vacancy trends. Due to its diversity and geographic advantages, the CBD has been more resilient than other submarkets, and as a result, annual rent and vacancy trends have been relatively stable.

Phipps – Exposure to Strongest Office Submarket in Buckhead, Atlanta

Phipps is a 19-storey Trophy quality office tower which was constructed in 2010 by the Sponsor. It is part of the 8-building Trophy set of the Upper Buckhead micromarket in Atlanta, and has a distinctive penthouse top which is noticeable across the Atlanta skyline and offers floor-to-ceiling window walls providing tenants with views at every direction. Phipps is also strategically located in the Buckhead office submarket in Atlanta, which is one of the primary business districts of Atlanta with high-end retail and entertainment venues and is surrounded by an upscale residential area.

In addition, Buckhead remains Atlanta's premier submarket, traditionally commanding the highest rents and one of the lowest vacancy rates in the entire metro area. According to JLL, the Buckhead Trophy/Class A office market has enjoyed positive absorption for eight straight years, resulting in compressed vacancy and increasing direct asking rents. Office rents in Buckhead have generally commanded a premium of over 30.0%, above the overall Atlanta office rents in recent times. This solid rent growth is expected to continue into the future as Buckhead remains the most coveted office location in metro Atlanta.

Fortifying Trade Sectors and Quality of Tenants

The two major tenants in Penn are the U.S. Department of Treasury and the U.N. Foundation, which together occupy nearly 80.0% of the property's NLA and have leases expiring in 2022 and 2028 respectively. The inclusion of Penn in the portfolio substantially increases tenants from the Public Administration and Grant Giving sectors, offering stability and resilience to the overall tenant base of Manulife US REIT. As at 31 December 2017, Penn is 97.2% leased.

Phipps is the global headquarters of Carter's, the major American designer and marketer of children's apparel known for the "OshKosh B'gosh" plus "Skip.Hop" brands, on a 15 year lease expiring in 2030. Other tenants in Phipps comprise a strong mix of finance, consulting and information firms. As at 31 December 2017, Phipps is 97.3% leased.

As part of the Manager's asset management strategy, it aims to acquire prime properties which offer diversification in terms of trade sector and tenant base, in order to enhance the resilience of Manulife US REIT's portfolio. The Acquisitions will increase exposure to key trade sectors of Public Administration and Grant Giving. In addition, the Enlarged Portfolio will have an increased component in Retail Trade sector tenants, increasing from 11.0% by Gross Rental Income ("GRI") in the current portfolio to 16.2%, due to the addition of the Carter's.

The Top 10 Tenants of the Enlarged Portfolio by GRI will also be well diversified across trade sectors and across properties, accounting for 44.1% of GRI, compared to 45.9% of GRI for the current portfolio.

Strengthening Portfolio by Lengthening Lease Expiries

The leases in Penn and Phipps are long-tenured, with over 90.0% of the leases by NLA expiring in 2022 and beyond. As at 31 December 2017, the WALE (by NLA) for Penn and Phipps are 6.8 years and 10.0 years respectively. This provides resilience and stability in the rental income generated by the Properties, lengthening the WALE of the Enlarged Portfolio from 5.7 years to 6.3 years.

Many of the leases at the Properties have built-in rental escalations providing organic growth to the rental revenues. In Penn, 47.4% of the leases by NLA have annual escalations in the range of 2.0% to 3.0%, while in Phipps, 99.0% of the leases by NLA have either annual escalations in the range of 2.0% to 3.0% or periodic escalations which are equivalent to approximately 1.3% escalations annually over the course of the lease.

Delivering Returns through Accretive Acquisitions

The agreed-upon purchase price of the Properties of US$387.0 million represents a discount of 1.3% to Cushman & Wakefield's total appraised value of US$392.2 million and a discount of 2.3% to Colliers' total appraised value of US$396.2 million. Hence, the acquisition of Penn and Phipps at an attractive discount from the independent appraised value presents good value for Unitholders.

Assuming the Acquisitions were completed on 1 January 2017 and the REIT held and operated both Penn and Phipps in FY2017, the pro forma DPU of Manulife US REIT would increase by 1.4% to approximately 5.85 US cents, compared to the FY2017 DPU of 5.77 US cents.

The proposed Acquisitions are subject to the approval of Unitholders at an Extraordinary General Meeting ("EGM") to be convened, and the Circular and the Notice of EGM will be dispatched to Unitholders in due course.

In addition, Deloitte & Touche Corporate Finance Pte Ltd has been appointed as the Independent Financial Adviser (the "IFA") to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Acquisitions. A copy of the letter from the IFA, containing its advice in relation to the Acquisitions will be set out in the Circular.

- END -

NOTE: This Press Release is to be read in conjunction with the SGXNET Announcement released by Manulife US REIT on the same date. All capitalised terms not otherwise defined herein shall have the meaning ascribed to the same in the Announcement dated 13 April 2018.

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About Manulife US REIT

Manulife US Real Estate Investment Trust ("Manulife US REIT") is the first pure-play U.S. office REIT listed in Asia. It is a Singapore REIT established with the investment strategy principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States ("U.S."), as well as real estate-related assets.

Manulife US REIT's portfolio comprises five prime, freehold and Trophy quality and Class A office properties strategically located in Los Angeles; Irvine, Orange County; Atlanta; and New Jersey. The current portfolio valued at US$1.3 billion, has an aggregate Net Lettable Area of 3.0 million sq ft and an occupancy rate of 95.9% as at 31 December 2017.

About the Sponsor – The Manufacturers Life Insurance Company ("Manulife")

Manulife is part of a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. The Sponsor operates as John Hancock in the U.S. and as Manulife in other parts of the world, providing a wide range of financial protection and wealth management products, such as life and health insurance, group retirement products, mutual funds and banking products. The Sponsor also provides asset management services to institutional customers. Manulife Financial Corporation is listed on the Toronto Stock Exchange, the New York Stock Exchange, the Hong Kong Stock Exchange and the Philippine Stock Exchange.

About the Manager – Manulife US Real Estate Management Pte. Ltd.

The Manager is Manulife US Real Estate Management Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor. The Manager's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.
