



**Extraordinary General Meeting**  
15 May 2018

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DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Manulife US Real Estate Investment Trust (“**Offering**”). DBS Bank Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited and Deutsche Bank AG, Singapore Branch were the Joint Bookrunners and Underwriters for the Offering.



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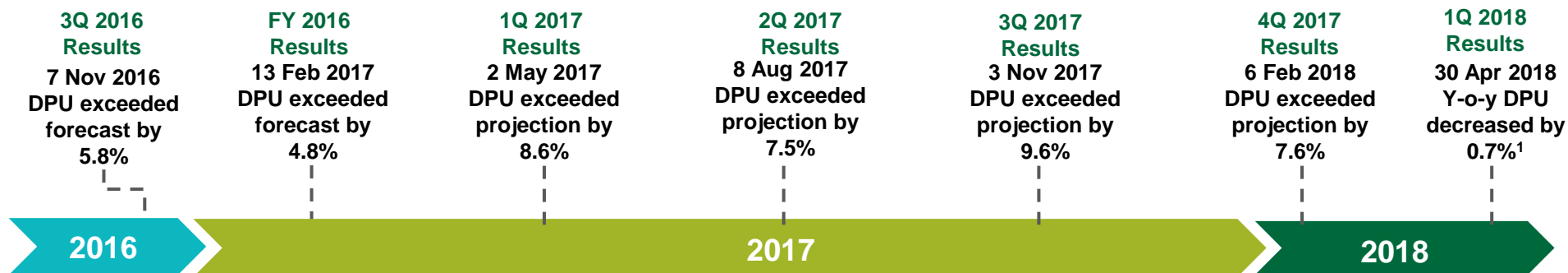
**Appendix**

IN THIS TEMPLE  
AS IN THE HEARTS OF THE PEOPLE  
FOR WHOM HE SAVED THE UNION  
THE MEMORY OF ABRAHAM LINCOLN  
IS ENSHRINED FOREVER



## Introduction

# Value Creation since IPO



## Value Creation since IPO

- Asset Under Management<sup>2</sup>**  
69.2% ▲
- Market Capitalisation<sup>3</sup>**  
89.6% ▲
- Total Shareholder Return<sup>4</sup>**  
44.3% ▲
- Unit Price<sup>4</sup>**  
30.1% ▲

## 1Q 2018 Performance

- Financial Highlights**
  - Distributable Income: US\$15.6 million  
*Y-o-y increased 50.1%*
  - DPU: 1.51 US cents  
*Y-o-y decreased 0.7%<sup>1</sup>*
- Portfolio**
  - Occupancy Rate: 95.8%
  - WALE: 5.7 years
- Acquisitions**  
Proposed acquisition of Penn and Phipps at total purchase price US\$387.0 million

Source: Bloomberg. Data is from 20 May 2016 (IPO) till 30 Apr 2018

- (1) 1Q 2018 DPU is lower largely due to lower income from Figueroa and Michelson resulting from lower occupancies in these properties and higher income taxes in 1Q 2018 compared to 1Q 2017. This was offset by strong earnings from Plaza and Exchange properties acquired on 19 Jul 2017 and 31 Oct 2017, respectively, and therefore providing further diversification benefits to the portfolio
- (2) Data as at 30 April 2018, excluding Penn and Phipps
- (3) No of units issued: 20 May 2016 was 625,539,600 and 30 Apr 2018 was 1,036,072,644.
- (4) Based on MUST opening price on 20 May 2016 (US\$0.73) and 30 Apr 2018 (US\$0.95) closing price. Unit prices were adjusted for the Rights Issue



# Solidifying the Portfolio with High Quality Sponsor Assets

Total Purchase Price US\$387.0 million - 1.8% Discount to Valuation<sup>1</sup>



**1750 Pennsylvania Ave, Washington, D.C. (Penn)**



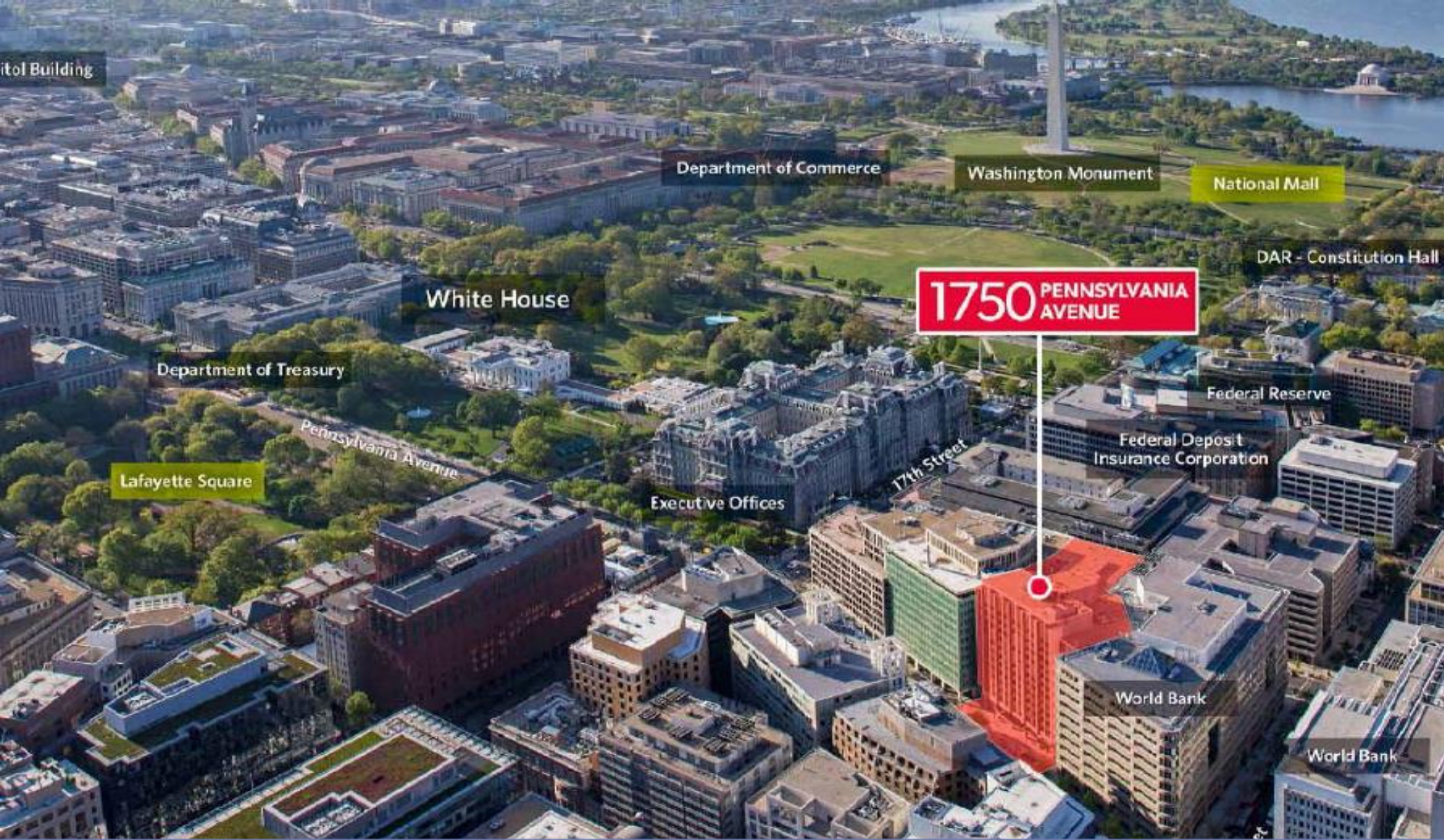
**Phipps Tower, Atlanta (Phipps)**

<b>As at 31 Dec 2017</b>	
<b>NLA</b>	277,243 sq ft
<b>Purchase Price<sup>2</sup></b>	US\$182.0 million
<b>Valuation<sup>3</sup></b>	Colliers: US\$186.0 million Cushman & Wakefield: US\$184.0 million
<b>Occupancy</b>	97.2%
<b>WALE (by NLA)</b>	6.8 years

<b>475,091 sq ft</b>
<b>US\$205.0 million</b>
<b>Colliers:US\$210.2 million Cushman &amp; Wakefield: US\$208.2 million</b>
<b>97.3%<sup>4</sup></b>
<b>10.0 years<sup>4</sup></b>

(1) Based on the average appraisal values by Colliers and Cushman & Wakefield of Penn and Phipps  
 (2) Subject to closing and post-closing adjustments in the ordinary course of business  
 (3) As at 31 Mar 2018  
 (4) Excluding a lease with H.I.G. Atlanta, Inc which expired on 28 Feb 2018





itol Building

Department of Commerce

Washington Monument

National Mall

DAR - Constitution Hall

White House

1750 PENNSYLVANIA AVENUE

Department of Treasury

Federal Reserve

Lafayette Square

Pennsylvania Avenue

Executive Offices

17th Street

Federal Deposit Insurance Corporation

World Bank

World Bank

# Overview and Key Rationale



# Washington, D.C.: Conquering the Capital

## Nation's Capital, Government Hub, Heart of CBD

### Epi-centre of power and influence

- Hosts 176 foreign embassies
- HQ for many global firms, trade unions, non-profit companies and professional associations
- One of the strongest cities in the world:
  - ✓ Highest educated population in U.S.
  - ✓ 2nd highest median household income in U.S.
  - ✓ Highest level of consumer expenditure in U.S.

### Excellent transportation

- 3 major airports:
  - ✓ Regan International Airport
  - ✓ Dulles International Airport
  - ✓ Thurgood Marshall Baltimore - Washington International Airport
- Efficient road network for easy access to city
- Amtrak train connects Washington to Baltimore, Philadelphia, New Jersey, New York City and Boston



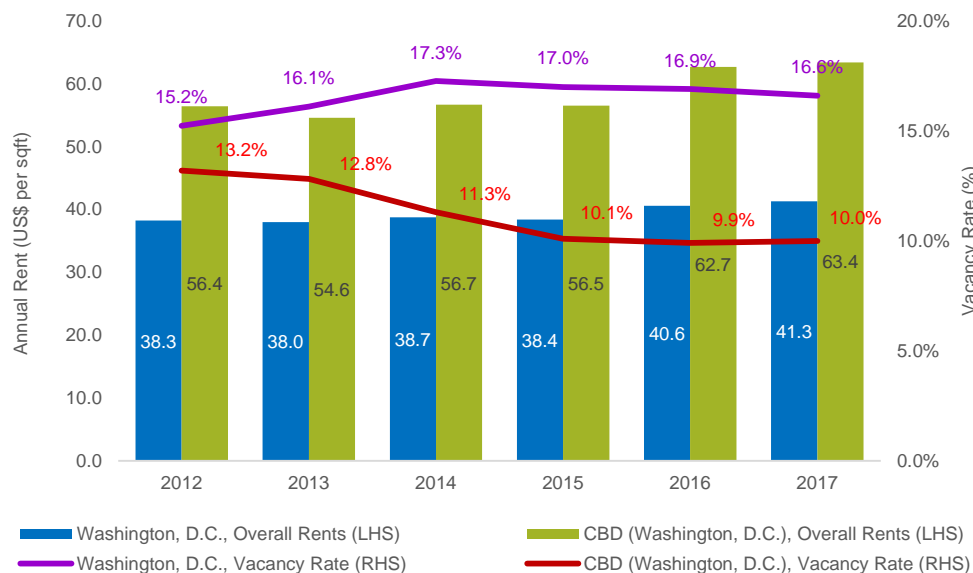
Source: JLL Independent Market Research Report, March 2018



# CBD Washington, D.C.: Exposure to Prime Office Submarket

## CBD Washington, D.C.

### Preeminent Commercial District Commands Higher Rentals



- White House, World Bank and International Monetary Fund anchors submarket
- Pennsylvania Avenue - preferred address for high-profile law firms, global agencies and political think tanks
- Wide variety of restaurants, luxury shops, hotels, sports and cultural entertainment
- CBD is fully built out with development focus on repositioning Class B/C buildings to Trophy/Class A with asking rents of ~US\$68.00 psf
- 10-year average vacancy rate of 10.7% - lowest in the city
- Rental rates are ~50.0% higher in D.C.'s CBD vs overall D.C.

### Demographics (2017)

	D.C.	U.S.
<b>Population</b>	6.1 million	327.4 million
<b>Median Household Income</b>	US\$95,843	US\$55,775

Source: JLL Independent Market Research Report, March 2018

# Overview: 1750 Pennsylvania Avenue, Washington, D.C.

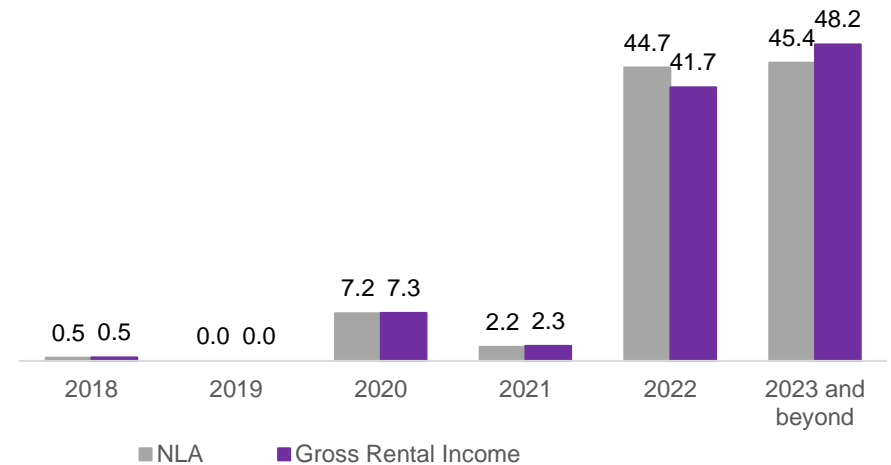
86.2% of Tenants are Defensive Government and Global Agencies; Long WALE 6.8 years

## Tenants by Gross Rental Income

Tenants	% of Gross Rental Income
U.S. Department Of Treasury	41.7%
United Nations Foundation	37.4%
U.S. Chemical Safety Board	4.8%
United States Postal Service	2.3%
AOL	6.3%
Board of Regents of the University Texas	4.4%
VIPS Catering	1.0%
Taylor Gourmet	0.9%
General Nutrition Corporation	0.7%
Export-Import Bank of India	0.5%
<b>Total</b>	<b>100.0%</b>

Data as at 31 Dec 2017

## Lease Expiry Profile (%)



- ✓ ~US\$6.0 million of asset enhancement in the last six years
- ✓ Over 90.0% by NLA expiring in 2022 and beyond
- ✓ Leases with built-in rental escalations, typically mid-term or annual
- ✓ Passing gross rent of US\$48.90 psf vs market gross rent of US\$55.00 psf



# Atlanta: Economic Centre of Southeast U.S.

## International Gateway - Headquarters for 15 Fortune 500 Firms



### Big business

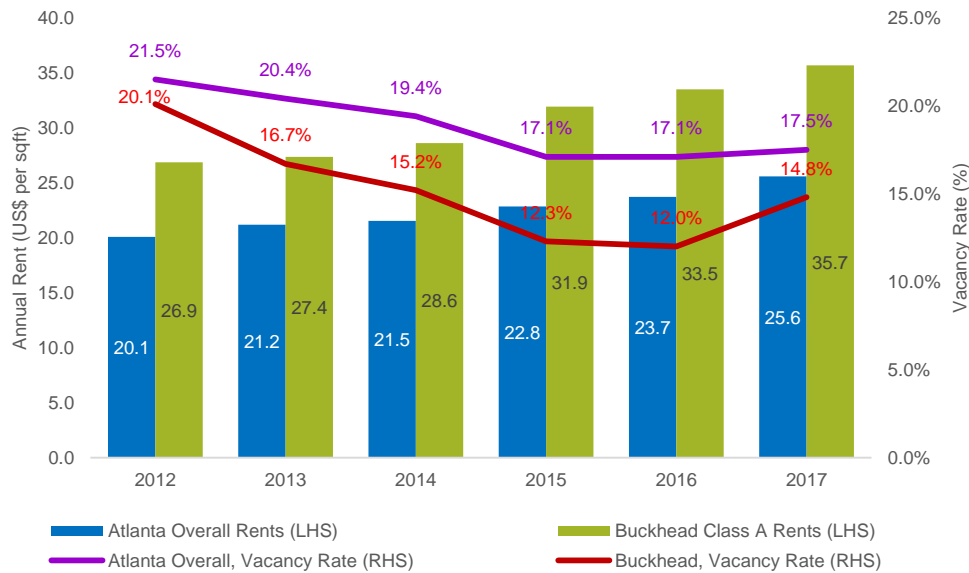
- 10<sup>th</sup> largest economy in U.S.
- 15 Fortune 500 companies
- Average ~85,000 jobs created annually
- Lowest cost of doing business among 50 largest Metropolitan Statistical Area in U.S.
- Dynamic and affluent workforce
  - ✓ Median household income above U.S. average
  - ✓ Ranked 4<sup>th</sup> nationally in annual population growth
  - ✓ 35.8 median age compared to 37.9 U.S. average
  - ✓ 37.7% of population has a bachelor's degree or higher
- Atlanta's Hartsfield-Jackson International Airport - world's busiest airport, serving ~100 million passengers annually

Source: JLL Independent Market Research Report, March 2018

# Atlanta: Exposure to Strongest Office Submarket

## Buckhead Atlanta

### Lower Vacancy and Higher Rentals



### Great connectivity

- Direct access to highways
- Trains run directly to Midtown and Downtown Atlanta
- 20 mins by car to Atlanta's Hartsfield-Jackson International Airport

### Desirable high-end location

- Highly sought after by young professionals and senior executives for high-end “live, work, play”
- Traditionally commands highest office rents in Atlanta
- Rents growing 58.4% faster than the broader market since 2012
- Overall vacancy rate 14.8% is lower than Atlanta's average 17.5%

### Demographics (2017)

	Atlanta	U.S.
<b>Population</b>	5.8 million	327.4 million
<b>Median Household Income</b>	US\$62,613	US\$55,775

Source: JLL Independent Market Research Report, March 2018



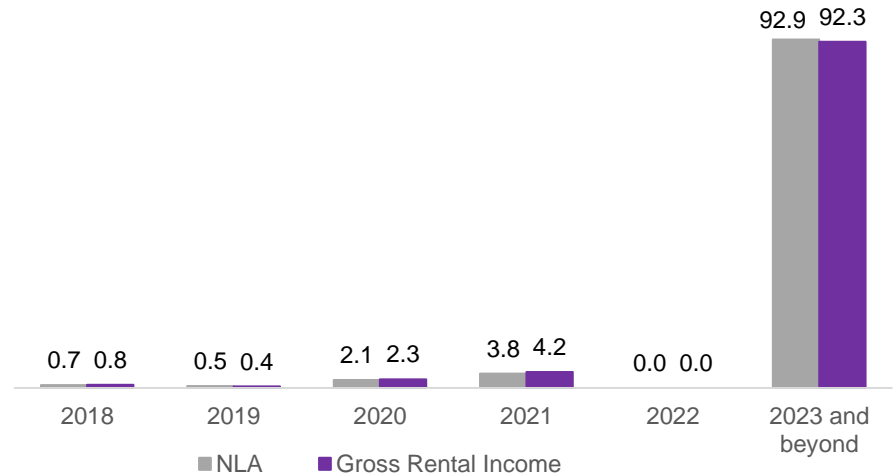
# Overview: Phipps Tower, Atlanta

High Occupancy Rate of 97.3% with Strong Tenant Base; Long WALE 10.0 years

## Tenants by Gross Rental Income

Tenants	% of Gross Rental Income
Carter's (NYSE:CRI)	64.6%
Northwestern Mutual	12.6%
CoStar (NASDAQ:CSGP)	9.9%
Daugherty Business Solutions	3.8%
Speakeasy Communication	3.6%
Cornerstone Investment	2.3%
Government of Japan	2.3%
Quantum National Bank	0.4%
Carole Parks	0.1%
<b>Total<sup>1</sup></b>	<b>99.6%</b>

## Lease Expiry Profile (%)



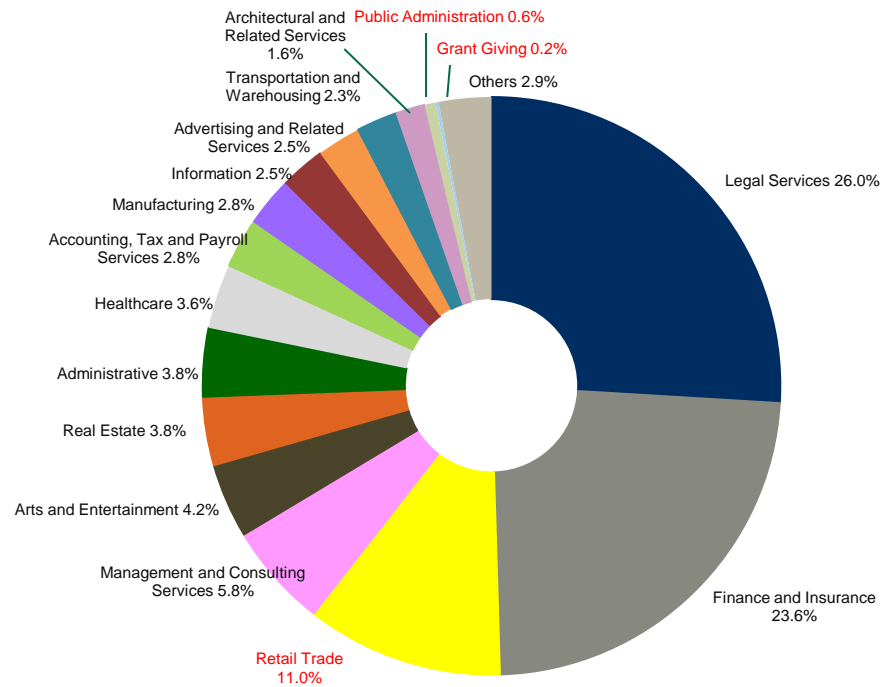
- ✓ Over 90% by NLA and GRI expiring in 2023 and beyond
- ✓ Majority of leases with built-in rental escalations, typically mid-term or periodic
- ✓ Passing net rent of US\$22.20 psf vs market net rent of US\$30.00 psf

Data as at 31 Dec 2017. Excluding a lease with H.I.G. Atlanta, Inc which expired on 28 Feb 2018

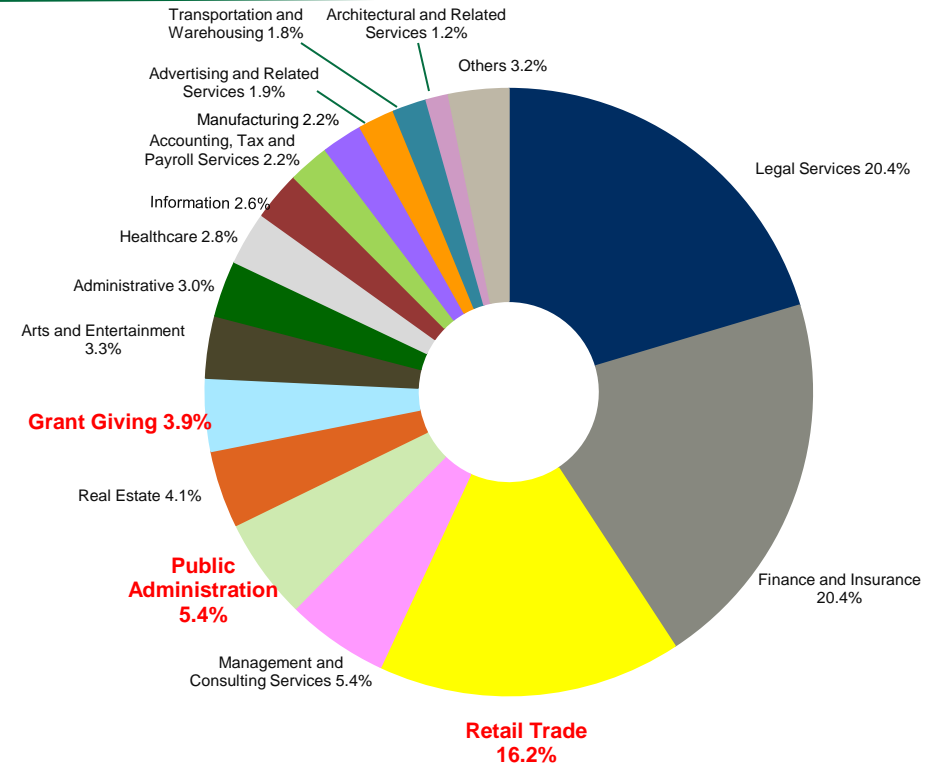
(1) JHUSA operates a property management office in Phipps, and accounts for the remaining 0.4% of the Gross Rental Income, but is not listed as a tenant

# Fortifying Trade Sectors and Quality of Tenants

## Current Portfolio Trade Sectors by GRI



## Enlarged Portfolio Trade Sectors by GRI



- ✓ Improve tenant diversification from current portfolio
- ✓ Significantly increased exposure to Retail Trade, Public Administration and Grant Giving
- ✓ High exposure to quality tenants

Data as at 31 Dec 2017



# Fortifying Trade Sectors and Quality of Tenants

## Acquisition Introduces Three New Quality Tenants into Top 10 Tenants

Current Portfolio	
Tenants	% Gross Rental Income
Kilpatrick Townsend	6.7%
TCW Group	6.4%
Hyundai Motor Finance	5.8%
The Children's Place	5.4%
Quinn Emanuel Trial Lawyers	4.5%
Amazon	4.4%
Quest Diagnostics	3.5%
Gibson Dunn	3.2%
LA Fitness	3.0%
Rabo Support Services, Inc	3.0%
<b>Total Top 10 Tenants</b>	<b>45.9%</b>



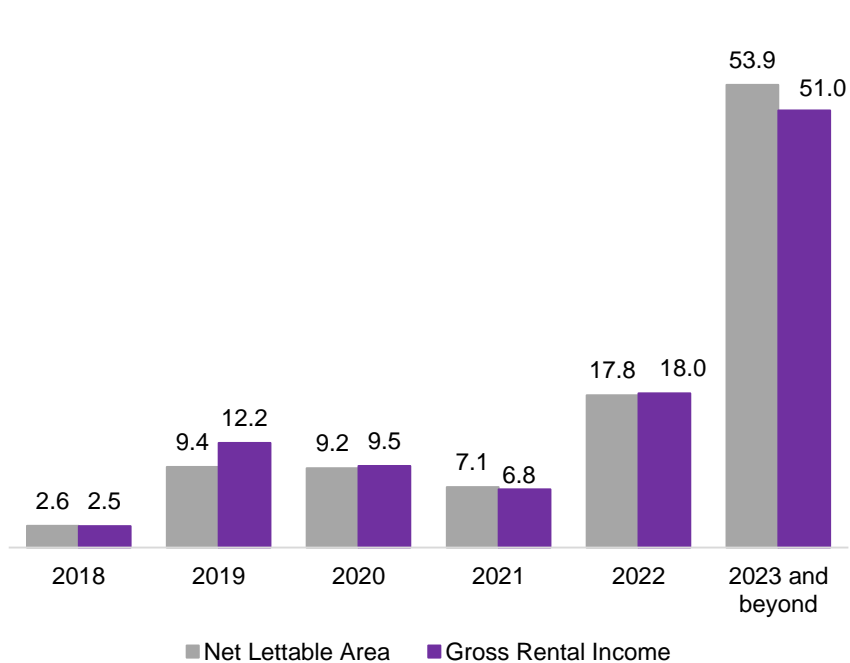
Enlarged Portfolio	
Tenants	% Gross Rental Income
<b>Carter's</b>	<b>7.4%</b>
Kilpatrick Townsend	5.2%
TCW Group	5.0%
Hyundai Motor Finance	4.5%
The Children's Place	4.3%
<b>U.S. Department of Treasury</b>	<b>4.2%</b>
<b>United Nations Foundation</b>	<b>3.7%</b>
Quinn Emanuel Trial Lawyers	3.5%
Amazon	3.5%
Quest Diagnostics	2.8%
<b>Total Top 10 Tenants</b>	<b>44.1%</b>

Data as at 31 Dec 2017

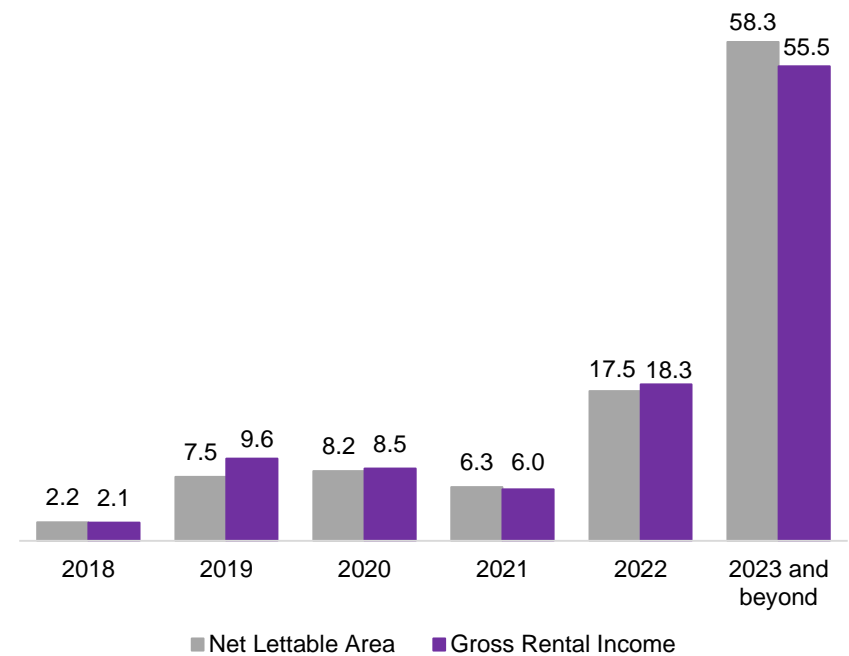
# Strengthening Portfolio Resilience by Lengthening Lease Expiries

Lengthen WALE from 5.7 to 6.3 years by NLA

Current Portfolio Lease Expiries Profile (%)



Enlarged Portfolio Lease Expiries Profile (%)



Data as at 31 Dec 2017





Carter's

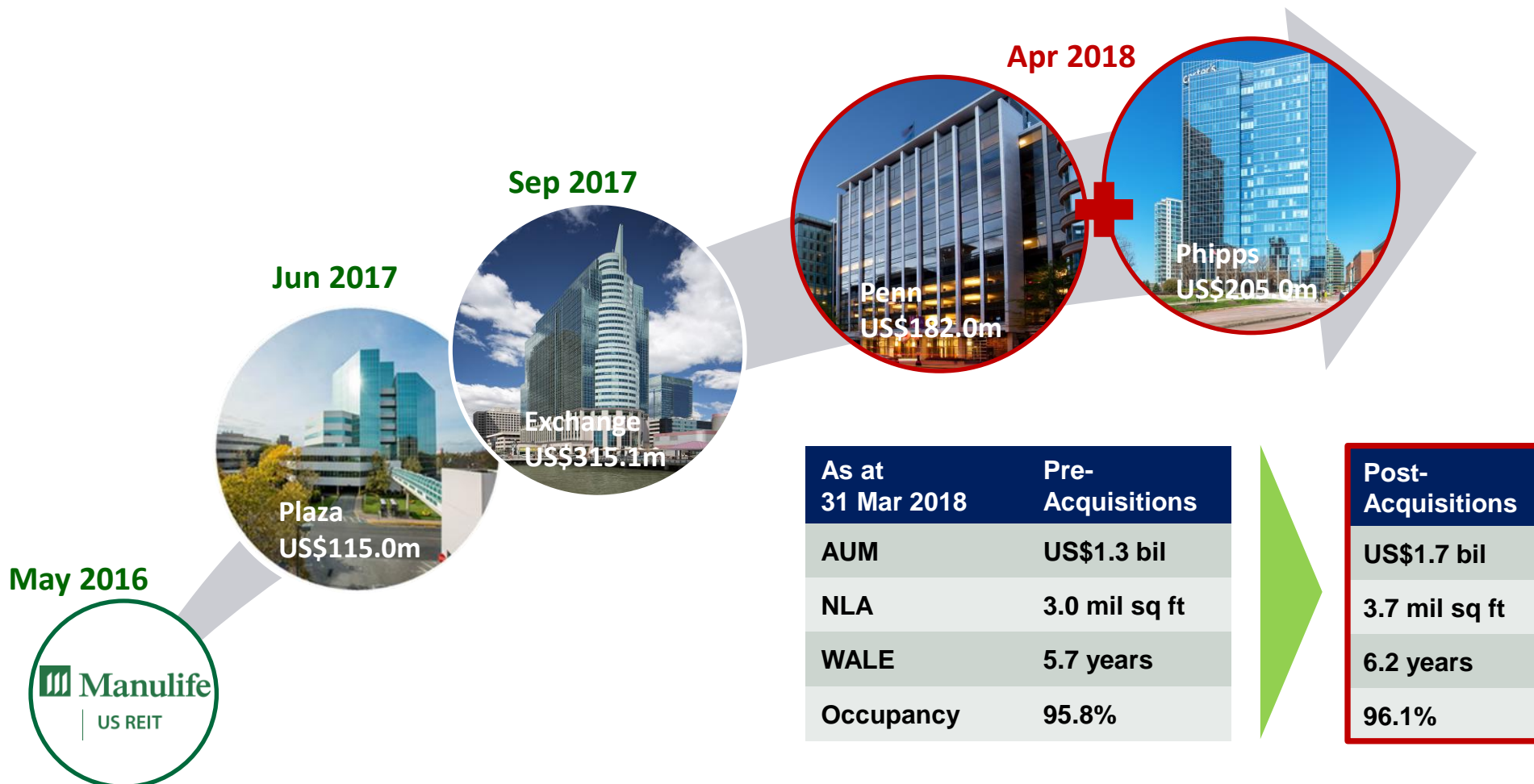
LEGOLAND  
IMMERSIVE CENTER

To 400  
Peachtree Road North - only

# Conclusion

# Expanding Beyond - Fortifying the Portfolio

Growing from Strength to Strength



Figuroa, Michelson, Peachtree  
AUM US\$777.5m

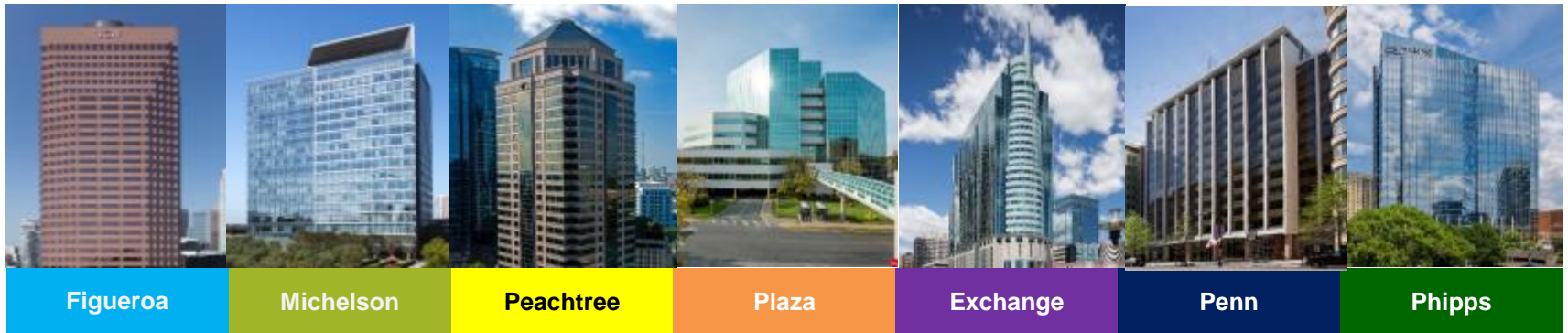




# Appendix



# Portfolio Overview



	<b>Figueroa</b>	<b>Michelson</b>	<b>Peachtree</b>	<b>Plaza</b>	<b>Exchange</b>	<b>Penn</b>	<b>Phipps</b>
<b>Location</b>	Los Angeles	Irvine	Atlanta	Secaucus	Jersey City	Washington, D.C.	Atlanta
<b>Property Type</b>	Class A	Trophy	Class A	Class A	Class A	Class A	Trophy
<b>Completion Date</b>	1991	2007	1991	1985	1988	1964	2010
<b>Last Refurbishment</b>	2015	-	2015	2016	-	2014	-
<b>Property Value</b>	326.3	342.1	194.2	118.0	334.8	182.0 <sup>1</sup>	205.0 <sup>1</sup>
<b>Occupancy (%)</b>	93.0	96.5	92.7	98.9	98.3	97.2	97.4
<b>NLA (sq ft)</b>	701,978	532,663	557,589	461,525	730,823	277,243	475,091
<b>WALE (by NLA)</b>	4.7 years	4.2 years	5.6 years	8.1 years	6.5 years	6.6 years	9.8 years
<b>No. of Tenants</b>	29	15	25	7	25	10	9

Data as at 31 Mar 2018  
 (1) Based on purchase price



Thank You

For enquiries, please contact: Ms Caroline Fong, Head of Investor Relations  
Direct: (65) 6801 1066 / Email: carol\_fong@manulifeusreit.sg

**MANULIFE US REAL ESTATE INVESTMENT TRUST**  
51 Bras Basah Road, #11-00 Manulife Centre, Singapore 189554

<http://www.manulifeusreit.sg>