MANULIFE US REAL ESTATE INVESTMENT TRUST
Unaudited Financial Statements Announcement
For the Third Quarter Ended 30 September 2018

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
-	Summary of Manulife US REIT Group Results	3
1(a)(i)	Consolidated Statement of Comprehensive Income and Distribution Statement	4 - 6
1(b)(i)	Consolidated Statements of Financial Position	7 - 8
1(b)(ii)	Aggregate Amount of Loans and Borrowings and Debt Securities	8 - 9
1(c)	Consolidated Statement of Cash Flows	10 - 11
1(d)(i)	Consolidated Statements of Changes in Unitholders' Funds	11 - 14
1(d)(ii)	Details of Any Changes in the Units	14
1(d)(iii)	Total number of issued Units	14
1(d)(iv)	Sales, transfers, cancellation and/or use of Treasury units	14
1(d)(v)	Sales, transfers, cancellation and/or use of Subsidiary holdings	15
2 & 3	Audit Statement	15
4 & 5	Changes in Accounting Policies	15
6	Earnings per Unit and Distribution per Unit	15 - 16
7	Net Asset Value per Unit and Net Tangible Assets per Unit	16
8	Review of the Performance	17 - 18
9	Variance between Actual and Projection	18
10	Outlook and Prospects	18 - 19
11 & 12	Distribution	20
13	General Mandate relating to Interested Person Transactions	20
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	20
15	Confirmation pursuant to Rule 720(1) of the Listing Manual	20

Introduction

Manulife US Real Estate Investment Trust ("**Manulife US REIT**" or the "**Group**") is a Singapore real estate investment trust constituted by the Trust Deed dated 27 March 2015 (as amended and restated) between Manulife US Real Estate Management Pte. Ltd. as the Manager of Manulife US REIT (the "**Manager**") and DBS Trustee Limited as the Trustee of Manulife US REIT (the "**Trustee**").

Manulife US REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 20 May 2016 (the "**Listing Date**"). Manulife US REIT's strategy is to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States of America ("**U.S.**" or "**United States**"), as well as real estate-related assets. Manulife US REIT's key objectives are to provide unitholders of Manulife US REIT ("**Unitholders**") with regular and stable distributions and to achieve long-term growth in distribution per unit ("**DPU**") and net asset value ("**NAV**") per Unit, while maintaining an appropriate capital structure for Manulife US REIT.

Manulife US REIT was dormant from 27 March 2015 (being the date of its constitution) to the Listing Date.

Manulife US REIT portfolio comprises of the following seven office properties (the "**Properties**") in the United States, with an aggregate net lettable area of 3,737,091 square feet ("**sq ft**"), as follows:

- Figueroa is a 35-storey Class A office building with 701,977 sq ft of net lettable area ("**NLA**"), located in the South Park district of Downtown Los Angeles, two blocks away from a variety of entertainment venues;
- Michelson is a 19-storey Trophy office building with 532,663 sq ft of NLA, located in Irvine, Orange County, within the Greater Los Angeles market;
- Peachtree is a 27-storey Class A office building with 557,589 sq ft of NLA, located in the heart of Midtown, Atlanta;
- Plaza is an 11-storey Class A office building with 461,525 sq ft of NLA, located in Secaucus, New Jersey;
- Exchange is a 30-storey Class A office building with 730,823 sq ft of NLA, located in Jersey City, Hudson County, New Jersey;
- Penn is a 13-storey Class A office building with 277,315 sq ft of NLA, located in Washington, D.C.; and
- Phipps is a 19-storey Trophy office building with 475,199 sq ft of NLA, located in the heart of Buckhead, Atlanta.

Penn and Phipps were acquired on 22 June 2018 (U.S. Time) ("**Properties acquired in 2018**") and financed by a combination of preferential offering of 227,935,981 new Units at the issue price of US$0.865 per new unit raising gross proceeds of approximately US$197.2 million (the "**Preferential Offering**") and debt financing. Plaza and Exchange were acquired on 19 July 2017 (U.S. Time) and 31 October 2017 (U.S. time) respectively ("**Properties acquired in 2017**"). The properties acquired in 2018 have significantly increased Manulife US REIT's NLA by approximately 25% to 3,737,091 sq ft which demonstrated growth, financial strength and scalability of Manulife US REIT and strong support from the sponsor. These acquisitions also provided diversification benefits to the portfolio.

Manulife US REIT is presenting its financial results for the third quarter ended 30 September 2018 ("**3Q 2018**").

Distribution Policy

Manulife US REIT intends to make distributions to the Unitholders on a semi-annual basis. Manulife US REIT's distribution policy is to distribute at least 90% of its annual distributable income. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

SUMMARY OF MANULIFE US REIT GROUP RESULTS

	3Q 2018 US$'000	3Q 2017 US$'000	Change %	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000	Change %
Gross Revenue	40,379	23,037	75.3	104,053	62,776	65.8
Net Property Income[(1)]	25,147	14,381	74.9	65,174	39,933	63.2
Net Income for the period[(2)]	13,470	9,271	45.3	44,011	39,021	12.8
Income available for distribution to Unitholders	19,257	11,675	64.9	51,395	32,075	60.2
Distribution per Unit ("DPU") (cents)	1.51	1.13[(3)]	33.6[(4)]	4.04	4.35[(5)]	(7.1)[(6)]
DPU (Restated for Preferential Offering and Rights Issue)[(7)] (cents)	1.51	1.12	34.8	4.04	4.07	(0.7)
For information only **Adjusted DPU[(8)] (cents)**	1.52	1.47	3.4	4.53	4.42	2.5

Footnotes:

(1) Net property income of US$25.1 million for 3Q 2018 and US$65.2 million for YTD Sep 2018 was higher than 3Q 2017 and YTD Sep 2017 by 74.9% and 63.2%, respectively, largely due to net property income contribution from properties acquired in 2017 and 2018.

(2) Net income for 3Q 2018 was higher than 3Q 2017 mainly due to higher net property income, partially offset by the higher finance expenses on new loans secured to partially fund properties acquired in 2017 and 2018 and higher tax expenses. Net income for YTD Sep 2018 was higher than YTD Sep 2017 mainly due to higher net property income, partially offset by the higher finance expenses and lower fair value gains.

(3) The distributable income from 1 July 2017 to 30 September 2017 was paid out with 2H 2017 distribution based on 1,033,722,152 Units (including Rights Issue). As such, there was a drag on 3Q 2017 DPU for the enlarged Unit base resulting from the Rights Issue to partially fund Exchange acquisition, while there was no income from Exchange included in 3Q 2017 distributable income since Exchange was only acquired on 31 October 2017.

(4) 3Q 2018 DPU was higher than 3Q 2017 DPU largely due to strong income contribution from properties acquired in 2017 and 2018 and drag from the enlarged Unit base from the Rights Issue on 3Q 2017 DPU.

(5) YTD Sep 2017 DPU was based on distributable income paid from 1 January 2017 to 28 June 2017 over 631,365,359 Units, and distributable income paid from 29 June 2017 to 30 September 2017 over 1,033,722,152 Units.

(6) YTD Sep 2018 DPU was lower than YTD Sep 2017 DPU largely due to the drag from the enlarged Unit base from the issuance of Preferential Offering to partially fund Penn and Phipps acquisitions, which income contribution from Penn and Phipps was only from acquisition date on 22 June 2018.

(7) 3Q 2017 DPU has been restated for the preferential offering of which 227,935,981 Units were issued on 20 June 2018 ("Preferential Offering") and YTD Sep 2017 DPU has been restated for the Preferential Offering and the rights issue, through which 299,288,423 Units were issued on 25 October 2017 ("Rights Issue").

(8) Adjusted DPU was calculated based on the weighted average number of Units in issue. The adjusted DPU normalises the impact of the enlarged Unit base from the Preferential Offering and Rights Issue.

1 (a)(i) Consolidated Statement of Comprehensive Income and Distribution Statement

	Note	3Q 2018 US$'000	3Q 2017 US$'000	Change %	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000	Change %
Consolidated Statement of Comprehensive Income							
Gross revenue		40,379	23,037	75.3	104,053	62,776	65.8
Property operating expenses		(15,232)	(8,656)	76.0	(38,879)	(22,843)	70.2
Net property income		**25,147**	**14,381**	**74.9**	**65,174**	**39,933**	**63.2**
Interest income		94	-	N.M.	114	7	>100
Manager's base fee	a	(1,926)	(1,168)	64.9	(5,140)	(3,208)	60.2
Trustee's fee		(64)	(43)	48.8	(172)	(119)	44.5
Other trust expenses	b	(512)	(276)	85.5	(1,627)	(989)	64.5
Finance expenses	c	(5,857)	(2,354)	>100	(13,353)	(6,291)	>100
Net income before tax and fair value change in investment properties		**16,882**	**10,540**	**60.2**	**44,996**	**29,333**	**53.4**
Net fair value change in investment properties	d	(929)	(1,165)	(20.3)	8,908	18,411	(51.6)
Net income for the period before tax		**15,953**	**9,375**	**70.2**	**53,904**	**47,744**	**12.9**
Tax expense	e	(2,483)	(104)	>100	(9,893)	(8,723)	13.4
Net income for the period		**13,470**	**9,271**	**45.3**	**44,011**	**39,021**	**12.8**
Distribution Statement							
Net income for the period		13,470	9,271	45.3	44,011	39,021	12.8
Distribution adjustments	f	5,787	2,404	>100	7,384	(6,946)	N.M.
Income available for distribution to Unitholders		**19,257**	**11,675**	**64.9**	**51,395**	**32,075**	**60.2**

N.M.: Not meaningful

Notes to Consolidated Statement of Comprehensive Income and Distribution Statement

a. Manager's base fees

The base fees for 3Q 2018 will be fully paid in the form of Units. The Manager had also elected to receive its base fees in the form of Units for the period from Listing Date to the end of 2Q 2018.

b. Other trust expenses

Other trust expenses consist of audit, tax compliance and other expenses.

c. Finance expenses

Finance expenses comprise of the following:

	3Q 2018 US$'000	3Q 2017 US$'000	Change %	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000	Change %
Interest expense on loans and borrowings	5,529	2,182	>100	12,325	5,842	>100
Amortisation of upfront debt-related transaction costs(1)	315	143	>100	776	364	>100
Dividends on preferred units	-	16	(100.0)	8	47	(83.0)
Redemption of preferred units(2)	-	-	-	218	-	N.M.
Commitment fees	13	13	-	26	38	(31.6)
Finance expenses	**5,857**	**2,354**	**>100**	**13,353**	**6,291**	**>100**

N.M.: Not meaningful

Footnotes:

(1) Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.
(2) The preferred units issued by each of Hancock S-REIT LA Corp., Hancock S-REIT Irvine Corp., Hancock S-REIT ATL Corp., Hancock S-REIT SECA Corp. and Hancock S-REIT JCITY Corp. (collectively, the "U.S. Subs") were redeemed by the U.S. Subs as part of restructuring required to address the effect of new U.S. tax rules.

d. Net fair value change in investment properties

The fair value loss for 3Q 2018 of US$0.9 million largely relates to straight line rent accounting adjustments.

e. Tax expense

Tax expense consists of current tax and deferred tax expenses. Current tax expense comprises mainly of withholding tax and income tax paid or payable.

Deferred tax is recognised in respect of temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes. Tax expense is mainly related to deferred tax expenses arising from property fair value gains and tax depreciation.

f. Distribution adjustments

	3Q 2018 US$'000	3Q 2017 US$'000	Change %	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000	Change %
Property related non-cash items[1]	(929)	(1,165)	(20.3)	(2,669)	(2,403)	11.1
Amortisation of upfront debt-related transaction costs[2]	315	143	>100	776	364	>100
Manager's base fee paid/payable in Units	1,926	1,168	64.9	5,140	3,208	60.2
Property Manager's management fee paid/payable in Units	984	548	79.6	2,540	1,465	73.4
Trustee's fee	64	43	48.8	172	119	44.5
Net fair value change in investment properties	929	1,165	(20.3)	(8,908)	(18,411)	(51.6)
Deferred tax expense	2,304	100	>100	9,126	8,123	12.3
Redemption of preferred units	-	-	-	218	-	N.M.
Other items[3]	194	402	(51.7)	989	589	67.9
Distribution adjustments	**5,787**	**2,404**	**>100**	**7,384**	**(6,946)**	**N.M.**

N.M.: Not meaningful

Footnotes:

(1) This includes amortisation of tenant improvement allowance, leasing commissions and free rent incentives, and straight line rent adjustments.
(2) Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.
(3) This includes non-tax deductible items and adjustments as well as rent free reimbursements. For 3Q 2018 and YTD Sep 2018, the rent free reimbursements were in relation to the vendor of Exchange that had granted rent free periods to certain tenants under the existing lease arrangements. As part of the terms of the acquisition, the vendor reimbursed Manulife US REIT the free rent under existing lease arrangements and the rent free reimbursements are applied towards the distributable income. For 3Q 2017 and YTD Sep 2017, the rent free reimbursements were in relation to the vendor of Plaza that had reimbursed the rent free with similar terms as part of the terms of acquisition of Exchange, and the rent free reimbursements had been applied towards the distributable income.

1 (b)(i) Consolidated Statements of Financial Position

		Group		Trust	
	Note	As at 30 Sep 2018 US$'000	As at 31 Dec 2017 US$'000	As at 30 Sep 2018 US$'000	As at 31 Dec 2017 US$'000
Current assets					
Cash and cash equivalents		37,704	49,674	3,209	4,953
Prepaid expenses		1,817	815	21	8
Trade and other receivables		7,152	5,913	2,445	15,995
		46,673	56,402	5,675	20,956
Non-current assets					
Investment properties	a	1,725,409	1,312,800	-	-
Investment in subsidiaries		-	-	921,048	751,259
		1,725,409	1,312,800	921,048	751,259
Total assets		**1,772,082**	**1,369,202**	**926,723**	**772,215**
Current liabilities					
Trade and other payables		22,081	18,238	873	912
Loans and borrowings	b	108,338	-	-	-
Security deposits		380	127	-	-
Rent received in advance		2,532	867	-	-
		133,331	19,232	873	912
Non-current liabilities					
Loans and borrowings		550,143	458,369	-	-
Security deposits		1,571	1,721	-	-
Preferred units		102	571	-	-
Deferred tax liabilities		46,330	37,203	-	-
		598,146	497,864	-	-
Total liabilities		**731,477**	**517,096**	**873**	**912**
Net assets attributable to Unitholders		**1,040,605**	**852,106**	**925,850**	**771,303**
Represented by:					
Unitholders' funds		1,040,605	852,106	925,850	771,303
Net assets attributable to Unitholders		**1,040,605**	**852,106**	**925,850**	**771,303**

Notes to Consolidated Statements of Financial Position

a. Investment properties

Investment properties are stated at fair value based on 30 June 2018 appraisals conducted by Colliers International Valuation and Advisory Services, LLC and after capitalisation of capital expenditures, tenant improvement allowances and leasing costs. These include Penn and Phipps which were acquired on 22 June 2018 (U.S. Time). Appraisals as at 31 December 2017 were conducted by CBRE, Inc., Colliers International Valuation and Advisory Services, LLC and Cushman & Wakefield of New Jersey, Inc.

b. Loans and borrowings

The Group is in a net current liabilities position due to the reclassification of long-term borrowings which are maturing in second half of 2019. The Group currently has the option to exercise the 1-year extension under the existing loan arrangements and the ability to issue unsecured senior notes under the US$1 billion Multicurrency Debt Issuance Programme to refinance the current borrowings. The Group has sufficient financing options to refinance the portion of borrowings that are maturing within the next 12 months.

1 (b)(ii) Aggregate amount of loans and borrowings, and debt securities for Manulife US REIT Group

	Group	
Secured loans and borrowings	**As at 30 Sep 2018 US$'000**	**As at 31 Dec 2017 US$'000**
Amount repayable in one year or less(1)	108,500	-
Amount repayable after one year(2)	553,900	461,900
Less: Unamortised upfront debt-related transaction costs(3)	(3,919)	(3,531)
Total secured loans and borrowings	**658,481**	**458,369**

Footnotes:

(1) US$108.5 million comprises of initial loan of US$108.0 million and US$0.5 million of good news facilities drawn to fund capital expenditure and leasing costs. This mortgage loan is maturing in the second half of 2019.
(2) Includes US$553.6 million (2017: US$461.1 million) of initial funding and US$0.3 million (2017: US$0.8 million) of good news facilities drawn to fund capital expenditure and leasing costs.
(3) Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.

<u>Details of loans and borrowings, and collaterals</u>

1. Property Financing

As of 30 September 2018, Manulife US REIT has loan facilities of US$747.4 million consisting of an initial funding of US$661.6 million as well as good news facilities of up to US$85.8 million ("Mortgage Facilities").

The Mortgage Facilities are secured by, amongst other collateral: (i) a first mortgage on each Figueroa, Michelson, Peachtree, Plaza, Exchange, Penn and Phipps respectively (each, the "Property"); (ii) an assignment each of the U.S. Sub's rights, title and interest in present and future leases, subleases, licenses and all other agreements relating to the management, leasing and operation of the respective Property; and (iii) an assignment of each of the U.S. Sub's rights to all goods, building and other materials, supplies, inventory, equipment, machinery, fixtures, furniture and other personal property, together with all payments and other rents and security deposits in respect of the relevant Properties.

2. Revolving Credit Facilities

As at 30 September 2018, Manulife US REIT has a US$10.0 million revolving credit facility with DBS Bank Ltd. ("US$10.0 million Revolving Credit Facility") and a separate 1-year uncommitted US$200.0 million revolving credit facility with DBS Bank Ltd. ("US$200.0 million Revolving Credit Facility", together with the US$10.0 million Revolving Credit Facility, the "Revolving Credit Facilities"). The facility amount of the US$200.0 million Revolving Credit Facility had been increased from US$120.0 million to US$200.0 million.

Both the Revolving Credit Facilities are secured by: (i) the shares of Manulife US REIT's wholly owned subsidiaries, Manulife US REIT Alpha (Singapore) Pte. Ltd. ("Alpha") and Manulife US REIT Beta (Singapore) Pte. Ltd. ("Beta"); (ii) an assignment of all inter-company loans from the Trustee to any other subsidiaries of Manulife US REIT; and (iii) an assignment of certain bank accounts by the Trustee.

In addition:

(i) the US$10.0 million Revolving Credit Facility is secured by an assignment of all inter-company loans from Beta and MUSREIT (Barbados) 1 LP ("Barbados LP1") to any other subsidiaries of Manulife US REIT; and

(ii) the US$200.0 million Revolving Credit Facility is secured by the shares of Manulife US REIT's wholly owned subsidiary, Manulife US REIT Beta 2 (Singapore) Pte. Ltd. ("Beta 2"), Manulife US REIT Beta 3 (Singapore) Pte. Ltd. ("Beta 3") and all other direct subsidiaries wholly owned by Manulife US REIT from time to time, and an assignment of all inter-company loans from Beta 2, Beta 3, Barbados LP1, MUSREIT (Barbados) 2 LP, MUSREIT (Barbados) 3 LP and any future loan subsidiaries to any other subsidiaries of Manulife US REIT.

1 (c) Consolidated Statement of Cash Flows

		Group			
	Note	3Q 2018 US$'000	3Q 2017 US$'000	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000
Cash flows from operating activities					
Net income for the period before tax		15,953	9,375	53,904	47,744
Adjustments for:					
Amortisation		(929)	(1,165)	(2,669)	(2,403)
Interest income		(94)	-	(114)	(7)
Finance expenses		5,857	2,354	13,353	6,291
Manager's base fee paid/payable in Units		1,926	1,168	5,140	3,208
Property Manager's management fee paid/payable in Units		984	548	2,540	1,465
Net fair value change in investment properties		929	1,165	(8,908)	(18,411)
Unrealised transaction gains effect of foreign exchange		28	(34)	39	(104)
Operating income before working capital changes		**24,654**	**13,411**	**63,285**	**37,783**
Changes in working capital:					
Trade and other receivables		(1,977)	1,693	(1,238)	(708)
Prepaid expenses		(1,401)	(809)	(1,002)	(262)
Trade and other payables		4,449	2,327	2,717	2,551
Security deposits		(24)	34	103	97
Rent received in advance		1,987	344	1,665	970
Cash from operating activities		**27,688**	**17,000**	**65,530**	**40,431**
Tax paid		(7)	(4)	(180)	(600)
Interest paid		(5,152)	(2,074)	(11,825)	(5,184)
Net cash from operating activities		**22,529**	**14,922**	**53,525**	**34,647**
Cash flows from investing activities					
Acquisition of investment properties and related assets and liabilities		-	(108,545)	(391,801)	(108,545)
Payment for capital expenditure and other costs related to investment properties		(1,709)	(2,088)	(6,328)	(4,974)
Interest received		94	-	114	7
Net cash used in investing activities		**(1,615)**	**(110,633)**	**(398,015)**	**(113,512)**
Cash flows from financing activities					
Redemption of preferred units	a	-	-	(687)	-
Proceeds from issuance of Units	b	-	-	197,165	80,512
Payment of transaction costs relating to issuance of Units	b	-	(683)	(4,566)	(1,931)
Proceeds from loans and borrowings	c	-	80,000	200,500	80,000
Repayment of loans and borrowings		-	(40,000)	-	(40,000)
Payment of transaction costs relating to loans and borrowings		-	(562)	(1,195)	(562)
Distributions to Unitholders		(32,127)	(20,204)	(58,694)	(42,493)
Net cash from financing activities		**(32,127)**	**18,551**	**332,523**	**75,526**
Net decrease in cash and cash equivalents		**(11,213)**	**(77,160)**	**(11,967)**	**(3,339)**
Cash and cash equivalents at beginning of the period		**48,918**	**112,326**	**49,674**	**38,433**
Effect of exchange rate fluctuations on cash held in foreign currency		(1)	32	(3)	104
Cash and cash equivalents at the end of the period		**37,704**	**35,198**	**37,704**	**35,198**

Notes to Consolidated Statement of Cash Flows

a. The preferred units issued by each of Hancock S-REIT LA Corp., Hancock S-REIT Irvine Corp., Hancock S-REIT ATL Corp., Hancock S-REIT SECA Corp. and Hancock S-REIT JCITY Corp. (collectively, the "U.S. Subs") were redeemed by the U.S. Subs in 1Q 2018 as part of restructuring required to address the effect of new U.S. tax rules.

b. On 20 June 2018, an aggregate of 227,935,981 Units were issued at US$0.865 per Unit and amounted to US$197.2 million from Preferential Offering. The use of proceeds raised from the Preferential Offering is in accordance with the stated uses as disclosed in the announcement made on 16 May 2018, and is set out below:

	Intended use of proceeds US$ million	Actual use of proceeds US$ million	Balance of proceeds US$ million
To partially fund the acquisitions of Penn and Phipps	191.1	192.3	(1.2)
To pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Manulife US REIT in connection with the Preferential Offering	6.1	4.9	1.2
Total	**197.2**	**197.2**	-

Please refer to the announcement made on 25 June 2018 on completion of acquisitions of Penn and Phipps and Preferential Offering use of proceeds.

c. Proceeds from Mortgage Facilities used to partially fund the acquisitions of Penn and Phipps.

1 (d)(i) Consolidated Statements of Changes in Unitholders' Funds

	3Q 2018			**3Q 2017**		
Group	**Units in issue and to be issued US$'000**	**Retained earnings US$'000**	**Total US$'000**	**Units in issue and to be issued US$'000**	**Retained earnings US$'000**	**Total US$'000**
At beginning of the period	**952,665**	**103,687**	**1,056,352**	**557,070**	**58,888**	**615,958**
Operations						
Net income for the period	-	13,470	13,470	-	9,271	9,271
Net increase in net assets resulting from operations	**-**	**13,470**	**13,470**	**-**	**9,271**	**9,271**
Unitholders' transactions						
Issuance costs[(1)]	-	-		(158)	-	(158)
Manager's base fee paid/payable in Units	1,926	-	1,926	1,168	-	1,168
Property Manager's management fees paid/payable in Units	984	-	984	548	-	548
Distributions[(2)]	(16,254)	(15,873)	(32,127)	-	-	-
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(13,344)**	**(15,873)**	**(29,217)**	**1,558**	**-**	**1,558**
At end of the period	**939,321**	**101,284**	**1,040,605**	**558,628**	**68,159**	**626,787**

1 (d)(i) Consolidated Statements of Changes in Unitholders' Funds

	3Q 2018			3Q 2017		
	Units in issue and to be issued	**Retained earnings/ (Accumulated losses)**	**Total**	**Units in issue and to be issued**	**Accumulated losses**	**Total**
Trust	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
At beginning of the period	**952,665**	**4,624**	**957,289**	**557,070**	**(4,527)**	**552,543**
Operations						
Net loss for the period	-	(2,222)	(2,222)	-	(1,430)	(1,430)
Net decrease in net assets resulting from operations	**-**	**(2,222)**	**(2,222)**	**-**	**(1,430)**	**(1,430)**
Unitholders' transactions						
Issuance costs(1)	-	-	-	(158)	-	(158)
Manager's base fee paid/payable in Units	1,926	-	1,926	1,168	-	1,168
Property Manager's management fees paid/payable in Units	984	-	984	548	-	548
Distributions(2)	(16,254)	(15,873)	(32,127)	-	-	-
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(13,344)**	**(15,873)**	**(29,217)**	**1,558**	**-**	**1,558**
At end of the period	**939,321**	**(13,471)**	**925,850**	**558,628**	**(5,957)**	**552,671**

Footnotes:

(1) The issuance costs were for the underwriting fees and professional fees incurred as a result of the Private Placement exercise which were completed on 29 June 2017.

(2) For 3Q 2018, the amount comprises of distribution paid to Unitholders for the period from 1 January 2018 to 30 June 2018.

1 (d)(i) Consolidated Statements of Changes in Unitholders' Funds

	YTD Sep 2018			YTD Sep 2017		
	Units in issue and to be issued	**Retained earnings**	**Total**	**Units in issue and to be issued**	**Retained earnings**	**Total**
Group	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
At beginning of the period	**765,004**	**87,102**	**852,106**	**495,331**	**51,674**	**547,005**
Operations						
Net income for the period	-	44,011	44,011	-	39,021	39,021
Net increase in net assets resulting from operations	**-**	**44,011**	**44,011**	**-**	**39,021**	**39,021**
Unitholders' transactions						
New Units issued(1)	197,165	-	197,165	80,512	-	80,512
Issuance costs(2)	(4,566)	-	(4,566)	(1,931)	-	(1,931)
Manager's acquisition fee paid in Units(3)	2,903	-	2,903	-	-	-
Manager's base fee paid/payable in Units	5,140	-	5,140	3,208	-	3,208
Property Manager's management fees paid/payable in Units	2,540	-	2,540	1,465	-	1,465
Distributions(4)	(28,865)	(29,829)	(58,694)	(19,957)	(22,536)	(42,493)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**174,317**	**(29,829)**	**144,488**	**63,297**	**(22,536)**	**40,761**
At end of the period	**939,321**	**101,284**	**1,040,605**	**558,628**	**68,159**	**626,787**

	YTD Sep 2018			YTD Sep 2017		
	Units in issue and to be issued	**Retained earnings**	**Total**	**Units in issue and to be issued**	**Retained earnings/ (Accumulated losses)**	**Total**
Trust	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
At beginning of the period	**765,004**	**6,299**	**771,303**	**495,331**	**9,603**	**504,934**
Operations						
Net income for the period	-	10,059	10,059	-	6,976	6,976
Net increase in net assets resulting from operations	**-**	**10,059**	**10,059**	**-**	**6,976**	**6,976**
Unitholders' transactions						
New Units issued(1)	197,165	-	197,165	80,512	-	80,512
Issuance costs(2)	(4,566)	-	(4,566)	(1,931)	-	(1,931)
Manager's acquisition fee paid in Units(3)	2,903	-	2,903	-	-	-
Manager's base fee paid/payable in Units	5,140	-	5,140	3,208	-	3,208
Property Manager's management fees paid/payable in Units	2,540	-	2,540	1,465	-	1,465
Distributions(4)	(28,865)	(29,829)	(58,694)	(19,957)	(22,536)	(42,493)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**174,317**	**(29,829)**	**144,488**	**63,297**	**(22,536)**	**40,761**
At end of the period	**939,321**	**(13,471)**	**925,850**	**558,628**	**(5,957)**	**552,671**

Footnotes:

(1) For YTD Sep 2018, 227,935,981 Units were issued on 20 June 2018 from the Preferential Offering. For YTD Sep 2017, 97,003,000 Units were issued on 29 June 2017 from the Private Placement.
(2) The issuance costs were for the underwriting fees and professional fees incurred as a result of the Preferential Offering and the Private Placement exercises which were completed on 20 June 2018 and 29 June 2017 respectively.
(3) Manulife US REIT issued 3,341,968 new Units as full payment of acquisition fee to the Manager in respect of the acquisitions of Penn and Phipps from John Hancock Life Insurance Company (U.S.A.), an indirect, wholly-owned subsidiary of The Manufacturers Life Insurance Company ("Sponsor"). The acquisition fee is based on 0.75% of the acquisition price of Penn and Phipps as the acquisitions constituted as an interested person transaction.
(4) For YTD Sep 2018, the amount comprises of distribution paid to Unitholders for the period 29 June 2017 to 30 June 2018. For YTD Sep 2017, the amount comprises of distribution paid to Unitholders for the period 20 May 2016 to 28 June 2017.

1 (d)(ii) Details of any changes in the Units

	3Q 2018 Units	**3Q 2017 Units**	**YTD Sep 2018 Units**	**YTD Sep 2017 Units**
Units in issue:				
At beginning of the period	1,269,858,052	728,368,359	1,033,722,152	627,862,659
Manager's base fee paid in Units	1,908,367	1,106,774	5,182,404	3,520,862
Property Manager's management fees paid in Units	922,851	496,632	2,506,765	1,585,244
Manager's acquisition fee paid in Units[1]	-	-	3,341,968	-
Preferential Offering and Private Placement Units[2]	-	-	227,935,981	97,003,000
Total issued Units as at end of the period	1,272,689,270	729,971,765	1,272,689,270	729,971,765
Units to be issued:				
Manager's base fee payable in Units[3]	2,405,314	1,260,880	2,405,314	1,260,880
Property Manager's management fees payable in Units[3]	1,229,840	591,384	1,229,840	591,384
Total issuable Units as at end of the period	3,635,154	1,852,264	3,635,154	1,852,264
Total Units issued and to be issued as at end of the period	**1,276,324,424**	**731,824,029**	**1,276,324,424**	**731,824,029**

Footnotes:

(1) New Units issued to the Manager as payment for acquisition fee in respect of the acquisitions of Penn and Phipps.
(2) Relates to the Preferential Offering and the Private Placement Units issued on 20 June 2018 and 29 June 2017 respectively.
(3) There are 3,635,154 Units to be issued in satisfaction of the Manager's management fee and Property Manager's management fee for the 3Q 2018 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 September 2018 of US$0.8007. Actual Units from payment of property management fees may be different as it will be based on the higher of (i) volume weighted average price for last 10 Business Days immediately preceding 30 September 2018 or (ii) the closing price on the day of issuance of Units in payment of property management fees.

1 (d)(iii) To show the total number of issued units excluding treasury units at the end of the current financial period, and as at the end of the immediately preceding year

Manulife US REIT did not hold any treasury units as at 30 September 2018 and 31 December 2017. The total number of issued Units in Manulife US REIT as at 30 September 2018 and 31 December 2017 were 1,272,689,270 and 1,033,722,152, respectively.

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury units as at the end of the current financial period reported on

Not applicable.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2017 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised International Financial Reporting Standards ("IFRS") (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted the revised IFRS and interpretations that are effective for application from 1 January 2018. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU")

	3Q 2018	3Q 2017	YTD Sep 2018	YTD Sep 2017
EPU(1)				
Weighted average number of Units in issue and issuable	1,270,974,658	796,666,855(3)	1,134,564,035	725,236,533(3)
Basic and diluted EPU (cents)(2)	1.06	1.16(3)	3.88	5.38(3)
DPU(4)				
Number of Units in issue at end of the period	1,272,689,270	729,971,765	1,272,689,270	729,971,765
DPU (cents)	1.51	1.13(5)	4.04	4.35(5)
DPU (cents) (Restated for Preferential Offering and Rights Issue)	1.51	1.12(3)	4.04	4.07(3)

Footnotes:

(1) The computation of basic EPU is based on the weighted number of Units for the respective reporting periods. This comprises of:
  (i) The weighted average number of Units in issue includes the Preferential Offering and Private Placement Units for the respective reporting periods; and
  (ii) The estimated weighted average number of Units issuable as payment of Manager's base fees and Property manager's management fees for the respective reporting periods.

(2) The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue at the end of the respective reporting periods.
(3) 3Q 2017 and YTD Sep 2017 figures have been restated for the Preferential Offering and Rights Issue, through which 227,935,981 Units were issued on 20 June 2018 and 299,288,423 Units were issued on 25 October 2017, respectively.
(4) The computation of DPU is based on number of Units in issue as at end of the respective reporting periods.
(5) 3Q 2017 DPU comprised of distributable income paid from 1 July 2017 to 30 September 2017 over 1,033,722,152 Units and YTD Sep 2017 DPU comprised of distributable income paid from 1 January 2017 to 28 June 2017 over 631,365,359 Units, and distributable income paid from 29 June 2017 to 30 September 2017 over 1,033,722,152 Units.

7. Net Asset Value ("NAV") per Unit and Net Tangible Asset ("NTA") per Unit

	Group		**Trust**	
	As at 30 Sep 2018	**As at 31 Dec 2017**	**As at 30 Sep 2018**	**As at 31 Dec 2017**
Number of Units in issue and to be issued at end of period	1,276,324,424	1,036,072,644	1,276,324,424	1,036,072,644
NAV and NTA per Unit[1] (US$)	0.82	0.82	0.73	0.74
Adjusted NAV and NTA per Unit (excluding Distributable Income) (US$)	0.80	0.80	0.71	0.72

Footnote:

(1) NAV and NTA is the same as there is no intangible asset as at 30 September 2018 and 31 December 2017.

8. Review of the Performance

Consolidated Statement of Comprehensive Income and Distribution Statement

	3Q 2018 US$'000	3Q 2017 US$'000	Change %	YTD Sep 2018 US$'000	YTD Sep 2017 US$'000	Change %
Consolidated Statement of Comprehensive Income						
Gross revenue	40,379	23,037	75.3	104,053	62,776	65.8
Property operating expenses	(15,232)	(8,656)	76.0	(38,879)	(22,843)	70.2
Net property income	**25,147**	**14,381**	**74.9**	**65,174**	**39,933**	**63.2**
Interest income	94	-	N.M.	114	7	>100
Manager's base fee	(1,926)	(1,168)	64.9	(5,140)	(3,208)	60.2
Trustee's fee	(64)	(43)	48.8	(172)	(119)	44.5
Other trust expenses	(512)	(276)	85.5	(1,627)	(989)	64.5
Finance expenses	(5,857)	(2,354)	>100	(13,353)	(6,291)	>100
Net income before tax and fair value change in investment	**16,882**	**10,540**	**60.2**	**44,996**	**29,333**	**53.4**
Net fair value change in investment properties	(929)	(1,165)	(20.3)	8,908	18,411	(51.6)
Net income for the period before tax	**15,953**	**9,375**	**70.2**	**53,904**	**47,744**	**12.9**
Tax expense	(2,483)	(104)	>100	(9,893)	(8,723)	13.4
Net income for the period	**13,470**	**9,271**	**45.3**	**44,011**	**39,021**	**12.8**
Distribution Statement						
Net income for the period	13,470	9,271	45.3	44,011	39,021	12.8
Distribution adjustments	5,787	2,404	>100	7,384	(6,946)	N.M.
Income available for distribution to Unitholders	**19,257**	**11,675**	**64.9**	**51,395**	**32,075**	**60.2**

N.M.: Not meaningful

3Q 2018 vs 3Q 2017

Gross revenue of US$40.4 million was 75.3% higher than 3Q 2017 largely due to revenue contribution from properties acquired in 2017 and 2018.

Property operating expenses increased by US$6.6 million mainly due to incremental property expenses from properties acquired in 2017 and 2018.

Accordingly, net property income of US$25.1 million was 74.9% higher than 3Q 2017.

Finance expenses of US$5.9 million increased by US$3.5 million mainly due to incremental borrowings used to partially fund the properties acquired in 2017 and 2018.

Net fair value loss in investment properties of US$0.9 million largely arose from straight line rent accounting treatment.

The tax expense was higher than 3Q 2017 largely due to higher deferred tax expense resulting from the enlarged portfolio.

Net income of US$13.5 million was higher than 3Q 2017 largely due to higher net property income, partly offset by higher finance expenses and tax expense.

Distributable income of US$19.3 million was 64.9% higher than 3Q 2017 largely due to higher net property income, partly offset by higher finance expenses.

YTD Sep 2018 vs YTD Sep 2017

Gross revenue of US$104.1 million was 65.8% higher than YTD Sep 2017 largely due to revenue contribution from properties acquired in 2017 and 2018.

Property operating expenses of US$38.9 million also increased by 70.2% mainly due to incremental property expenses from properties acquired in 2017 and 2018.

Accordingly, net property income of US$65.2 million was 63.2% higher than YTD Sep 2017.

Finance expenses of US$13.4 million increased by US$7.1 million mainly due to incremental borrowings used to partially fund properties acquired in 2017 and 2018.

Net fair value gain in investment properties of US$8.9 million were largely due to appraisal gains recognised based on 30 June 2018 appraisals.

The tax expense was higher than YTD Sep 2017 largely due to higher deferred tax expense resulting from the enlarged portfolio.

Net income of US$44.0 million was higher than YTD Sep 2017 largely due to higher net property income, partly offset by lower fair value gains and higher finance expenses.

Distributable income of US$51.4 million was 60.2% higher than YTD Sep 2017 largely due to higher net property income, partially offset by higher finance expenses.

9. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Market Outlook

On 26 October 2018, the U.S. reported an annualised real GDP growth rate of 3.5% for the third quarter of 2018. The GDP growth rate remained solid due to higher consumer spending, non-residential fixed investment and government spending. The U.S. unemployment rate decreased 0.3% from the previous quarter to 3.7% in September 2018, the lowest rate in nearly 50 years. The U.S. economy generated 134,000 non-farm jobs in September 2018, primarily in the professional and business services, health care, and transportation and warehousing. During the third quarter of 2018, over 565,000 jobs were created.

Overarching the positive economic data is the uncertainty surrounding the US trade policy. While words have been converted into actions and there continues to be threats for additional protectionist policies, the tangible impact on GDP data has been limited. Going forward, sector-specific risks are increasing and the higher degree of uncertainty could ultimately be reflected in more modest business investment than expected.

The Federal Reserve (Fed) increased the Federal Funds rate by 25 bps in September 2018, marking the third increase in 2018 and following three hikes in 2017. Rates are expected to rise once more in 2018 and three times in 2019. Expectations are that rate normalisation will continue in the years ahead, especially if the U.S. economy continues to expand at the current pace. Risks to the economic outlook seem relatively even, however the impact of trade policy on growth or a flattening yield curve (even in the presence of robust growth) could still temper the pace of rate increases.

Office absorption during the third quarter of 2018 remained in line with the previous quarter, with JLL (JLL United States Office Outlook Q3 2018) reporting absorption of 7.9 million square feet in the period, as a continued result of skilled talent shortages and rightsizing. The nation's vacancy rate increased slightly to 15.2% at the quarter ended 30 September 2018. The competition for talent and a growing number of availabilities in new supply is accelerating tenants' flight to quality, making Class A properties the sole driver of net absorption at the expense of Class B and C in the quarter. Rents increased 2.8% over the last twelve months, however concession packages continue to increase due to greater competition between landlords.

With a committed occupancy of 96.5% and a weighted average lease expiry of 6.0 years by net lettable area as at 30 September 2018, the portfolio is well positioned. The Manager continues to be focused on asset, lease and capital management, in addition to its commitment to sustaining and enhancing environmental, social and governance (ESG) initiatives, and will be selectively seeking investment opportunities that deliver long term value to Unitholders.

Tax

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect Manulife US REIT and the US Subsidiaries

Any change in the tax status of the Group or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the Group and/or the distribution paid by Manulife US REIT.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the US and non-US tax liabilities of Manulife US REIT and/or affect the Group's ability to achieve its investment objectives. Such changes could have a negative impact on Manulife US REIT and its Unitholders.

For example, the US tax legislation modifying the US Internal Revenue Code enacted in late 2017 ("**2017 Tax Legislation**") impacted the deductibility of certain interest expense for taxable years beginning after 31 December 2017. As a result, Manulife US REIT restructured certain subsidiaries (the "**Barbados Restructuring**"), which resulted in certain costs being incurred. In this regard, although the Manager believes that the Barbados Restructuring is responsive to the relevant provisions in the 2017 Tax Legislation, the Manager cannot predict whether such restructuring will remain viable in either the near or long term. The US Internal Revenue Service has indicated that certain guidance with respect to the international provisions of the 2017 Tax Legislation is imminent. The Manager cannot predict when such regulations or other administrative guidance will be released, whether any such regulations or administrative guidance will adversely affect the deductibility of interest by Manulife US REIT's US subsidiaries or in any other way, or whether any such regulations or administrative guidance will have retroactive effect.

If regulations or administrative guidance result in the non-deductibility of any interest payments by Manulife US REIT's subsidiaries, the Group may face material US and/or non-US tax payments and other costs, and may be required to engage in further restructuring at additional costs (including costs incurred on an on-going basis). Such regulations and/or administrative guidance may also potentially render restructuring to preserve the deductibility of interest payments by Manulife US REIT's subsidiaries impossible. All such additional tax and/or costs would potentially have a material adverse effect on Manulife US REIT's financial condition, cash flows and results of operations.

The Manager will continue to monitor future changes and clarifications, and the Manager will make future announcements if and when appropriate.

11. Distribution

(a) Current financial period

Any distribution declared for the current period?	No

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial year?	No

(c) Date payable Not applicable

(d) Book closure date Not applicable

12. If no distribution has been declared/(recommended), a statement to that effect

No distribution for the current financial period was declared.

13. If the Group has obtained general mandate from unit holders for Interested Person Transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from Unitholders for interested person transactions.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US Real Estate Investment Trust) (the "Manager") hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited financial results of Manulife US REIT for the third quarter ended 30 September 2018, to be false or misleading, in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board
MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
AS MANAGER OF MANULIFE US REIT
(Company registration no. 201503253R)

Hsieh Tsun Yan Director	Ho Chew Thim Director

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of office rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The value of units in Manulife US REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Manulife US REIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("Unitholders") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT.

By Order of the Board

Victor Lai Kuan Loong
Company Secretary
MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
AS MANAGER OF MANULIFE US REIT
(Company registration no. 201503253R)
5 November 2018