PRESS RELEASE

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Manulife US REIT's 3Q 2018 Adjusted DPU posts 3.4% Growth

- **3Q 2018 NPI increased 74.9% YoY mainly from Plaza, Exchange, Penn and Phipps**
- **Elevated committed occupancy of 96.5% and long WALE of 6.0 years**
- **Strong leasing momentum in 3Q 2018**
  - **Higher occupancy in four properties; two properties currently at full occupancy**
  - **Achieved positive rental reversion of 13.5%**

Singapore, 5 November 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 its DPU for 1 July 2018 to 30 September 2018 ("3Q 2018") has increased 33.6% YoY to 1.51 US cents, while adjusted DPU[1] for 3Q 2018 increased 3.4% to 1.52 US cents. For the same quarter, net property income grew 74.9% YoY to US$25.1 million, while distributable income increased 64.9% YoY to US$19.3 million. This was largely due to strong income contributions from the four Trophy and Class A quality office properties acquired in 2017 (Plaza and Exchange) and 2018 (Penn and Phipps).

SUMMARY OF MANULIFE US REIT 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	25,147	14,381	74.9	65,174	39,933	63.2
Net Income for the period	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[2]	33.6	4.04	4.35	(7.1)[3]
For information only **Adjusted DPU[1] (cents)**	1.52	1.47	3.4	4.53	4.42	2.5

On 29 October 2018, Phillip Capital launched Phillip SING Income ETF, picking stocks in Singapore with a track record of growing dividends, stable income and potential capital appreciation. Manulife US REIT was one of the 30 stocks selected alongside many constituents of the STI Index.

(1) Adjusted DPU was calculated based on the weighted average number of Units in issue, which normalises the impact of the enlarged Unit base from Preferential Offering in 2018 and Rights Issue in 2017

(2) 3Q 2017 DPU of 1.13 US cents was computed based on the enlarged Unit base from Rights Issue used to partially fund Exchange acquisition while there was no income from Exchange included in 3Q 2017 DPU since Exchange was only acquired on 31 Oct 2017 (U.S. Time). As such, 3Q 2018 DPU is 33.6% higher than 3Q 2017 DPU.

(3) YTD Sep 2018 DPU was lower largely due to the drag from the enlarged Unit base from the issuance of Preferential Offering to partially fund Penn and Phipps acquisitions, while income contribution from Penn and Phipps was only from acquisition date of 22 Jun 2018 (U.S. Time)

Ms Jill Smith, Chief Executive Officer of Manulife US Real Estate Management Pte. Ltd. (the “Manager”) said, **“We are delighted to report a strong set of 3Q 2018 results with a 3.4% YoY increase in our adjusted DPU. This was largely due to the strong income contribution from the four assets purchased in the past 15 months. During this quarter, we witnessed strong leasing momentum and recorded an average positive rental reversion of 13.5%. Occupancy rates have increased in four of our properties, with two at full occupancy, bringing our total portfolio occupancy to 96.5%. Moving forward, we believe our high quality portfolio will mitigate the impact of future rate hikes with close to 100% fixed rate loans and built-in rental escalations.”**

Strong Portfolio Performance

As at 30 September 2018, the portfolio has an elevated committed occupancy of 96.5% and a long WALE by NLA of 6.0 years. 60.2% of the portfolio’s leases by NLA expire in 2023 and beyond. In this quarter, the Manager witnessed strong leasing momentum with eight new/renewed leases signed at an average positive rental reversion of 13.5%[4], which amounted to ~69,000 sq ft or 1.9% of the portfolio by NLA.

In 3Q 2018, approximately 95% of the portfolio’s leases by gross rental income have built-in rental escalations. 56% of the leases have annual rental escalations averaging about 2.6%, while the remaining 39% of the leases have mid-term or periodic rental increases.

Following the acquisitions of Penn in Washington D.C. and Phipps in Atlanta in June 2018, the portfolio now comprises seven Trophy and Class A assets across the U.S. with a NLA of 3.7 million sq ft. The tenant base is well-diversified across multiple trade sectors with no single tenant contributing more than 7.5% of gross rental income.

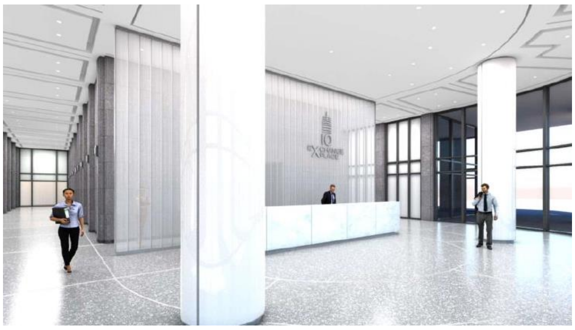
Asset Enhancement Initiatives Updates

The Manager has commenced Asset Enhancement Initiatives (“AEI”) to rejuvenate and excite tenants in Figueroa and Exchange.

The ~US$8.0 million AEI for Figueroa primarily involves refreshing the lobby, installation of new gantries, seating areas and modernising the exterior entrance. A café will also be added to the lobby to enhance amenities. Separately, ~US$12.0 million is allocated for Exchange which will include new flooring, security desk, glass features, LED lighting, as well as exterior and interior painting of the building. These AEIs are scheduled for completion in 2019.

Figueroa’s Lobby post AEI – Artist’s Impression

Exchange’s Lobby post AEI – Artist’s Impression



(4) Weighted by NLA. Excludes one lease that does not meet rental reversion criteria

Disciplined and Prudent Capital Management

As at 30 September 2018, the REIT has a healthy balance sheet with an adjusted NAV per unit of US$0.80[5]. The REIT's gearing of 37.4% is also well below the regulatory limit of 45.0%, while its weighted average debt maturity is 3.0 years with well-spread debt maturity profile. In addition, 100%[6] of the REIT's debt are fixed rate loans which mitigates any near term interest rate risk on existing debt.

Positive 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 another uncertainty: 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.

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(5) Excluding distributable income.
(6) Exclude drawn "Good News Facilities" of US$0.8 million.

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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 seven prime, freehold and Trophy or Class A quality office properties strategically located in Los Angeles; Irvine, Orange County; Atlanta; New Jersey; and Washington D.C. The current portfolio valued at US$1.7 billion, has an aggregate Net Lettable Area of 3.7 million sq ft and an occupancy rate of 96.5% as at 30 September 2018.

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.

IMPORTANT NOTICE