

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 ANNUAL GENERAL MEETING

PLACE : NTUC Auditorium
Level 7, NTUC Centre
One Marina Boulevard
Singapore 018989

DATE : Monday, 24 April 2017

TIME : 10.30 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 first Annual General Meeting of MUST (“**AGM**”) opened at 10.30 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 to provide unitholders with an overview of Group’s financial performance for FY2016 as well as a better understanding of MUST’s business, strategies and key partners.

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

NOTICE

With the consent of the unitholders present, the Notice of AGM convening the meeting was taken as read.

INTRODUCTION

The Chairman informed the meeting that:

- (i) he had been appointed as proxy by unitholders and would be voting in accordance with their wishes;
- (ii) all the resolutions tabled at the AGM 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. REPORTS AND AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The Resolution 1 as set out in the Notice of AGM 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 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 (%)
164,848,496	100.00	6,000	0.00	164,854,496	100.00

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

“To receive and adopt the Report of DBS Trustee Limited, as trustee of MUST (the “Trustee”), the Statement by the Manager and the Audited Financial Statements of MUST for the financial period ended 31 December 2016 together with the Auditors’ Report thereon.”

2. RE-APPOINTMENT OF AUDITORS – RESOLUTION 2

The meeting noted that the Auditors of MUST, Messrs Ernst & Young LLP, had expressed their willingness to continue in office and unitholders were asked to consider and approve their re-appointment.

The Resolution 2 as set out in the Notice of AGM 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 (%)
164,090,796	99.55	739,700	0.45	164,830,496	100.00

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

“To re-appoint Messrs Ernst & Young LLP as Auditors of MUST to hold office until the conclusion of the next Annual General Meeting of MUST, and to authorise the Manager to fix the their remuneration”

SPECIAL BUSINESS

3. AUTHORITY TO ISSUE UNITS – RESOLUTION 3

The text of Resolution 3 as set out in the Notice of AGM 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 3 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 (%)
161,109,196	97.96	3,361,300	2.04	164,470,496	100.00

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

“That pursuant to Clause 5 of the trust deed constituting MUST (as amended and restated) (the “Trust Deed”) and listing rules of the SGX-ST, the Manager be authorised and empowered to:

- (a) (i) issue units in MUST (“Units”) whether by way of rights, bonus or otherwise; and/or*
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,*

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) *issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),*

provided that:

- (1) *the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);*
- (2) *subject to such manner of calculation as may be prescribed by SGX-ST, for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:*
 - (a) *any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed;*
 - (b) *any subsequent bonus issue, consolidation or subdivision of Units;*
- (3) *in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);*
- (4) *unless revoked or varied by the Unitholders in a general meeting of MUST, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of MUST or (ii) the date by which the next AGM of MUST is required by applicable laws or regulations to be held, whichever is earlier;*
- (5) *where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and*
- (6) *the Manager and 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, the Trustee may consider expedient or necessary or in the interest of MUST to give effect to the authority conferred by this Resolution."*

CONCLUSION

There being no other business, the Chairman declared the AGM of MUST closed at 11.25 a.m. and thanked everyone for their attendance.

**CONFIRMED AS TRUE RECORD
OF PROCEEDINGS HELD**

**HSIEH TSUN-YAN
CHAIRMAN**

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ANNUAL GENERAL MEETING

ATTENDANCE LIST

(Directors and Management)

PLACE : NTUC Auditorium
Level 7, NTUC Centre
One Marina Boulevard
Singapore 018989

DATE : Monday, 24 April 2017

TIME : 10.30 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.	Pok Soy Yoong	Independent Non-Executive Director
6.	Kevin John Eric 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
13.	Daphne Chua	Head of Compliance

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SUMMARY OF QUESTIONS AND ANSWERS DEALT DURING ANNUAL GENERAL MEETING HELD ON MONDAY, 24 APRIL 2017 (the “AGM”)

Question 1 : 2 out of 3 of the properties held are more than 25 years. Would these properties fetch a good repayment value or is it able to hold up in the future?

Response (Jeffrey Wolfe) : These properties are in good condition and very well maintained over the years, with regular asset enhancement initiatives by MUST. Therefore, no material capital repairs were necessary. Examples of some asset enhancement initiatives implemented include:

- The elevators and HPAC systems had been upgraded.
- At Figueroa - Carpark equipment had been replaced/upgraded to reduce reliance on staffing / manpower at the garage.
- At Peachtree - Bathrooms and corridors had been refurbished.
- At Michelson - Teamed up with Tesla and installed high-tech batteries in order to reduce utility costs.

Question 2 : The 3 properties are situated in 3 different cities in the United States of America (“USA”) – is this optimisation of MUST resources in terms of property maintenance and management?

Response (Jeffrey Wolfe) : As mentioned by Jill (during the CEO’s presentation earlier), one of the benefit is MUST’s vertical integration whereby MUST has offices all around the USA and the world. MUST relies on its property management staff residing in each of these cities to manage the respective properties. Hence, it is easy and within MUST’s mandate to establish a portfolio of properties that are strategically located across the different cities in the USA.

Question 3 : Are unitholders free from USA withholding tax?

Response (Jagit Obhan) : Yes, we are free from USA withholding tax.

Question 4 : How is the 7.3% distribution yield determined?

Response (Jagit Obhan) : Distribution yield is based on processed units of 6.1% over-the-price.

Question 5 : In general, MUST is a safe REIT.

However, in light that inflation rate in the USA is expected to rise (based on the recent tax guide announcement in USA, including more spending and growing economy in the USA), MUST’s rental revision rate currently locked-in at 3% per year appears to be a bit low (compared to 7% for other properties).

What are MUST’s plans to increase the distribution yield rate for its

unitholders?

Response (Jeffrey Wolfe) : MUST's distribution per unit ("DPU") is driven ahead by two factors: (i) in-wall escalation (average 3% locked-in rental revision rate); and (ii) positive rental reversal (as highlighted by Jill during the CEO's presentation earlier).

Each time a new lease is entered into, the rental rate of the new lease is compared to the expiring rent – those are at an average 10.5%. Therefore, MUST's unitholders are getting both the annual 3% locked-in rate and a significant increase in the rental rate arising from the roll-over effect of the leases.

Response (Jill Smith) : With regards to inflation and REITs' operating environment in the USA, MUST is not viewing the inflation as a threat. There are possibilities for lease/rental rates to increase during the year and this would help curb any rise in the USA inflation rate. MUST understands the unitholders' concern and we are monitoring the situation closely. Subject to the new developments (on tax rates) to be unveiled by the USA parliament in the coming weeks, MUST has in the meantime adopted a "wait-and-see" approach.

Response (Jeffrey Wolfe) : Also to add to that, we would like to highlight that expenses in the USA are structured in such a manner that the tenants would pay for any increases in the expenses. Therefore, if MUST's expenses increase due to rising inflation rate, the tenants would be indirectly reimbursing MUST. While on the Income-side, owners tend to increase the rents in line with the increasing inflation rate. As such, the Net Income will remain the same since the top line would be raised and the middle line (expenses) although increases would be reimbursed.

Question 6 : MUST generally has a good portfolio of properties, borrowings and gearing ratio, as well as distribution yield for unitholders.

How does MUST plan to expand its portfolio and would acquisitive acquisitions limit the REIT?

What would be MUST's main mode of fund raising for new acquisitions – e.g. rights issue or private placement of new units to the sellers of the property?

Response (Jill Smith) : We are glad you are happy with the performance of MUST. As highlighted during my presentation earlier:

- MUST is actively looking into expansion via both organic and non-organic growth.
- Accretive acquisition is indeed very important for MUST.
- New acquisition should not jeopardise or compromise MUST's existing portfolio i.e. we will have to make sure that it is the right property, carried out at the right time and in the right market.

We are positive that there are plenty of opportunities for MUST to expand its portfolio. Since the USA is the largest market in the world, there are many choices, however MUST has to be selective. MUST's team are very busy assessing and identifying properties for expansion purposes.

Response (Jagjit Obhan) : Depends on the type of acquisition and the underlying factor for MUST would be to make sure that the deal is accretive and that whatever funding applied for must be something that MUST can support.

Question 7 : **I am a strong supporter of this REIT. In one of the reports in the Annual Report, it was mentioned that for FY2018 DPU will only be at 90% of MUST's distributable income, please confirm.**

Response (Jagrit Obhan) : For FY2016 to FY2017, MUST is committed to pay 100% of its distributable income as DPU. Thereafter, from FY2018 onwards, MUST's commitment to DPU would be at least 90% per annum. It does not mean that DPU would drop to 90%. DPU is very important and MUST's payout ratio will be to ensure its DPU keeps growing. We recognise that this is a very important matrix for MUST.

Question 8 : **With reference to slide 15 of the CEO's presentation, the rental reversion for the Peachtree property in Atlanta was only 5.8%. Why is this rate so low compared to Figueroa (at 11.6%) and Michelson (at 9.9%)?**

Response (Jeffrey Wolfe) : These percentages were derived based on a small sample size and hence the 5.8% rental reversion for the Peachtree is insignificant. The population of these leases are very old, most were signed nearly 5 to 10 years ago and locked at 3% rate. Therefore, there are a variety of leases rolling at one particular time and unitholders should focus on long term instead. Based on market statistics, the rental growth in Atlanta for the last 12 months was an excessive 7%. We are seeing very strong performance by the Peachtree property.

Question 9 : **As a Unitholder, I appreciate that MUST had locked in a 3% per annum rental escalation clause for its properties, compared to most REITs in Singapore which were currently experiencing negative reversions.**

MUST's AUM today is relatively small, what are MUST targets for expansion within the next two years – double its AUM? If so, how does MUST intend to raise funds for the new acquisitions - private placement or rights issue and what is the Board's preference in terms of the respective proportions (50%-50%)?

This would help unitholders to be financially prepared to participate in such rights issue exercises.

Response (Jill Smith) : MUST is indeed ambitious to expand its portfolio in long term, but we are cautious not to be too aggressive and fast. It is difficult to predict MUST's expansion target at the moment.

Response (Jag Obhan) : Funding appetite would depend on the types of properties MUST decides to acquire. Be assured that regardless of the choice of funding (be it private placement, rights issue, debt-to-equity funding), the end goal is to ensure that acquisitions would produce a stable and growing yield for the unitholders.

Question 10 : **Does MUST have credit rating by a credit rating agency? If no, why?**

Response (Jag Obhan) : Due to costs involved in obtaining such credit ratings, MUST had decided not to do without such ratings by credit rating agencies.

Question 11 : **How long have Ernst & Young LLP been MUST's auditors?**

Response (Jag Obhan) : Since IPO.

Question 12 : **What would trigger the Manager to change its auditors?**

Response : The Manager is satisfied with the audit services rendered by Ernst & Young
(Jag Obhan) LLP and has no intention to change auditors.

Question 13 : **What is the pricing mechanism for units issued under the 20% non-pro rata basis?**

Response : Price for units issued under the 20% non-pro rata basis will be capped market
(Jag Obhan) rate and not likely to dilute existing unitholders' value.