

Manulife US REIT Successfully Refinances US\$296.0 million Loan at Lower Interest Cost

- **Weighted average cost of debt decreases from 2.80% to 2.46% p.a. fixed over an average of 4 years**
- **REIT's aggregate leverage stands at 36.8%¹**

Singapore, 15 July 2016 – Manulife US Real Estate Investment Trust (“Manulife US REIT” or the “REIT”), the first pure-play U.S. office REIT listed in Asia, today announced that it has entered into separate loan agreements with Wells Fargo Bank, National Association and Royal Bank of Canada (the “Lenders”) for an aggregate principal amount of US\$296.0 million (“Mortgage Facilities”), as well as an additional facility for the REIT’s budgeted capital expenditures and leasing costs of up to US\$31.8 million (“Good News Facility”).

The new Mortgage Facilities will be used to fully repay the REIT’s current bridge loan facilities from John Hancock Life Insurance Company (U.S.A.), through its commercial mortgage lending division in the United States (the “Sponsor Lender”), aggregating US\$296.0 million, for partially financing the acquisition of the IPO Portfolio (the “Bridge Loan Facilities”).

The Bridge Loan Facilities have a term of 2 years at a fixed interest rate of 2.80% p.a., as stated in Manulife US REIT’s IPO prospectus dated 12 May 2016. The new loan agreements effectively lower the REIT’s weighted average interest rate from 2.80% to 2.46% p.a.. The REIT’s debt maturity will be staggered and will be extended to weighted average maturity of 4 years, with no refinancing required until 2019.

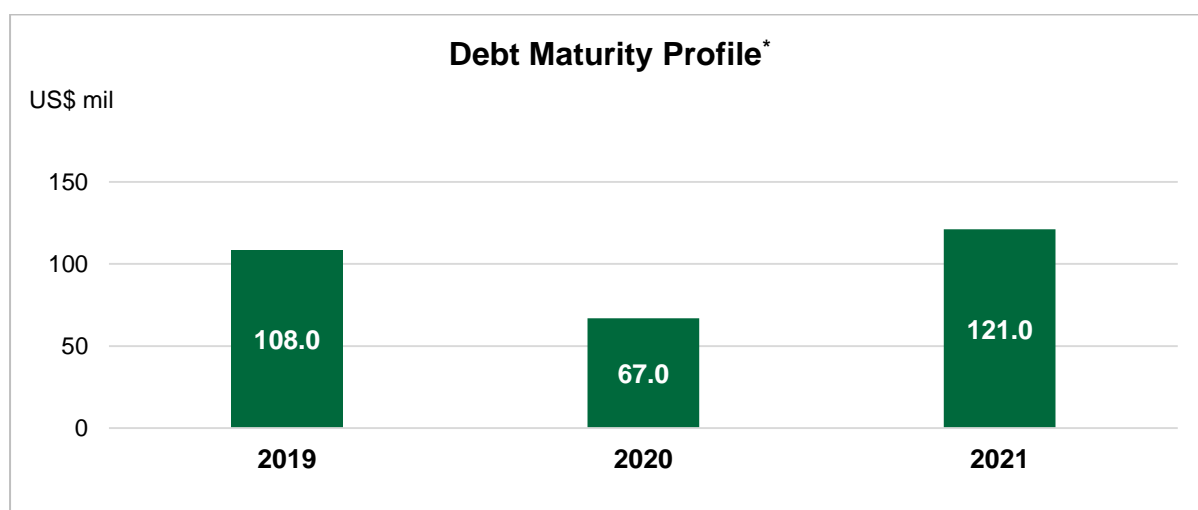
Besides the Bridge Loan Facilities, the Sponsor Lender had earlier granted additional funds up to an aggregate amount of US\$10.0 million, at the prevailing market interest rate (“Bridge Loan Good News Facility”), to finance the REIT’s budgeted capital and leasing costs. With the new loan agreements, the Lenders have also provided the Good News Facility up to an aggregate amount of US\$31.8 million, at the prevailing market interest rates, which will be used for the same purposes.

At the same time, the REIT has separately entered into a 3-year US\$10.0 million revolving credit facility (the “Revolving Credit Facility”) with DBS Bank Ltd. for working capital purposes.

¹ Based on 31 December 2015 pro forma balance sheet in the Prospectus of Manulife US Real Estate Investment Trust dated 12 May 2016 and registered by the Monetary Authority of Singapore on 12 May 2016.

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the Offering (the “**Sole Financial Adviser and Issue Manager**”). DBS Bank Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited and Deutsche Bank AG, Singapore Branch are the Joint Bookrunners and Underwriters for the Offering (collectively, the “**Joint Bookrunners**”).

Ms Jill Smith, Chief Executive Officer of Manulife US Real Estate Management Pte. Ltd. said, “We are pleased to successfully refinance our loans at lower interest rates, which reduces financing costs, and is expected to translate into an increase in distributable income to Unitholders. The loans have fixed interest rates over an average of 4 years, removing any near term interest rate volatility and providing stable distributions. This refinancing is indicative of our prudent capital management strategy of optimising funding costs and reducing interest rate and refinancing risks.”



* No refinancing required until 2019. Excludes Good News Facility of US\$31.8 million and US\$10.0 million Revolving Credit Facility, both of which have not been drawn down

Manulife US REIT’s distribution policy is to distribute 100% of its Annual Distributable Income. The forecast distribution yield² for the Forecast Period 2016 is 6.6%³ on an annualised basis, and the distribution is expected to grow by 7.3% to 7.1% in Projection Year 2017.

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² Based on the Offering Price of US\$0.83 per Unit and the forecast and projected DPU for Forecast Period 2016 and Projection Year 2017, together with the accompanying assumptions in the Prospectus of Manulife US Real Estate Investment Trust dated 12 May 2016 and registered by the Monetary Authority of Singapore on 12 May 2016. Such yield will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price.

³ Annualised.

About Manulife US REIT

Manulife US Real Estate Investment Trust (“Manulife US REIT”) 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 initial portfolio (“IPO Portfolio”) comprises three prime, freehold and Class A or Trophy quality office properties strategically located in Los Angeles; Irvine, Orange County; and Atlanta. The IPO Portfolio, valued at US\$799⁴ million, has an aggregate Net Lettable Area of 1.8 million sq ft and an occupancy rate of 96.5% as at 31 December 2015.

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. Assets under management and administration by Manulife and its subsidiaries were approximately US\$697 billion as at 31 March 2016. 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.

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⁴ Based on the independent valuation conducted by Colliers, as at 15 December 2015.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Manulife US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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.