

Manulife US REIT Makes Maiden Acquisition in New Jersey, U.S. for US\$115 million

- Prime Class A freehold office building minutes away from New York City
- Long WALE of 9.2 years and high occupancy of 98.9%
- Adding value to Unitholders through yield accretive acquisition

Singapore, 19 June 2017 – 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 the proposed acquisition of **500 Plaza Drive**, an 11-storey Class A office building in New Jersey, U.S. (“Plaza” or the “Property”), for a purchase price of US\$115 million (the “Acquisition”).

The Acquisition is in line with the REIT’s principal investment mandate, strategy and business model, and will be financed by a combination of debt and equity from loans and a proposed private placement, respectively. The final decision on the proportion of equity and debt financing will be made by the REIT Manager at the appropriate time taking into account prevailing market conditions.

ADDS VALUE TO UNITHOLDERS

Assuming that the Acquisition was completed at the same terms¹ on 20 May 2016, the listing date of Manulife US REIT, and held and operated through to 31 December 2016, the Acquisition would be accretive to the REIT’s distribution per unit (“DPU”), and the pro forma DPU for the financial period ended 31 December 2016 (“FY2016”) would increase by 2.3% from 3.55 US cents to 3.63 US cents post-acquisition.

Commenting on the Acquisition, Ms Jill Smith, Chief Executive Officer of Manulife US Real Estate Management Pte. Ltd. (the “Manager”) said, ***“We are pleased to acquire a best-in-class freehold office asset in New Jersey, three miles away from New York City. This not only diversifies the REIT’s portfolio geographically, but also strengthens it overall. In addition, the acquisition also demonstrates our ability to acquire third party property that is yield accretive in the largest real estate market in the world. We remain confident of the U.S. commercial sector and we intend to grow the REIT in a sustainable manner.”***

¹ The lease agreement with one of the major tenants, Quest Diagnostics commenced its lease on 1 November 2016. For illustrative purposes, the net property income of the proposed acquisition for the period from 20 May 2016 to 31 December 2016 assumes that the Quest Diagnostics lease commenced on 20 May 2016 to reflect the income that would have been earned from this significant lease for the period from 20 May 2016 to 31 December 2016. As a result, it is assumed that Quest Diagnostics lease would be income producing and cash generating from 20 May 2016.

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.

STRENGTHENS OVERALL PORTFOLIO

Upon completion of the Acquisition, the net lettable area (“NLA”) of the REIT’s enlarged portfolio comprising Trophy and Class A freehold office properties will increase by approximately 25.9% to a total NLA of 2,245,473 sq ft. Plaza is underpinned by long-term leases with a weighted average lease expiry (“WALE”) of 9.2 years and a high occupancy of 98.9% based on committed leases as at 31 March 2017. This will further improve the enlarged portfolio’s WALE and occupancy from 5.6 years to 6.3 years and 97.2% to 97.6% as at 31 March 2017.

With the addition of Plaza, the total portfolio will also be better diversified in terms of geographical spread and tenant trade sectors. Portfolio diversification will also have a beneficial effect in terms of reducing risks across property cycles in the U.S. The total portfolio valuation of the REIT will increase by 13.9% from US\$834.2 million to US\$950.2 million post-acquisition as at 31 March 2017.

In addition, Manulife US REIT’s pro forma net property income (“NPI”) for FY2016 will also increase by 17.7% from US\$30.0 million to US\$35.3 million.

EXPANDS GEOGRAPHICAL FOOTPRINT IN THE U.S.

Plaza is located at 500 Plaza Drive, Secaucus, New Jersey and recognised as one of the premier properties in Northern New Jersey (“NNJ”). The Property is situated in one of the most accessible locations in the region and is only three miles to the west of Midtown Manhattan. The Property is minutes away from New York City via the Lincoln Tunnel and enjoys excellent transportation connectivity through both public transportation infrastructure and interstate highways. In addition, the Property is located within NNJ’s Meadowlands office market, which is a high quality and cost effective alternative location to Manhattan’s office submarket and home to many corporate headquarters and Fortune 500 companies.

Within the Meadowlands submarket, Plaza is located within the 24-hour mixed-use amenity base of Harmon Meadow in Secaucus, New Jersey. Surrounded by one million sq ft of retail space, including more than 25 restaurants, seven hotels, leisure and sports facilities, and a movie theatre, the location is a vibrant “live, work and play” amenities-rich neighbourhood for employees and visitors.

EXCELLENT PROPERTY ATTRIBUTES AND HIGH QUALITY TENANTS

The Property underwent major refurbishment in 2015 and 2016 at a cost in excess of US\$16 million, with improvements made to the amenities and substantial upgrades to the finishes and grounds. It has an NLA of approximately 461,525 sq ft which is fronted by a 5-storey atrium lobby. Plaza also has 1,474 parking lots and offers a wide range of amenities, including a café and lounge, executive conference centre, high-end fitness centre and building-wide WiFi connectivity, which makes it an attractive office space for tenants.

Tenants who designate the Property as their global headquarters include The Children’s Place, which is the largest pure-play children’s specialty apparel retailer in North America, and Quest Diagnostics, a Fortune 500 company and leading provider of clinical laboratory testing. Other notable tenants include AXA Equitable Life Insurance, Xerox Business Services, Verizon, MCM Products USA and Send Word Now Communications.

The addition of Plaza to the REIT's existing portfolio will enable the REIT to further diversify its tenant base by gaining exposure to two new industry sectors: Medical & Diagnostics and Retail Trade. These will constitute 4.6% and 7.3% of the enlarged portfolio's cash rental income by trade sector, respectively. Following the Acquisition, no single tenant by trade sector will contribute more than 36.6% of the REIT's enlarged portfolio's cash rental income.

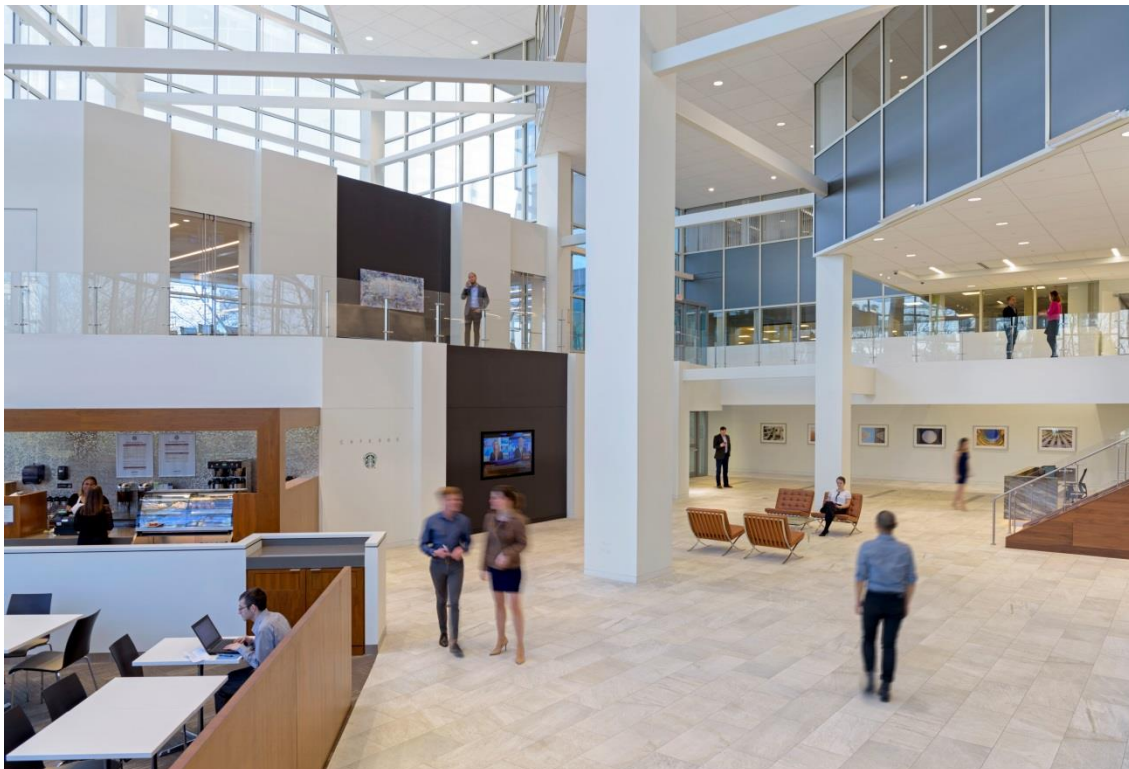
Further to underpinning rental income for the Property, the high quality credit-worthy tenant base also deliver a favourable lease expiry profile by NLA. 99.9% of the leases by NLA have built-in rental escalations providing organic growth to the rental revenues.

– END –

NOTE: This Press Release is to be read in conjunction with the SGXNET Announcement released by Manulife US REIT on the same date.

Appendix: Pictures of 500 Plaza Drive





Main Lobby

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 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\$834.2² million, has an aggregate Net Lettable Area of 1.8 million sq ft and an occupancy rate of 97.2% as at 31 March 2017.

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\$754 billion as at 31 March 2017. 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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² Based on 31 December 2016 appraised values after capitalisation of capital expenditures, tenant improvement allowances and leasing costs.



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.