

 **Manulife**

| **US REIT**

FIRST PURE-PLAY
USA
U.S. DOLLAR
OFFICE REIT IN ASIA



Manulife US REIT
Bangkok Non-Deal Roadshow
13 February 2019

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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.

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Key Highlights

Growing from Strength to Strength



Acquisitions of Penn and Phipps for **US\$387.0 m** contributed from 2Q 2018



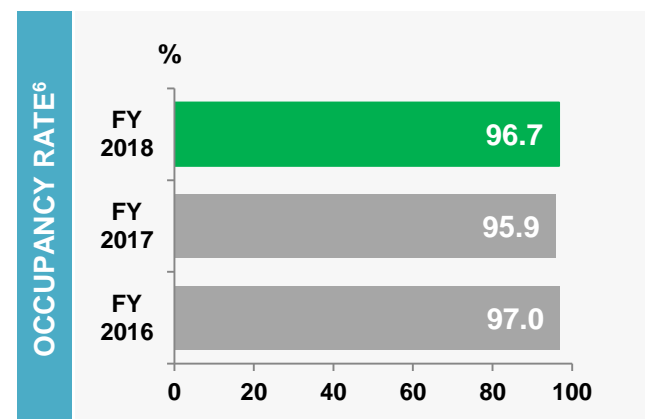
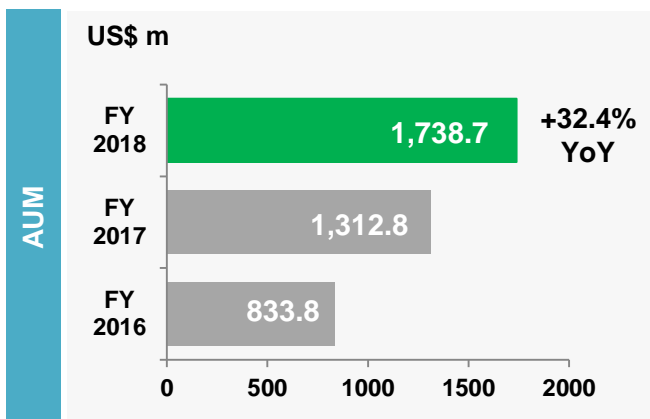
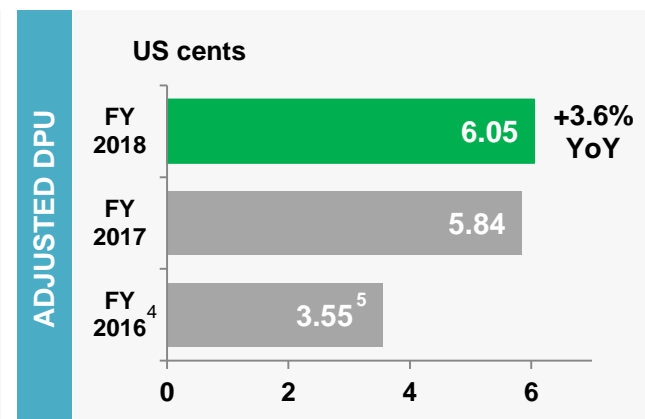
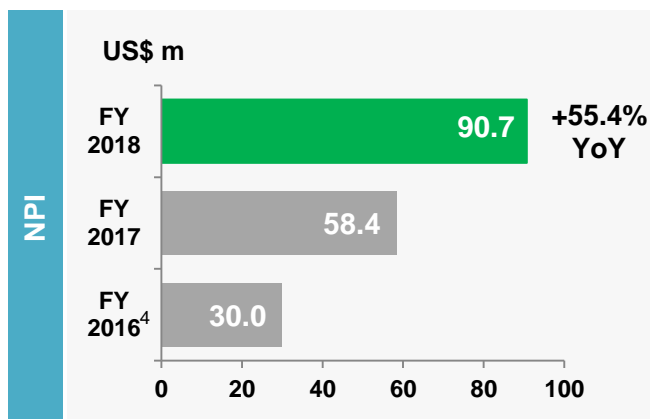
16 leases¹ signed in FY 2018; rental reversions **+8.9%**²



Portfolio valuation **+2.3%**



Proposed US Tax Regulations on hybrid entities has **no material impact** on net tangible assets or DPU³



(1) NLA of ~181,400 sq ft, amounting to 4.9% of Portfolio by NLA

(2) Weighted by NLA. Only 13 out of 16 leases meet rental reversion criteria

(3) Refer to SGX Announcement on "No Changes to Manulife US REIT Structure are Expected as a Result of US Tax Regulations" on 27 Dec 2018

(4) FY 2016 includes results from 20 May 2016 to 31 Dec 2016

(5) Actual DPU for FY 2016

(6) Committed occupancy



Financial Highlights

FY 2018 Adjusted DPU¹ Increased 3.6% YoY

	4Q 2018 (US\$'000)	4Q 2017 (US\$'000)	Change (%)	FY 2018 (US\$'000)	FY 2017 (US\$'000)	Change (%)
Gross Revenue	40,501	29,264	▲ 38.4	144,554	92,040	▲ 57.1
Net Property Income	25,491	18,418	▲ 38.4	90,665	58,351	▲ 55.4
Net Income	20,509	18,943	▲ 8.3	64,520	57,964	▲ 11.3
Distributable Income	19,586	14,641	▲ 33.8	70,981	46,716	▲ 51.9
DPU (US cents)	1.53	1.42	▲ 7.7 ²	5.57	5.77	▼ (3.5) ³
Adjusted DPU (US cents)¹	1.54	1.52	▲ 1.3	6.05	5.84	▲ 3.6

- (1) For illustrative purposes, adjusted DPU was calculated based on the weighted average number of Units in issue. The adjusted DPU normalises the impact of enlarged Unit base from the Preferential Offering (Penn and Phipps) and Rights Issue (Exchange)
- (2) 4Q 2018 DPU was higher than 4Q 2017 DPU largely due to income contribution from the properties acquired in 2018 and full quarter income contribution from Exchange acquired on 31 Oct 2017
- (3) FY 2018 DPU was lower than FY 2017 DPU largely due to the enlarged Unit base from the issuance of Preferential Offering to partially fund Penn and Phipps acquisitions, but income contribution from Penn and Phipps was only from acquisition date on 22 Jun 2018

Strong Balance Sheet

	As at 31 Dec 2018 (US\$'000)
Investment Properties	1,738,700
Total Assets	1,802,865
Borrowings	667,200 ¹
Total Liabilities	738,802
Net Assets Attributable to Unitholders	1,064,063
Units in Issue and to be Issued	1,280,245
NAV per Unit (US\$)	0.83
Adjusted NAV per Unit (US\$)	0.80²

(1) Net of upfront debt related unamortised transaction costs of US\$3.6 million

(2) Excluding distributable income

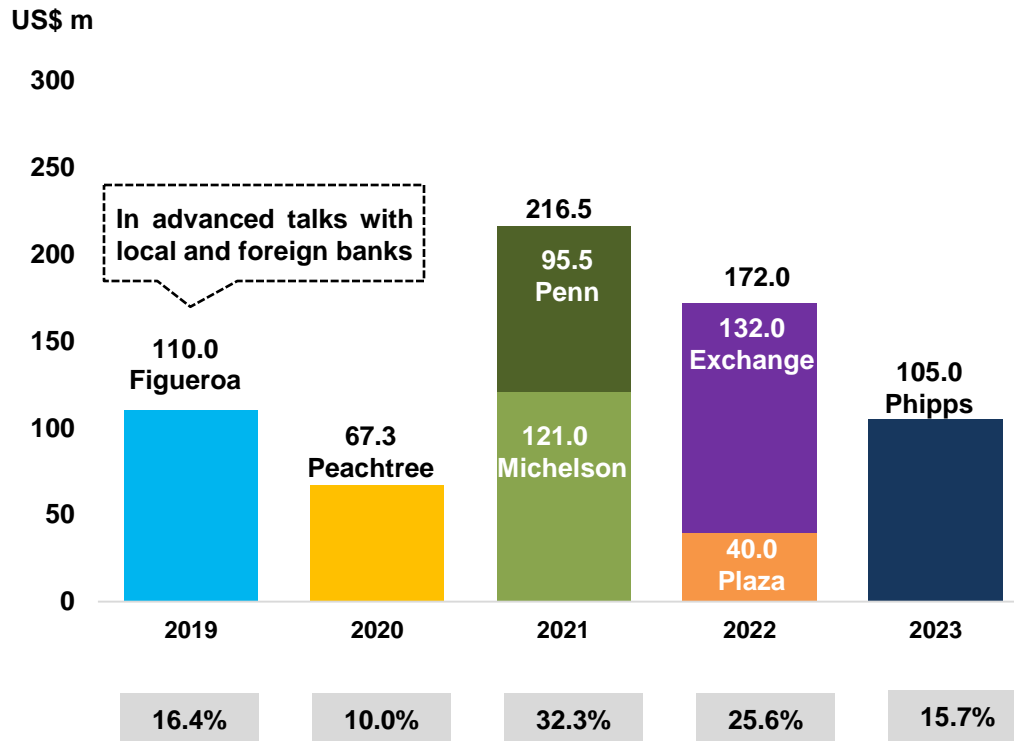


Distribution Schedule

DPU	3.04 US cents For period 1 July 2018 to 31 December 2018
FY 2018 DPU	5.57 US cents
Ex-Distribution Date	18 February 2019
Books Closure Date	19 February 2019
Distribution Payment Date	29 March 2019

Disciplined and Prudent Capital Management

Well-Spread Debt Maturity Profile¹

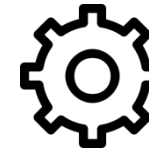


- (1) Excludes undrawn good news facilities and revolving credit facilities
- (2) Based on gross borrowings as percentage of total assets
- (3) Based on net income before finance expenses, taxes and net fair value change in investment properties, over finance expenses

As at 31 Dec 2018



Gross Borrowings
US\$670.8 m



Gearing Ratio
37.2%²



Weighted Average Interest Rate
3.27%



Weighted Average Debt Maturity
2.7 years



Interest Coverage
4.2 times³

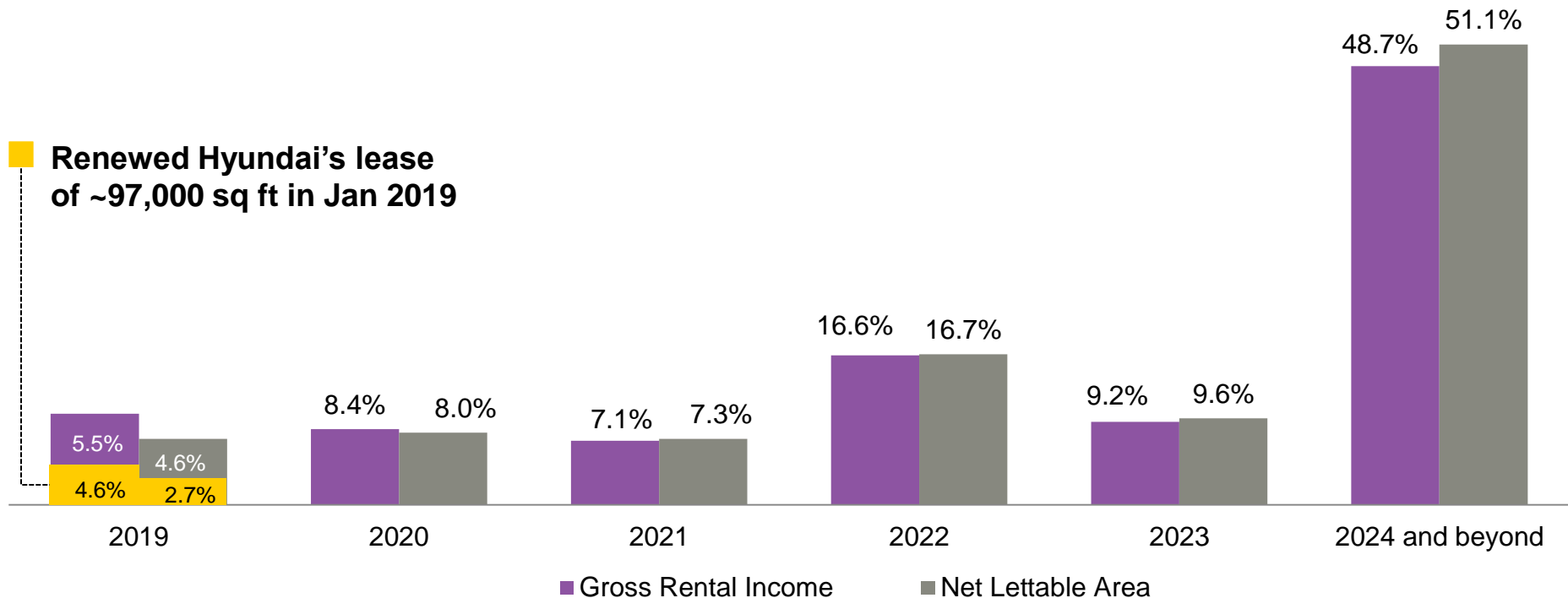


Portfolio Performance

Minimal Leases Due in 2019; Long WALE of 5.8 Years

Renewed Hyundai's Lease in Michelson

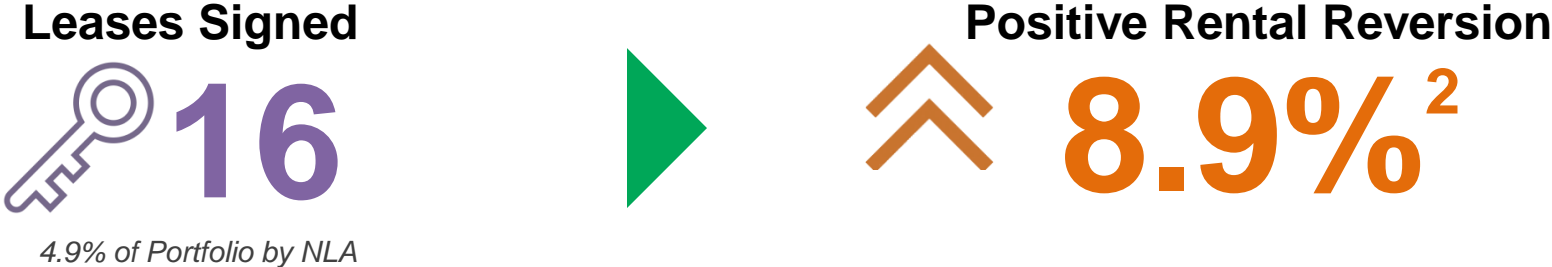
Lease Expiry Profile as at 31 Dec 2018¹ (%)



(1) Amounts may not sum to 100% due to rounding

Organic Growth Driven by Rental Reversion and Escalation

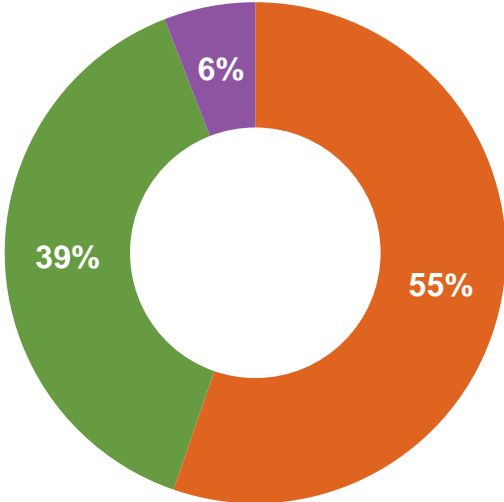
Rental Reversions¹ for FY 2018



Rental Escalations as at 31 Dec 2018

94% of Leases by Gross Rental Income have Rental Escalations

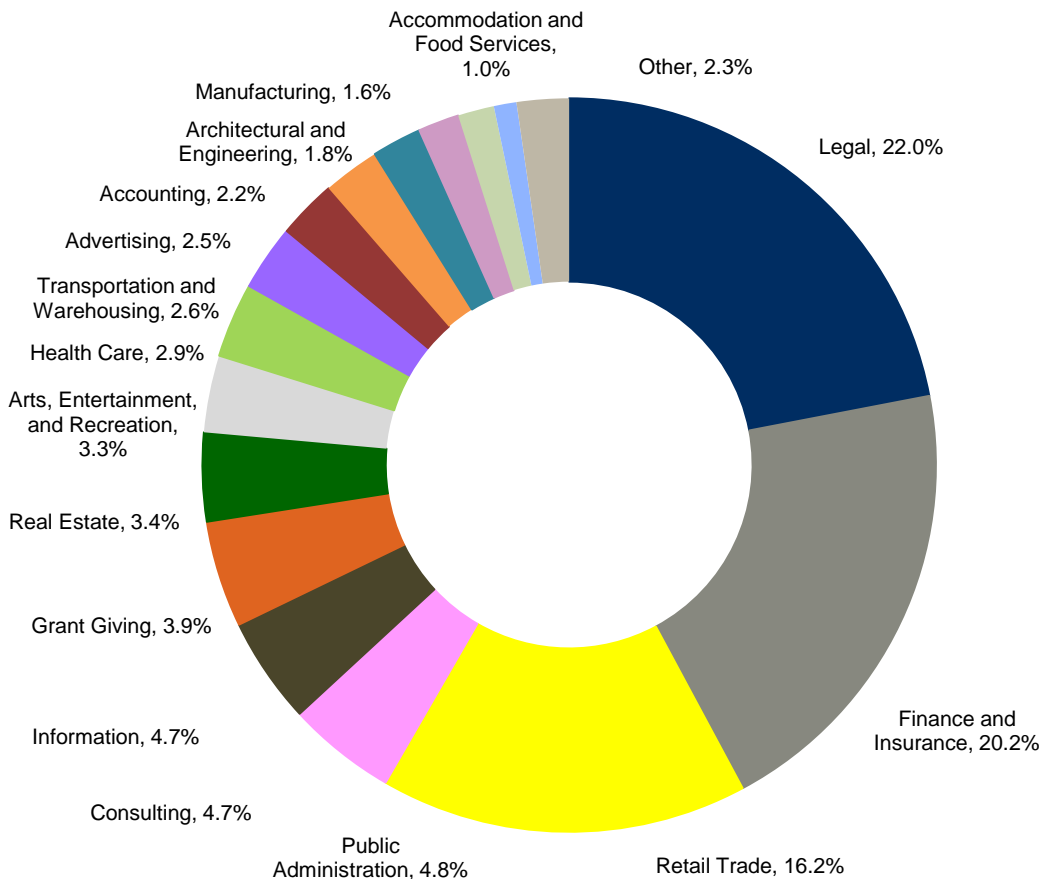
- Annual Rental Escalations which average about 2.5% p.a.
- Mid-term or periodic rental increases
- Without rental increases



(1) Rental reversions will only be disclosed when substantial and meaningful
(2) Weighted by NLA. Excludes leases signed in suites vacant more than 12 months prior to execution

Well-Diversified Tenant Base

Gross Rental Income Breakdown by Trade Sector



Amounts may not sum to 100% due to rounding
Data as at 31 Dec 2018

No Tenant Contributing more than 7.5% of Gross Rental Income

Top 10 Tenants by Gross Rental Income (GRI)

Tenant	Sector	% of GRI
The William Carter Co.	Retail Trade	7.5
The TCW Group	Finance and Insurance	5.0
Kilpatrick Townsend	Legal	4.8
Hyundai Capital America	Finance and Insurance	4.6
The Children's Place	Retail Trade	4.2
US Treasury	Public Administration	4.1
United Nations Foundation	Grant Giving	3.8
Quinn Emanuel	Legal	3.6
Amazon	Retail Trade	3.5
Quest Diagnostics	Health Care	2.7
Total Top 10 Tenants		43.8

Cap Rates Stable; Portfolio Valuation +2.3%

Increase in Valuation due to Proactive Leasing and Continued Strength of Submarkets

Property	Valuation						Implied Cap Rates ²
	31 Dec 2018 (US\$ m)	30 Jun 2018 (US\$ m)	6M Change (%)	31 Dec 2017 (US\$ m)	YoY Change (%)	31 Dec 2018 (US\$ per sq ft ¹)	31 Dec 2018 (%)
Figueroa	329.3	328.0	0.4	326.0	1.0	469	4.5
Michelson	345.0	342.0	0.9	342.0	0.9	648	4.8
Peachtree Plaza	203.7	203.0	0.3	194.2	4.9	365	5.8
Exchange	119.8	119.6	0.2	118.0	1.5	260	6.8
Penn	340.7	336.9	1.1	332.6	2.4	465	4.9
Phipps	189.0	187.0	1.1	182.0 ³	3.8	682	4.8
Total/ Weighted Ave	211.2	207.2	1.9	205.0 ³	3.0	444	5.8
Total/ Weighted Ave	1,738.7	1,723.7	0.9	1,699.8	2.3	465	5.1

(1) Based on NLA as at 31 Dec 2018

(2) Based on valuation by Colliers

(3) Based on acquisition price announced on 13 Apr 2018

Limited Supply in Our Cities

Majority of our Properties are 5% - 10% Below Market Rents

4Q 2018 Class A Market	RBA (mil sq ft)	Vacancy (%)	Gross Asking Rent (US\$)	Net Absorption ('000 sq ft)	Net Delivery ('000 sq ft)	12 Month Rent Growth ¹ (%)	New Properties Under Construction ('000 sq ft)	Delivery Year
Downtown Los Angeles	39.1	14.5	43.70	(139.4)	0	1.6	0	N/A
Irvine, Orange County	14.6	17.2	35.68	(85.1)	0	1.5	0	N/A
Buckhead Atlanta	16.1	13.9	38.10	(27.3)	0	5.5	0	N/A
Midtown Atlanta	15.9	9.2	38.93	(38.4)	0	6.3	1,131 ²	Q1 2019 – Q2 2019
Meadowlands ³	3.5	18.0 ⁴	30.11	(261.9)	0	(0.2)	0	N/A
Hudson Waterfront ⁵	18.7	17.1	45.28	(78.4)	0	(1.0)	0	N/A
Washington, D.C.	30.5	10.7	55.61	(45.3)	0	0.3	1,264 ⁶	Q1 2019 – Q2 2020

(1) All building classes

(2) Approximately 50% pre-leased

(3) Secaucus is within the Meadowlands submarket

(4) Vacancy and availability include old and uncomparable buildings. Plaza's competitive set has vacancy rate of only 6%. New construction is not comparative to Plaza

(5) Jersey City is within the Hudson Waterfront submarket

(6) Of the properties under construction, only ~154,000 is directly comparable to Penn and is approximately 100% pre-leased

Source: CoStar Market Analysis & Forecast – As at 3 Jan 2019



Looking Forward

Poised for Growth

Trophy/Class A Assets Provide Strong Income in Upcycles and Remain Resilient during Market Turmoil as compared to Class B & Lower Class Business Park Assets

Macro Environment

① U.S. economy remained strong despite global slowdown and trade tensions

- ✓ 3Q 2018 U.S. GDP growth of 3.4% is the highest among all developed countries
- ✓ U.S. unemployment remains low at 3.9%
- ✓ Office demand driven by technology, finance and insurance, and healthcare

② Fed patient about rate hikes

③ U.S. tax update

- ✓ Proposed US tax regulations and Barbados tax changes are not expected to have any material impact
- ✓ Exploring tax planning opportunities

Micro Environment

① Continue to drive leasing and asset management

② Refinance Figueroa loan; target to unencumber

③ Opportunistic acquisitions in strong growth markets with desirable Live, Work, Play environment



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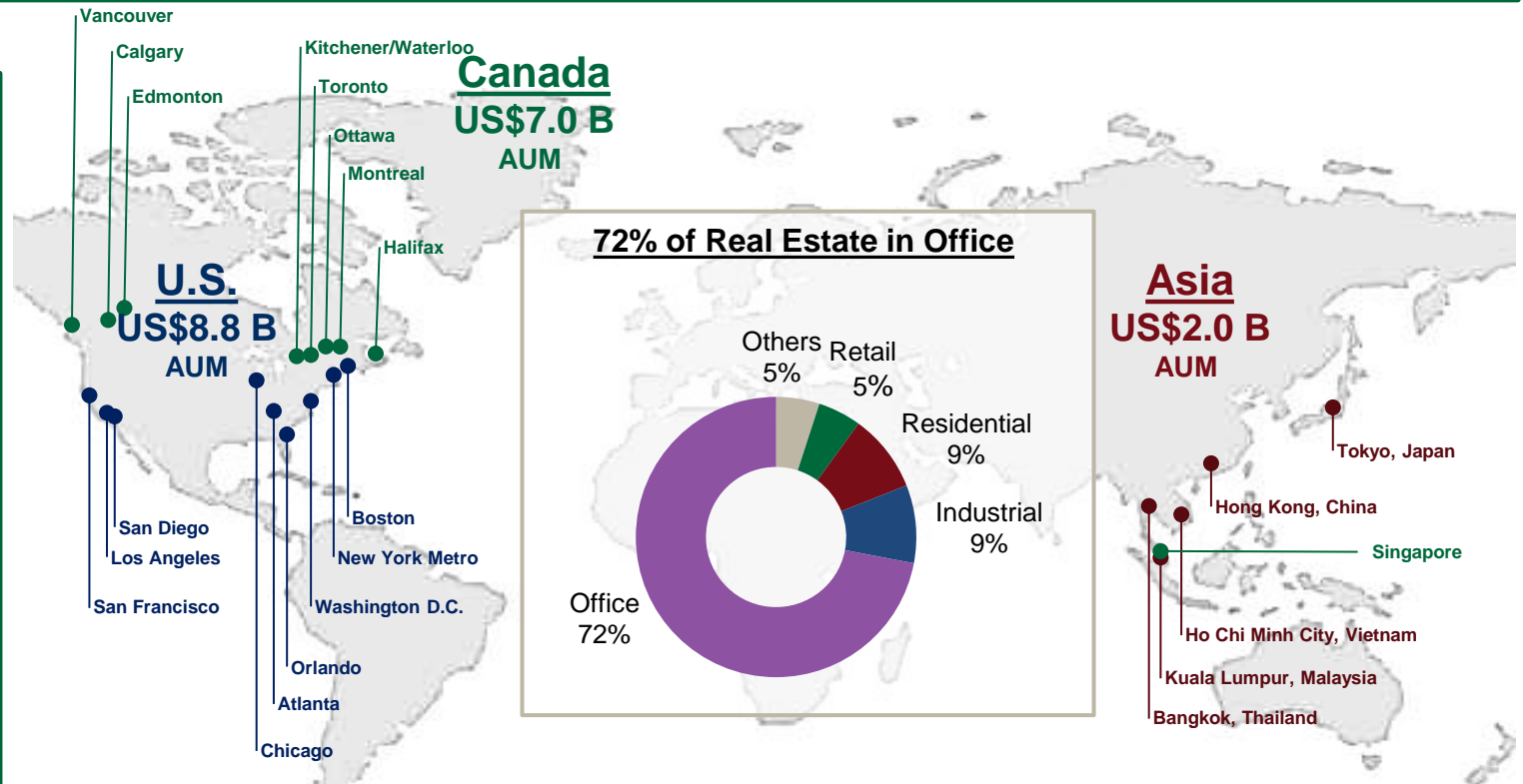


Appendix: About Manulife US REIT

Reputable Sponsor with Proven Track Record in Property Management

Vertically-Integrated Real Estate Platform: Global Real Estate AUM of US\$17.8 b

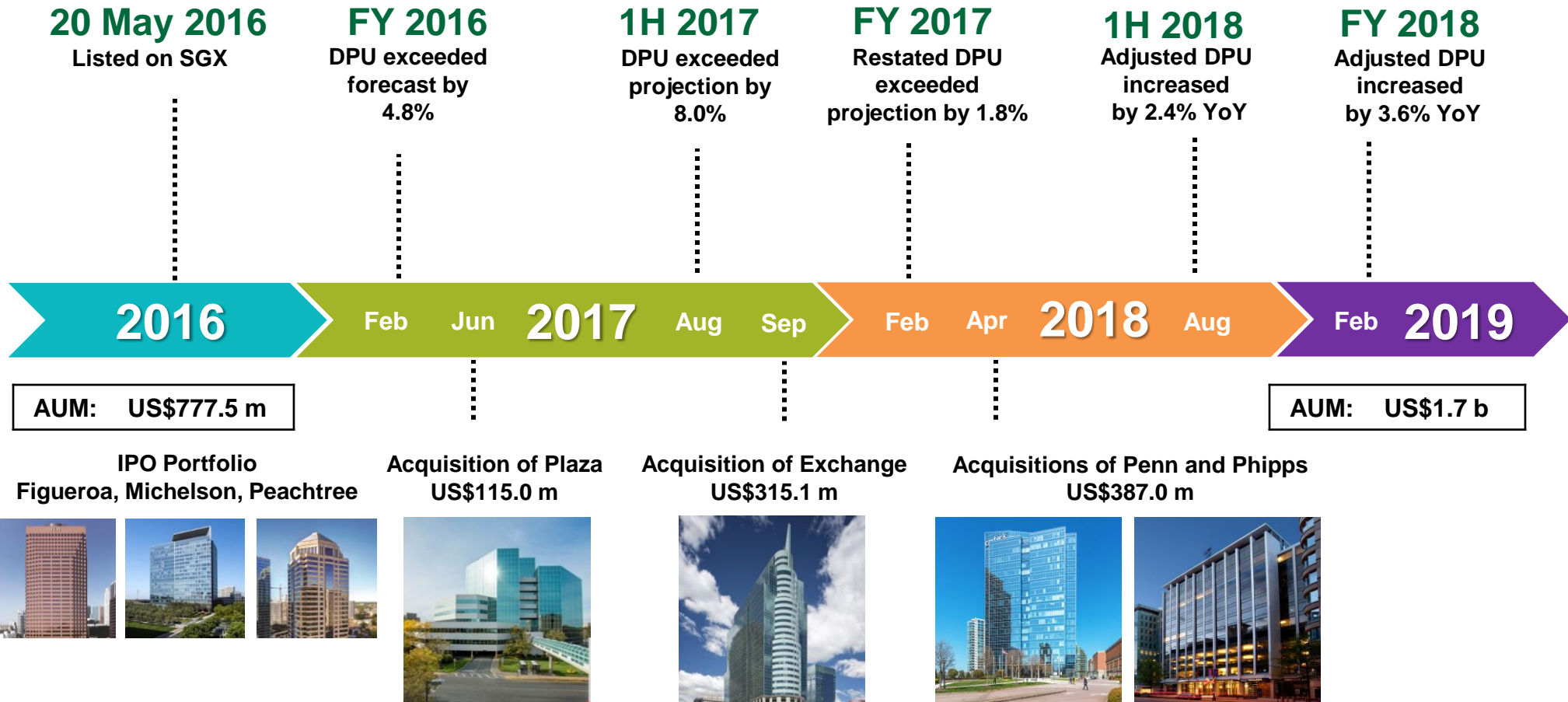
Sponsor



Note: All AUM in fair value basis as at 30 Sep 2018

(1) As at 30 Sep 2018, headcount no longer includes part-time, contingent and on leave employees

Key Milestones since IPO



Note: For more information, please refer to http://investor.manulifeusreit.sg/investor_relations.html

Superior Quality of Trophy and Class A Assets



As at 31 Dec 2018	Figueroa	Michelson	Peachtree	Plaza	Exchange	Penn	Phipps
NLA (sq ft)	702,861	532,663	557,560	461,525	732,169	277,315	475,199
WALE (Years by NLA)	4.6	3.4	4.9	7.4	6.1	5.9	9.0
Occupancy ¹ (%)	93.9	96.0	93.7	98.9	97.7	99.2	100.0
Property Value ² (US\$ m)	329.3	345.0	203.7	119.8	340.7	189.0	211.2

Portfolio
3.7 m
5.8
96.7
1,738.7

(1) Committed Occupancy

(2) Based on carrying value as at 31 Dec 2018

Located in Cities with Strong Growth Factors and Live, Work, Play Environment



Downtown Los Angeles

- Surrounded by entertainment venues such as Staples Center, the LA Convention Center and LA Live
- Boom in residential development creates live, work, play environment



Irvine

- Considered the “CBD” of Orange County
- Strong labour pool with senior executives, middle managers and administrative personnel all living within Orange County
- Scores of technology companies headquartered here, including: Google, Blizzard Entertainment, Broadcom and Vizio



Atlanta

- International Gateway - Headquarters for 15 Fortune 500 Firms
- 10th largest economy in U.S.
- 20 minutes from Atlanta Hartsfield-Jackson International Airport – the busiest airport in the world;

Located in Cities with Strong Growth Factors and Live, Work, Play Environment



Secaucus

- Affordable office and residential alternative to Manhattan attracts major corporations
- Excellent regional connectivity through public transportation infrastructure and interstate highways
- Surrounded by 1 m sq ft of retail space and sports facilities



Jersey City

- Outstanding location across the Hudson River from Manhattan
- Affordable alternative office and residential location to Manhattan



Washington, D.C.

- Nation's capital, government hub, heart of CBD
- One of the strongest cities in the world hosting 176 foreign embassies
- HQ for many global firms, trade unions, non-profit companies and professional associations
- Preeminent commercial district commands higher rents with low vacancy

Investment Strategy

Vast Choice of Yield-Accretive Assets in the World's Largest Real Estate Market

Investment Criteria



Long WALE



High Occupancy



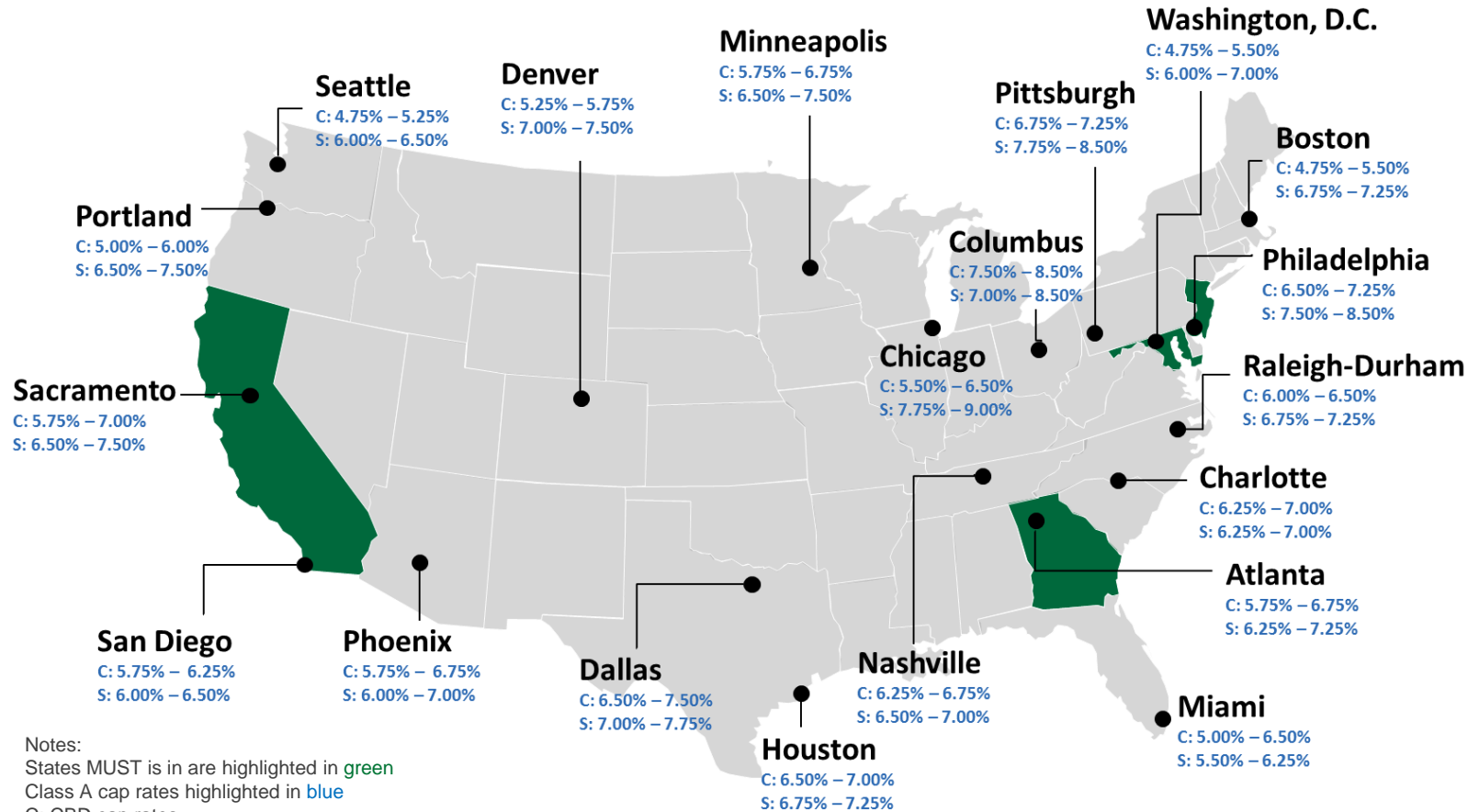
Live, Work, Play Environment



Strong Economic Fundamentals

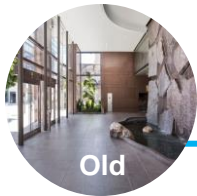
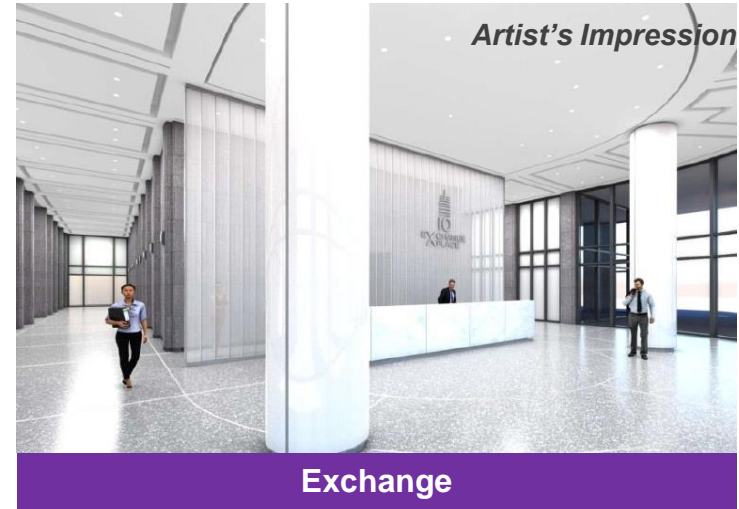
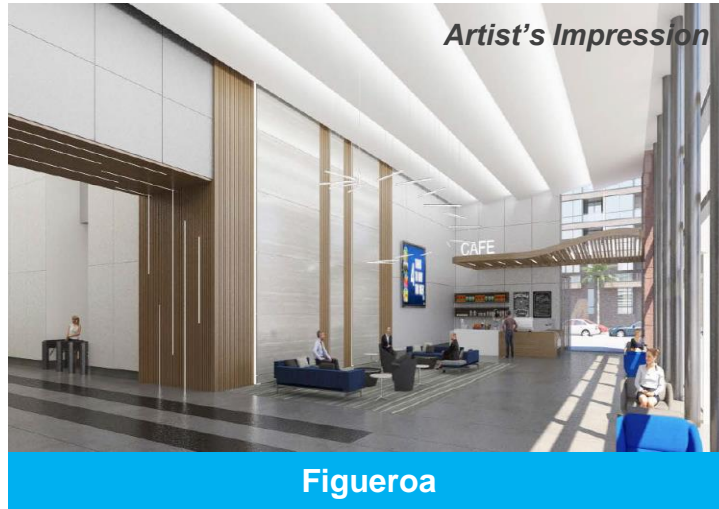


Trophy/Class A Assets



Notes:
 States MUST is in are highlighted in green
 Class A cap rates highlighted in blue
 C: CBD cap rates
 S: Suburban cap rates
 Source: CBRE Cap Rate Survey – Second Half 2018

Ongoing Asset Enhancement Initiatives



Lobby
Gantries
New Café

Budget: Up to US\$8 m

Expected to complete in 4Q 2019



Lobby
Security Desk
LED Lighting

Budget: Up to US\$12 m

Expected to complete in 4Q 2019/1Q 2020

Engaging Communities



Investors



Manulife US REIT Day for Nominee Investors



**Media
and Analysts**



U.S. Thought Leadership Programme



**Local
Community**



Volunteers at St. Luke's Hospital



Tenants



Tenant Appreciation: "Ice Cream Social"

Awards and Sustainability



IR Magazine Awards – South East Asia 2018

Winner:

- *Best Investor Relations Officer (Small to Mid-cap)*
- *Best Investor Event*

Second Place:

- *Best Overall Investor Relations (Small to Mid-cap)*
- *Best in Country – Singapore*
- *Best in Sector – Real Estate*



Governance Index for Trust 2018

Ranked 8th among 44 Singapore REITs and Business Trust at a total score of 75.5

Global Real Estate Standards Board (GRESB)



GRESB rating	2018 score	2018 vs. 2017	Peer group	Your ranking	Average peer score
★★★★★	85	+9	Office United States Listed	4/14	80



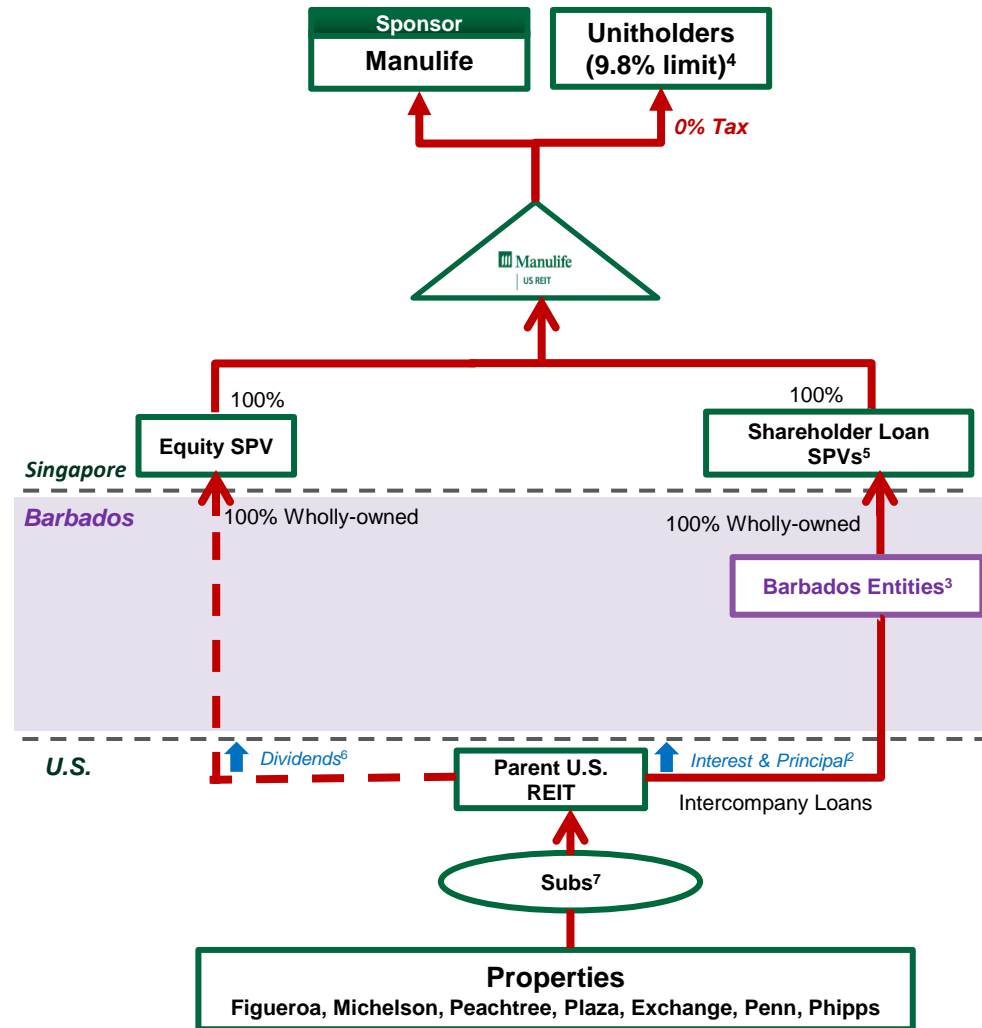
LEED Gold Certification

Michelson, Exchange, Penn and Phipps are LEED GOLD Certified

Tax Structure¹

Predominantly Supported by Four Pillars

- 1 Parent US REIT Structure**
 - Tax transparency – Dividends distributed are deductible
 - Income shielded by interest expense and depreciation
- 2 US Portfolio Interest Exemption Rule**
 - No 30%² withholding tax on interest and principal on shareholder's loan
- 3 Barbados Entities (US Tax Act Dec 2017 Section 267A)**
 - Barbados limited partnerships³ are “fiscally transparent”
 - Interest income on intercompany loans are taxed in Barbados and principal repayments are not subjected to tax
- 4 Foreign Sourced Income**
 - Zero tax in Singapore - Foreign sourced income not subject to tax



(1) As at 1 Jan 2018. Please refer to the SGX announcement dated 2 Jan 2018 titled “Redemption of Preferred Shares by U.S. REITs and Proposed Establishment of Wholly-Owned Entities” for details of the restructuring undertaken by MUST

(2) Principal repayments are not subject to U.S. withholding taxes. Interest payments are not subject to U.S. withholding taxes assuming Unitholders qualify for portfolio interest exemption and provide appropriate tax certifications, including an appropriate IRS Form W-8

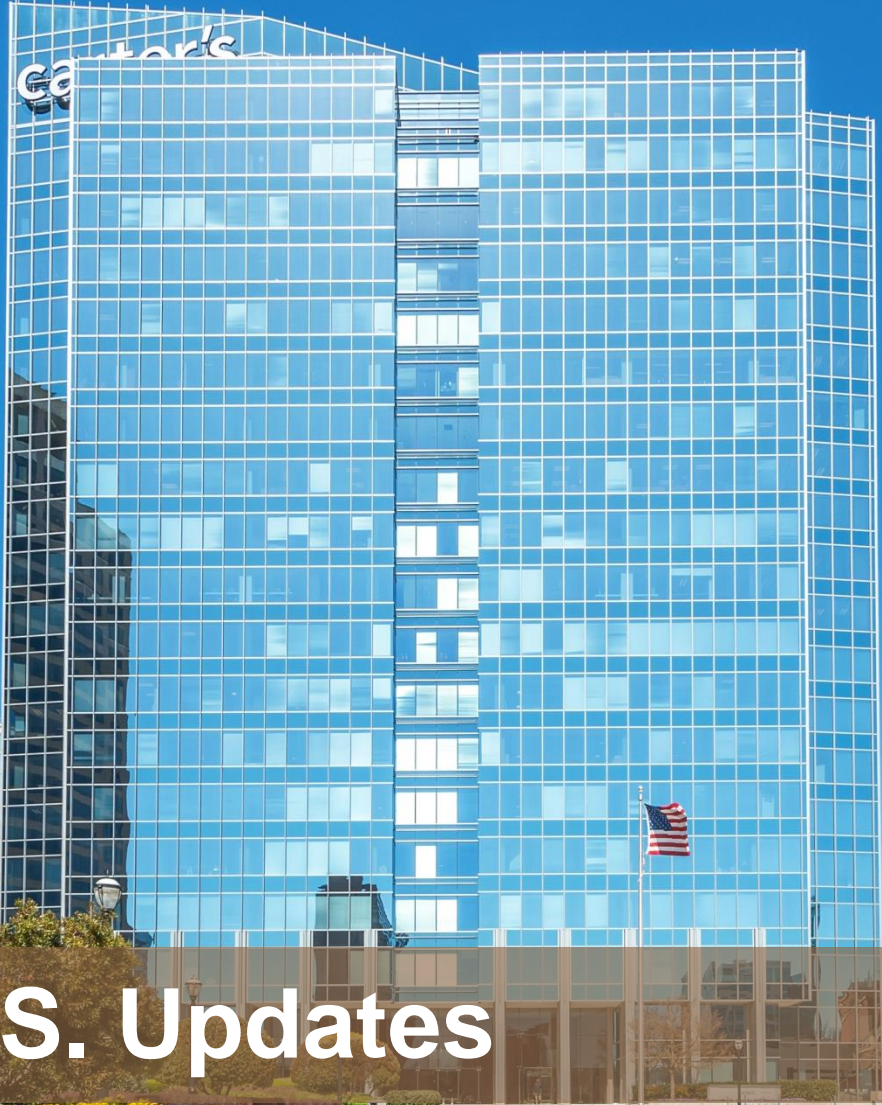
(3) The Barbados Limited Partnerships have extended loans to the Parent U.S. REIT and the interest income on the loans is taxed in Barbados

(4) No single investor to hold more than 9.8% (including the sponsor) - ‘Widely Held’ (No more than 50% of shares can be owned by 5 or fewer individuals) rule for REITs in US – applies to pillars 1 and 2 above

(5) There are three wholly-owned Shareholder Loan SPVs, each of which has made equity investments in two wholly-owned Barbados entities which had formed a Barbados Limited Partnership

(6) Subject to 30% withholding tax

(7) Each Sub holds an individual property



Appendix: U.S. Updates

Overall U.S. Outlook

Steady Economic Growth

+3.4%

3Q 2018¹ GDP growth

2.3%

2017 GDP Growth¹

3.9%

Unemployment increased²

762k

Jobs created 4Q 2018²

↑312k

Non-farm jobs added in December²

- Economy maintains momentum and expected to continue in 2019
- Strong consumer confidence continues; driven in part by the tight labour market

U.S. Office Trends

+19.8M

4Q 2018⁴ net absorption

+3.0%³

Annual⁴ increase in rents

14.9%³

4Q 2018⁴ vacancy steady

Construction Pipeline Steady

↑12.5M

New supply in 4Q 2018⁴

- Fundamentals remain positive looking ahead to 2019
- Leasing activity remains robust and broad-based across sectors

(1) Source: U.S. Department of Commerce, Bureau of Economic Analysis (Dec 2018)

(2) Source: U.S. Department of Labor, Bureau of Labor Statistics (Dec 2018)

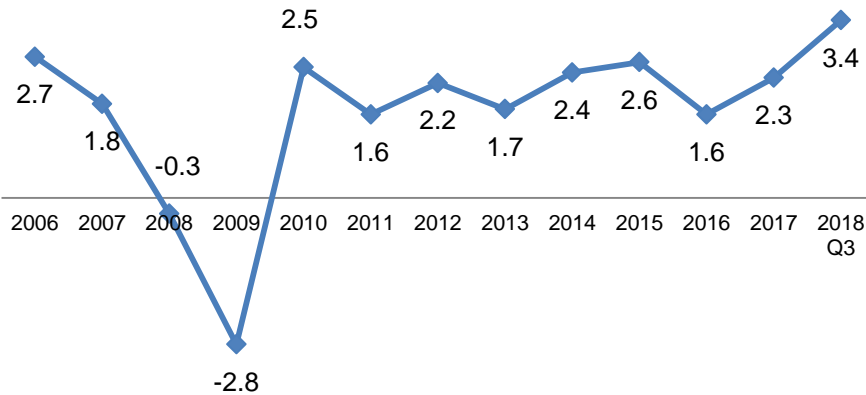
(3) Includes all office

(4) As at 31 Dec 2018. Source : JLL U.S. Office Outlook 4Q 2018

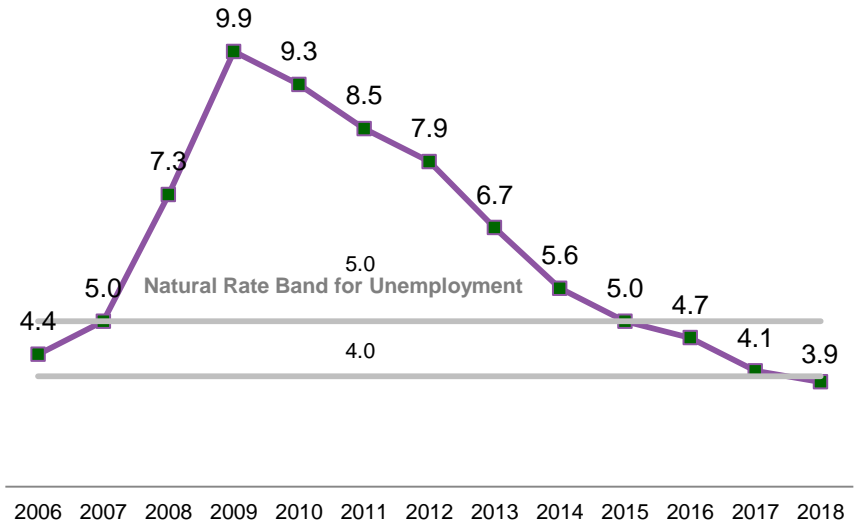
Benefitting from the Growth of the World's Largest Economy

Exposure to Growth of U.S. Economy and USD

U.S. GDP Growth (YoY %)¹



U.S. Unemployment (%)²



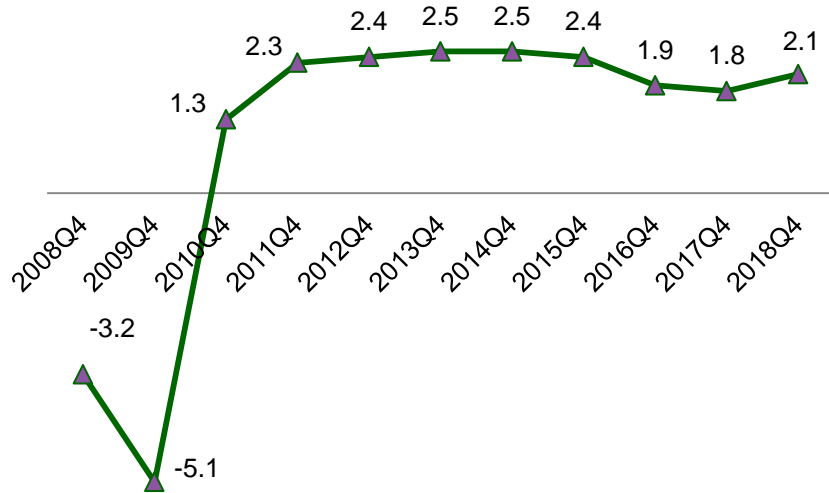
(1) GDP Growth Rate Source: U.S. Department of Commerce, Bureau of Economic Analysis

(2) Unemployment Rate Source: U.S. Department of Labor, Bureau of Labor Statistics as at Jan 2019

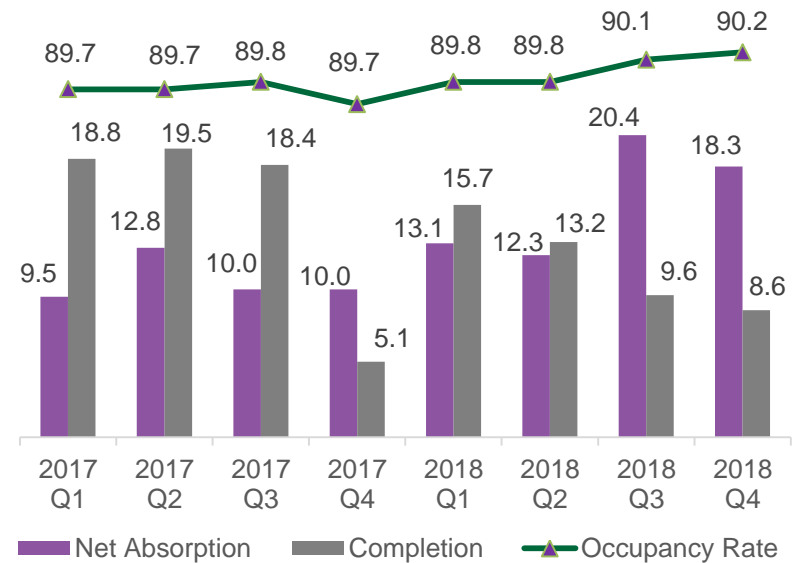
Favourable U.S. Real Estate Outlook

Demand for Office Space Driven by Technology and Other Creative Sectors

U.S. Office Employment (YoY %)¹



U.S. Office Net Absorption (m sq ft) and Occupancy Rate (%)²



(1) Office employment includes the professional and business services, financial activities and information services sectors; Source: CoStar Market Analysis & Forecast Reports. Amounts are 12 trailing months

(2) Source: CoStar Market Analysis & Forecast Reports

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