NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA OR JAPAN

MANULIFE US REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 27 March 2015 under the laws of the Republic of Singapore)

ACQUISITION OF CENTERPOINTE IN FAIRFAX, VIRGINIA, WASHINGTON, D.C. METRO AREA

1. INTRODUCTION

Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US Real Estate Investment Trust ("**Manulife US REIT**", and the manager of Manulife US REIT, the "**Manager**"), is pleased to announce that Manulife US REIT, through its indirect wholly owned subsidiary, has entered into a purchase agreement ("**Purchase Agreement**") with Centerpointe (Fairfax) Holdings LLC (the "**Vendor**") to acquire the property known as Centerpointe I & II located at 4000 & 4050 Legato Road, Fairfax, Virginia (the "**Property**" or "**Centerpointe**", and the acquisition of the Property, the "**Acquisition**").

2. INFORMATION ON THE PROPERTY

The Property is a two-tower building located about 30 km west of Washington, D.C. The Property is leased to a diverse mix of quality tenants.

Property Description	2 x 11 storey office building with two-level structured parking garage and surface parking
Location	4000 & 4050 Legato Road, Fairfax, VA 22033
Net Lettable Area ("NLA")	419,981 square feet ("**sq ft**")
Purchase Consideration	US$122.0 million
Appraised Value	US$122.1 million
Year Built	Centerpointe I – 1987 Centerpointe II – 1989
Renovation	Undergone renovations in 2012 and 2018 for a capital expenditure of about US$8.3 million. Recent renovations include lobby upgrade, a new fitness centre, landscaped outdoor recreational area and an on-site café
Occupancy (as at 31 March 2019)(1)	98.7%
Number of Tenants	21
WALE (as at 31 March 2019)	6.9 years

Note:

(1) Based on committed leases.

3. DETAILS OF THE TRANSACTIONS

3.1 Valuation and Purchase Consideration

The purchase consideration payable for the Acquisition is US$122.0 million and was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation of the Property. The independent valuation conducted by Colliers International Valuation & Advisory Services, LLC. (the "**Valuer**") concluded a market value for the Property of US$122.1 million as of 20 March 2019.

The Valuer has valued the Property primarily based on the income capitalisation approach to value and supported by the sales comparison approach. The income capitalisation approach consisted of a discounted cash flow analysis and a direct capitalisation methodology.

3.2 Estimated Total Acquisition Cost

The estimated total cost of the Acquisition (the "**Total Acquisition Cost**") is approximately US$127.0 million, comprising:

3.2.1 the purchase consideration of US$122.0 million;

3.2.2 the acquisition fee payable to the Manager for the Acquisition pursuant to the Trust Deed dated 27 March 2015 constituting Manulife US REIT (as amended and restated) of approximately US$1.2 million, which the Manager has elected to be paid in cash; and

3.2.3 estimated professional and other transaction fees and expenses incurred, or to be incurred, in connection with the Acquisition (inclusive of financing and equity fund raising related expenses, due diligence cost, land transfer taxes and costs to be incurred in relation to the valuation) of approximately US$3.8 million.

3.3 Establishment of Subsidiaries

In connection with the Acquisition, Manulife US REIT has established the following entities:

3.3.1 Manulife US REIT Beta 5 (Singapore) Pte. Ltd., which has an issued and paid up capital of US$2.00 as at 29 April 2019; and

3.3.2 Hancock S-REIT Centerpointe LLC, which has a contributed capital of US$6,100,000.00 as at 29 April 2019.

3.4 Purchase Agreement

The key terms of the Purchase Agreement include the following:

- customary provisions relating to the Acquisition, including limited representations and warranties;
- the conditions precedent to the buyer's obligation to proceed with the closing are that (i) all of the representations and warranties of Vendor contained in the Purchase Agreement shall be true and correct in all material respects as of the closing date, (ii) the Vendor shall have delivered to purchaser a tenant estoppel from major tenants together with tenant estoppels or seller estoppels for tenants under leases, when aggregated with the foregoing, occupying 80% of the rentable square footage of the Property, (iii) the title insurance company shall be irrevocably committed to issuing the title policy to purchaser, (iv) the Vendor shall have performed and observed, in all material respects, all covenants and agreements of the Purchase Agreement to be performed and observed by it and (v) the Vendor shall have delivered to purchaser all of the items required to be delivered to purchaser pursuant to the terms of the Purchase Agreement;
- the anticipated date for completion of the Acquisition is 10 May 2019, and the long stop date for completion of the Acquisition is 10 June 2019;
- the Property is being conveyed on an "AS IS, WHERE IS" basis with limited representations and warranties by both parties; and
- to the extent that the Vendor's obligations under the Purchase Agreement survive the closing, they will survive for 9 months following the closing date, and the Vendor will not have any liability to the purchaser for most breaches until the purchaser's claims aggregate more than US$100,000, subject to a cap of 2% of the purchase price.

3.5 Structure of the Acquisition and Transfer of the Purchase Agreement

John Hancock Life Insurance Company (U.S.A.) (the "**Sponsor Affiliate**") had on 26 April 2019 entered into the Purchase Agreement with the Vendor. The Purchase Agreement contemplates that the purchaser completed its due diligence prior to entering into the Purchase Agreement, but the purchaser's obligation to proceed with the closing under the

Purchase Agreement is subject to Manulife US REIT raising the equity necessary to acquire the Property prior to 30 April 2019. The Sponsor Affiliate transferred the Purchase Agreement to Manulife US REIT on 29 April 2019.

4. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to unitholders of Manulife US REIT ("**Unitholders**"):

4.1 High Quality Asset in an Attractive Location

4.1.1 Expanding Footprint into Virginia, Washington, D.C. Metro Area

The addition of Centerpointe in Fairfax Center, a submarket within Fairfax County, Virginia, in the metropolitan area centred on Washington, D.C. ("**Washington, D.C. Metro Area**") will deepen Manulife US REIT's exposure in the Northeastern United States. Together with the office property located at 1750 Pennsylvania Avenue NW in Washington, D.C.'s Central Business District which was acquired by Manulife US REIT in June 2018, the Acquisition will bolster Manulife US REIT's presence in the office market in Washington, D.C. Metro Area.

Washington, D.C. is the 5th largest economy in the United States with a total 2017 gross domestic product ("**GDP**") of about US$530 billion[1]. Washington, D.C. Metro Area houses the headquarters for 15 Fortune 500 companies[2] as well as the headquarters for many law firms, lobby groups and a wide variety of government and services related agencies demanding proximity to the country's regulatory epicentre. The Washington, D.C. Metro Area is ranked one of the highest educated metropolitan areas with one of the highest median household income in the U.S.

In November 2018, Amazon Inc. announced its plans to build a corporate headquarters, Amazon HQ2, in Crystal City, a neighbourhood of Arlington located within Virginia. The selection of Arlington, a Washington, D.C. Metro Area suburb, following a highly competitive bid process, as the preferred choice for Amazon Inc.'s corporate headquarters is a testament to the competitiveness of the office market in this area.

With a median household income of US$117,515[3], Fairfax County is one of the most affluent counties in the country. It is also Northern Virginia's employment hub with the local economy supported by the retail, healthcare, services and government sector. Fairfax Center, the submarket in which the Property is located, lies in the centre of Fairfax County. Aligned with the investment objectives of Manulife US REIT, it comprises over 4.8 million sq ft of office space, augmented by over 6 million sq ft of retail amenities, plus ample hotels and executive housing options, making it an ideal 'Live, Work, Play' destination. The central location provides employers direct access to the highly educated and top talent residing in Fairfax County.

Fairfax Center has long served as the seat of government for the Fairfax County. The submarket maintains a strong presence of tenants from industry leading government contractors, financial services (such as insurance, banks, wealth managers) and technology companies. These industries benefit from the highly educated labour pool and deep customer base provided by the affluent residents in the region.

There is no new supply of office product in the Fairfax Center submarket, given the high cost for new construction. As a result, quality buildings like Centerpointe stand out and consistently outperform their peers in the submarket on occupancy, rents and tenant retention.

1 Bureau of Economic Analysis – 2017 GDP by Metropolitan Area
2 The Business Journals – Greater Washington Fortune 500 Companies
3 Source: 2013 – 2017 American Community Survey Five-year Estimate

4.1.2 Best-in-Class Freehold Class A Office Building in Fairfax Center

The Property represents a best-in-class freehold Class A asset with premium quality construction, first-class on-site amenities, a structured parking garage and surface parking facilities.

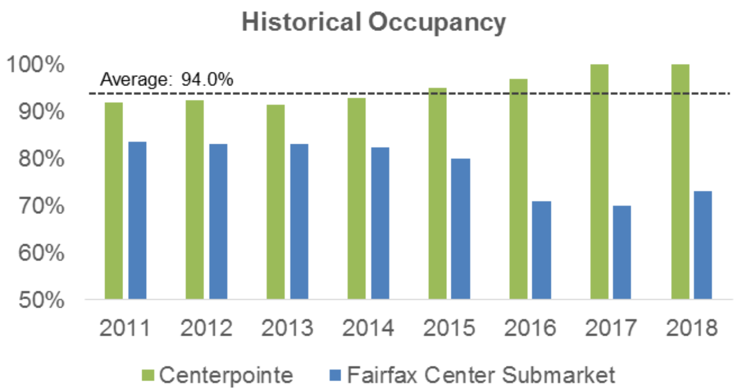
Centerpointe is the highest building in Fairfax Center providing unobstructed signage and branding opportunities, visible to approximately 220,000 daily passengers commuting along Route 50 and Interstate 66, two of the most travelled highways in the region. Centerpointe II was recently renovated with a brand-new lobby, a 3,500 sq ft fitness centre, landscaped outdoor recreation area, and a café. The building has ample parking with 1,456 parking lots. These features distinguish the building as a unique asset in the Fairfax Center submarket.

The Property is strategically located in a desirable ‘Live, Work, Play’ location nestled directly between Fair Oaks Mall and Fairfax Towne Center, two of the most prominent retail centres in Fairfax Center. Spanning 1.6 million sq ft, Fair Oaks Mall is the largest mall in the submarket and the second largest mall in the state while Fairfax Towne Center is the closest amenity to Centerpointe and comprises 340,000 sq ft of retail. Combined, the retail destinations provide tenants with 1.9 million sq ft of walkable retail amenities that are within 5-minute walking distance from the Property, including a wide array of options for shopping, eating, and other highly desirable tenant services.

The Property enjoys easy access to the entire Washington, D.C. region via adjacent connections to Route 50 and Interstate 66. The building is located within 10 minutes from the Vienna/Fairfax-GMU Metrorail station, providing direct access to Arlington’s Rosslyn-Ballston corridor and downtown Washington, D.C. via the Metrorail Orange line. The Property is about 15 minutes from Dulles International Airport and about 30 minutes from Reagan National Airport enabling convenient business travel.

4.2 Solid Tenancy and Favourable Lease Profile Providing Stable Cash Flow

Centerpointe is operating at 98.7% occupancy as at 31 March 2019. Centerpointe competes against a limited subset of similar high-quality properties, and thus enjoys lower vacancy rates compared to older, less competitive or mid-rise buildings in the submarket. The Property's premier distinction has resulted in historically high occupancy rates of 94% on average and rental rates at a premium of between 10% - 25% over the competitive set, during the past 8 years.



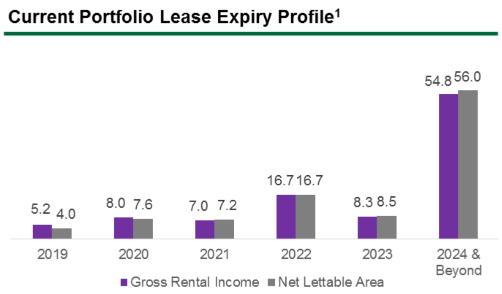
Centerpointe is being leased to 21 tenants including several large companies and a government agency with stable credit profiles such as ASM Research (subsidiary of Accenture (NYSE:ACN)), Edelman Financial Services, Board of Supervisors for Fairfax County, Salient Federal Solutions and ECS Federal (subsidiary of ASGN Incorporated (NYSE:ASGN)), amongst others. Over 50% of the tenants by NLA use this building as their headquarters location, a testament to the desirable attributes of the building.

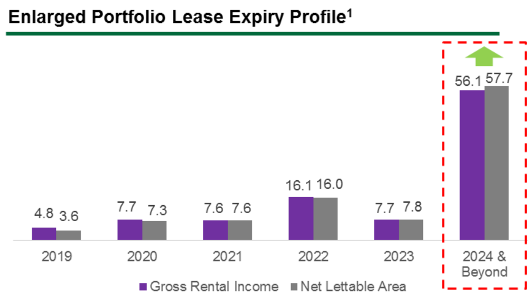
100% of the leases in the building have built-in rental escalations ranging between 2.5% to 3.0%, providing organic growth to the rental income for the Manulife US REIT.

The Property has a long weighted-average lease expiry ("**WALE**") of 6.9 years as at 31 March 2019, which will lengthen the WALE of Manulife US REIT's existing portfolio from 6.0 years to 6.1 years post-Acquisition.

Tenants	Profile
ASM Research *Headquarters*	Information and technology provider and a subsidiary of Accenture *(NYSE: ACN)*
Edelman Financial Services *Headquarters*	U.S.'s leading independent investment advisory practice focusing on financial planning and investment management
Board of Supervisors for Fairfax County	Fairfax County government responsible for establishing county policies, passing ordinances, setting tax rates and other municipal responsibilities
Salient Federal Solutions *Headquarters*	Leading technology company providing health, data analytics, cloud and many other solutions
ECS Federal	Information technology provider delivering advanced solutions to military, federal civilian and commercial organisations and a subsidiary of ASGN Incorporated *(NYSE:ASGN)*

The Property will improve the lease expiry profile of the enlarged portfolio, by increasing the percentage of leases expiring in 2024 and beyond (by gross rental income ("**GRI**")) from 54.8% to 56.1%. In addition, no more than 16.1% of leases by GRI will expire in any single year up to 2024 and beyond.



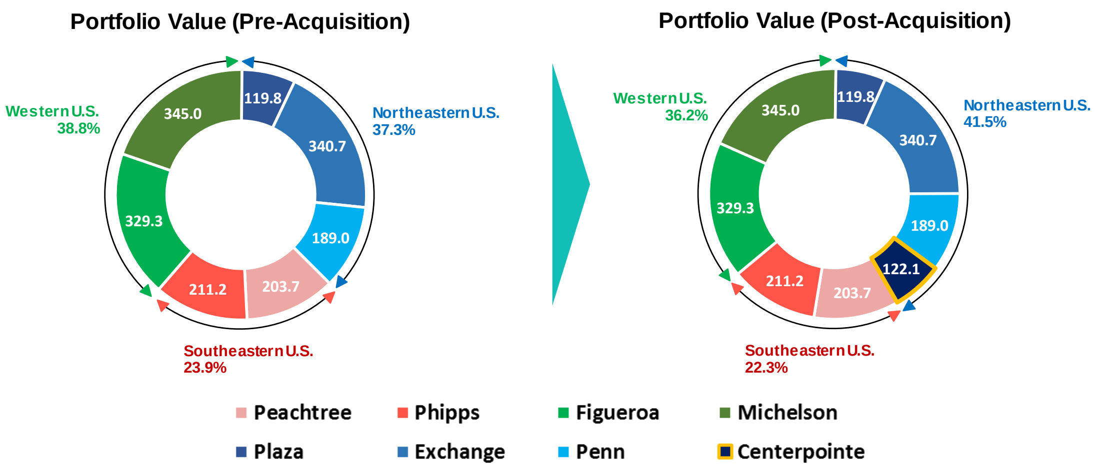


(1) As at 31 March 2019

4.3 Enhance Diversification and Strengthen Existing Portfolio

The acquisition of Centerpointe will increase Manulife US REIT's aggregate portfolio value[4] by 7.0% from US$1.74 billion to US$1.86 billion and NLA by 11.2% from 3.7 million sq ft to 4.2 million sq ft as at 31 December 2018.

The Acquisition will allow Manulife US REIT to diversify and reduce its exposure to the portfolio's largest asset (based on portfolio value) from 19.8% to 18.5%.

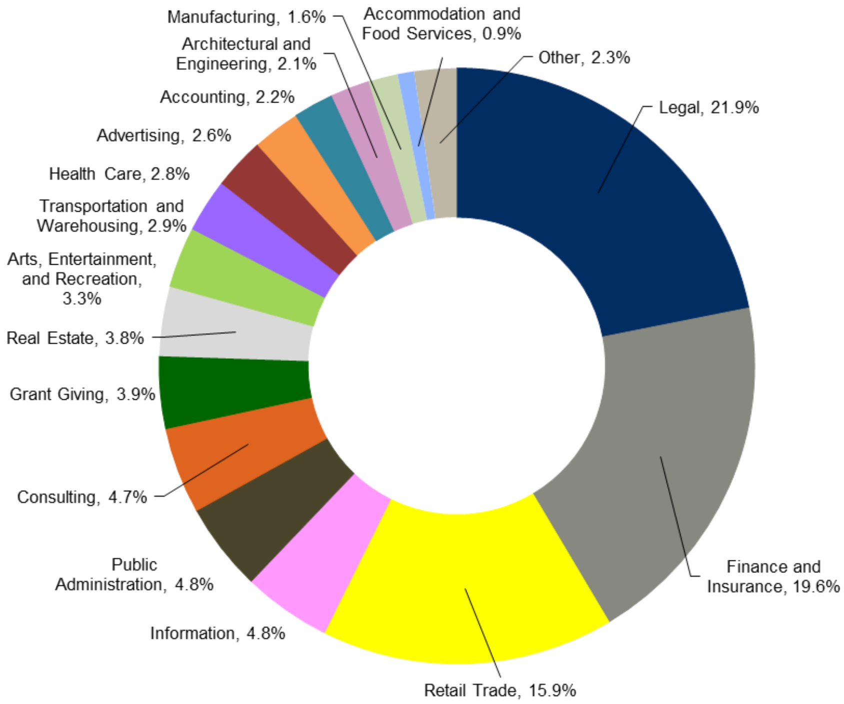


The addition of Centerpointe to the existing portfolio will further diversify the tenant sector mix by reducing the concentration of Legal and Retail Trade tenants and increasing the concentration of Information sector. The additional access to technology sector tenants, which is a high growth sector, will help to complement the portfolio's stable growth sectors such as Legal and Finance and Insurance.

4 Based on appraised values as at 31 December 2018 for the existing portfolio and appraised value as at 20 March 2019 for the Property.

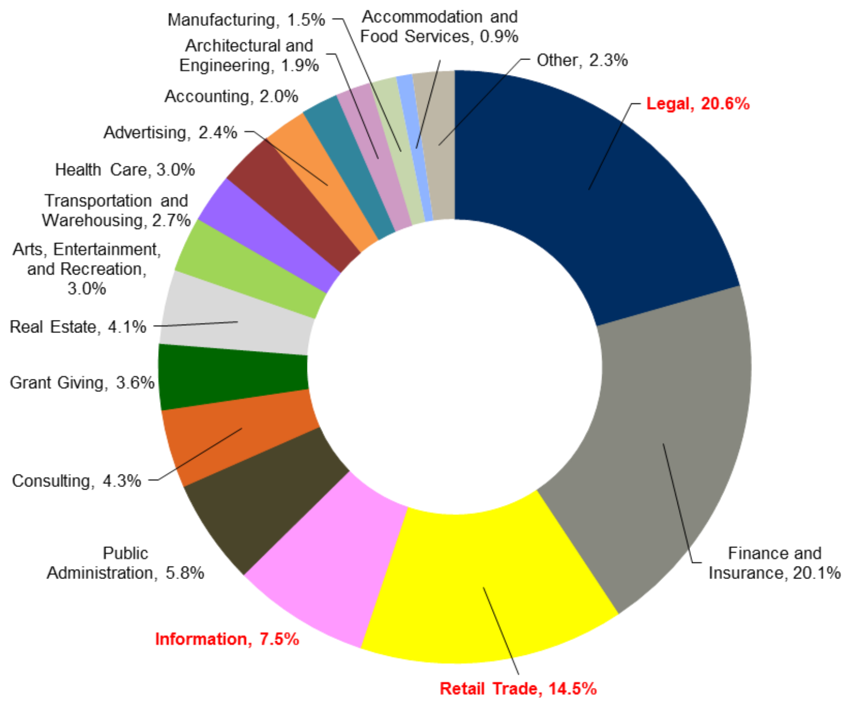
Current Portfolio Gross Rental Income by Trade Sector

(As at 31 March 2019)



Enlarged Portfolio Gross Rental Income by Trade Sector

(As at 31 March 2019)

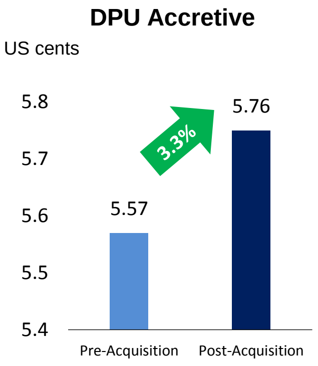


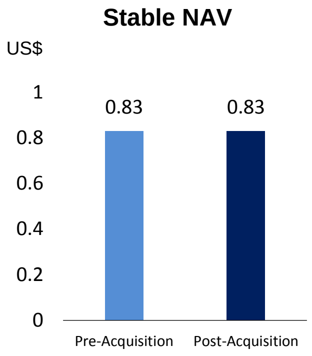
Amounts may not sum to 100% due to rounding

4.4 Accretive Acquisition Enhances Unitholder Returns

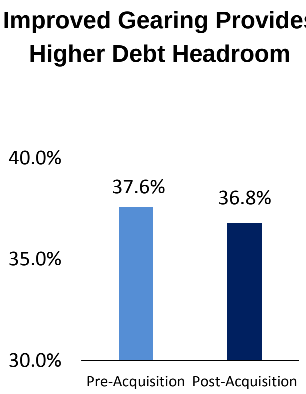
The Acquisition is expected to be distribution per Unit ("**DPU**") accretive to Unitholders. The FY2018 pro forma DPU is expected to increase by 3.3% from 5.57 US cents to 5.76 US cents after the acquisition of the Property.

The charts below illustrate the pro forma impact of the Acquisition on Manulife US REIT's FY2018 DPU and net asset value ("**NAV**") per Unit as at 31 December 2018.





In addition, the pro forma aggregate gearing ratio as at 31 March 2019 is expected to improve from 37.6% to 36.8%[5], providing debt headroom of approximately US$101.1 million and US$284.8 million, based on Manulife US REIT's target gearing of 40.0% and regulatory gearing limit of 45.0%, respectively.



5 For illustrative purposes only. The post-acquisition aggregate gearing ratio of 36.8% assumes that the acquisition will be partially funded by loan facility of approximately US$33.0 million.

5. METHOD OF FINANCING AND PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

5.1 Method of Financing

The Total Acquisition Cost will be funded by a combination of (a) loans, and (b) issuance of new units in Manulife US REIT ("**Units**"). (See the announcement titled "Launch of Private Placement to Raise Gross Proceeds of Approximately US$94.0 Million" dated 29 April 2019 for further details of the placement where the Manager announced the proposed private placement of 114.8 million new units in Manulife US REIT ("**New Units**") to raise gross proceeds of approximately US$94.0 million (the "**Private Placement**")).

5.2 Pro Forma Financial Effects of the Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Manulife US REIT's DPU and NAV per Unit are presented below. The pro forma financial effects were prepared based on the audited financial statements of Manulife US REIT and its subsidiaries (the "**Manulife US REIT Group**") for the financial year ended 31 December 2018 and unaudited management accounts for the Property to be acquired. The pro forma financial effects of the Acquisition is prepared based on the assumption that 114.8 million New Units would be issued and approximately US$94.0 million of proceeds would be raised from the Private Placement. In the event that the New Units issued are different from the assumptions, the pro forma financial effects of the Acquisition would also differ.

The pro forma financial effects are for **illustrative purposes only** and do not represent Manulife US REIT's FY2018 DPU and NAV per Unit following the completion of the Acquisition.

5.3 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Manulife US REIT's DPU are prepared based on the assumption that the Acquisition was completed on 1 January 2018 and Manulife US REIT held and operated the Property in FY2018.

	Effects of the Acquisition	
	Before the Acquisition	**After the Acquisition(1)**
Distributable Income (US$'000)	70,981	79,945(2)
DPU (US cents)	5.57	5.76(3)
DPU Accretion (%)(5)		3.3%
For Information Only Adjusted DPU (US cents)(4)	6.05	6.21
Adjusted DPU Accretion (%)(5)		2.6%

Notes:

(1) Assuming that the New Units in relation to the Private Placement are issued at an illustrative price of US$0.819 per Unit.

(2) The Vendor had granted rent free periods to certain tenants of the Property under the existing lease arrangements and as part of the terms of the Acquisition, the Vendor had offered to reimburse the buyer (in this case, Manulife US REIT) for the amount of rent which would otherwise have been payable by the tenants to the landlord if such rent free periods were not granted ("**Rent Free Reimbursement**"). The Rent Free

Reimbursement will be credited against the purchase consideration for the Property and will go towards the distributable income of Manulife US REIT. The actual amount of Free Rent Reimbursement will be finalised after the closing of the Acquisition. However, the FY2018 pro forma distributable income post-acquisition includes Free Rent Reimbursement of approximately US$2.3 million that was provided to certain tenants in 2018.

(3) The DPU is computed based on distributable income over Units in issue. The Units in issue includes existing Units as at 31 December 2018, new Units issued from Private Placement to acquire the Property and Units issued as payment for base and property management fees in respect of the Property for the period from 1 January 2018 to 30 September 2018.

(4) The adjusted DPU normalises the drag from the enlarged Unit base from the preferential offering issued to fund Penn and Phipps acquisition in 2018. The adjusted DPU was calculated based on the weighted average number of Units in issue.

(5) Subject to rounding.

5.4 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2018, as if the Acquisition was completed on 31 December 2018, are as follows:

	Effects of the Acquisition	
	Before the Acquisition	**After the Acquisition**
NAV (US$'000)	1,064,063	1,156,196
Issued Units ('000)	1,280,245(1)	1,395,019(2)
NAV per Unit (US$)(3)	0.83	0.83
Adjusted NAV per Unit (excluding Distributable Income) (US$)(3)	0.80	0.80

Notes:

(1) Based on total number of Units issued and to be issued as at 31 December 2018.

(2) Including existing Units issued and to be issued as at 31 December 2018 and assuming that the New Units in relation to the Private Placement were issued at an illustrative price of US$0.819 per Unit.

(3) Subject to rounding.

6. OTHER INFORMATION

6.1 Disclosure under Rule 1010(13) of the Listing Manual

The relative figures for the Acquisition using the applicable bases of comparison in Rule 1006 of the Listing Manual are set out in the table below.

Comparison of	**The Acquisition (US$ million)**	**Manulife US REIT (US$ million)**	**Relative figure (%)**
<u>**Rule 1006(b)**</u> **Net property income(1) attributable to the assets acquired compared to Manulife US REIT's net property income**	10.8	90.7	11.9%

Comparison of	The Acquisition (US$ million)	Manulife US REIT (US$ million)	Relative figure (%)
<u>Rule 1006(c)</u> **Aggregate value of consideration(2) to be given compared with Manulife US REIT's market capitalisation(3)**	122.0	1,114.1	11.0%

Notes:

(1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.

(2) For the purposes of computation under Rule 1006(c), the aggregate consideration given by Manulife US REIT is the purchase consideration for the Property.

(3) Based on 1,280,114,375 Units in issue and the weighted average price of US$0.8703 per Unit on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 April 2019, being the market day immediately prior to the date of entry into the Purchase Agreement.

6.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Transactions or any other transactions contemplated in relation to the Transactions.

6.3 Interest of Directors and Controlling Unitholders

Save for the Units in Manulife US REIT held by the directors, none of the directors has an interest, direct or indirect, in the Acquisition. There are no controlling Unitholders in Manulife US REIT.

7. DOCUMENTS FOR INSPECTION

A copy of the following is available for inspection during normal business hours at the registered office of the Manager located at 8 Cross Street, #16-03 Manulife Tower, Singapore 048424 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

(i) a copy of the Purchase Agreement; and

(ii) a copy of the valuation report by the Valuer.

BY ORDER OF THE BOARD
Jill Smith
Chief Executive Officer

Manulife US Real Estate Management Pte. Ltd.
(Company registration no. 201503253R)
(as manager of Manulife US Real Estate Investment Trust)

29 April 2019

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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada or Japan, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States unless registered under the Securities Act, or except pursuant to an applicable exemption from registration. There will be no public offer of securities in the United States.

The value of the 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. 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 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.