



MANULIFE US REAL ESTATE INVESTMENT TRUST

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

ANNUAL GENERAL MEETING ON 20 APRIL 2023 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US Real Estate Investment Trust (“**Manulife US REIT**”, the “**Manager**”), wishes to thank unitholders of Manulife US REIT (“**Unitholders**”) for submitting their questions in advance of the Annual General Meeting to be held on 20 April 2023.

Please refer to the attached Appendix A for the Manager’s responses to the substantial and relevant questions which have been submitted by Unitholders as well as questions sent by Securities Investors Association (Singapore) (“**SIAS**”). Concerns and questions raised by Quarz Capital Management in their open letter dated 20 March 2023 have also been included in Appendix A.

With regards to the potential transaction with Mirae Asset Global Investments (“**Mirae**”), the Manager wishes to emphasise that there is no certainty or assurance that any definitive agreements will be entered into or that any transaction will materialise from the current discussions. The Manager will make further announcement(s) in accordance with the Listing Manual of the SGX-ST if and when there is any material development.

In the meantime, unitholders of Manulife US REIT and investors should exercise caution when dealing in the units of Manulife US REIT and its subsidiaries. They should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
William D. Gantt III
Chief Executive Officer

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

14 April 2023

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.

Responses to Questions – Manulife US REIT 2022 AGM

NO.	QUESTIONS	ANSWERS
A.	Strategic Review	
1.	<p>Can the independent directors help unitholders better understand their involvement in the strategic review?</p>	<p>The Board of Directors has been conducting weekly meetings since November 2022 to discuss and deliberate on the strategic review process. While Mr Stephen Blewitt is the interim Chairman, the majority of the board present in these meetings comprises independent directors. Independent Directors comprise 4 out of the 6 member Board of Directors.</p> <p>Through the strategic review process thus far, the Strategic Working Group comprising the Board of Directors and senior members of the Manager has assessed potential organic and inorganic strategies that could generate long term value for unitholders. Factors which have been considered important include sponsor support, immediate capital injection to reduce gearing, portfolio optimisation and growth, and practicability.</p> <p>The potential options evaluated include asset dispositions, mergers, equity fund raising and strategic transactions with third parties. The Board of Directors evaluated the options presented by Citigroup Global Markets Singapore Pte. Ltd., the financial advisor (the “Financial Advisor” or “Citi”), and after much consideration and discussion, has unanimously decided, based on recommendation from the Financial Advisor, that the Mirae proposal attributed the most value to existing Manulife US REIT unitholders and provided the best opportunity to execute a go-forward strategy that would grow and protect unitholder value over the long term.</p>
2.	<p>What mandate was given to Citigroup? How do the independent directors ensure that, in cases of conflict, the interests of unitholders are placed before that of the manager and the sponsor in the strategic review?</p> <p>Are the directors of Manulife US REIT potentially in breach of their fiduciary duties and legal obligation to act in the best interest of unitholders, and prioritize unitholders’ interest over those of the REIT manager and sponsor?</p>	<p>The mandate given to Citi is to undertake a strategic review of a variety of options available to Manulife US REIT to preserve and potentially improve unitholder value. Citi assists the Strategic Working Group in its review. To be clear, Citi has been appointed by the Manager (and not the Sponsor) for the strategic review.</p> <p>The strategic review did not specifically ask potential parties to submit a bid for a certain transaction. Instead, it was an invitation to parties to submit their proposal in relation to Manulife US REIT. Each party would have to propose a transaction structure in relation to their bid. Bids were evaluated from the standpoint of value maximisation for Manulife US REIT and the attractiveness of the post-transaction strategy, with the Manager considering, among others, factors such as execution certainty and ease of implementation, including obtaining regulatory approval.</p> <p>To be clear, the strategic review did not require a bidder to make an offer to buy the Manager. There were bids that had no</p>

		<p>consideration for the manager such as (i) acquisition of the underlying asset portfolio and a (ii) REIT merger (with no consideration for the manager). Proposals received from parties to inject capital into Manulife US REIT all included a requirement to take over the Manager and effect control over Manulife US REIT as part of their overall bid. There are no bids where a potential party is willing to provide capital without taking control of the management of Manulife US REIT. Citi is facilitating that portion of the transaction so that the capital injection can take place.</p> <p>Upon submission of the bids, the terms pursuant to such bids were also thoroughly evaluated by the Manager's Board. For the avoidance of doubt, all bids received were submitted to the Board. After much consideration and discussion, it was unanimously decided by the Board that the Mirae proposal attributed the most value to the existing units of Manulife US REIT and provided the best opportunity to execute a go-forward strategy that would grow and protect shareholder value over the long term.</p>
3.	How does the sale of the shares of the manager benefit unitholders?	<p>As part of the Strategic Review, the Manager together with Citi, the financial advisor in relation to the Strategic Review, considered and evaluated a number of other potential options including further divestment of assets, mergers with other similar platforms, equity fund raising and strategic transactions with third parties involving the recapitalisation of Manulife US REIT, in combination with various levels of involvement of the existing Manager functions:</p> <ul style="list-style-type: none"> • Asset dispositions continue to be challenging with the prevailing negative sentiment around the U.S. office sector. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the U.S. office sector which makes sizeable asset dispositions difficult, especially in the more challenged submarkets. • In terms of potential mergers, it was concluded that execution risks were elevated in this current market environment, and this option did not address the current issue of high gearing given no immediate capital injection into Manulife US REIT. • Equity fund raising remains an option, noting however that equity markets are currently volatile due to inflation and high interest rates. • As to strategic transactions with third parties involving the recapitalisation of Manulife US REIT, in assessing the ability and suitability of such parties to reposition Manulife US REIT for future growth, the following criteria were considered – (i) U.S. real estate presence and track record, (ii) financial strength and commitment to Manulife US REIT, (iii) any other

		<p>existing conflicts of interest and (iv) ability to provide Manulife US REIT access to an identified pipeline to effect a potential pivot strategy.</p> <p>As discussed in Q2, there were no bids where a potential party is willing to provide capital without taking control of the management of Manulife US REIT, and it was unanimously decided by the Board that the Mirae proposal attributed the most value to the existing units of Manulife US REIT and provided the best opportunity to execute a go-forward strategy that would grow and protect shareholder value over the long term:–</p> <ul style="list-style-type: none"> • Mirae's position as an industry leader in real estate investment and fund management with global assets under management (“AUM”) of US\$198 billion inclusive of stocks, bonds, ETFs, and real estate among other asset classes as at 31 December 2022.¹ • Backed by Mirae Asset Financial Group, which is one of the largest independent financial groups in Asia, with an AUM of US\$528 billion as at 31 December 2022.¹ • Subscription for new units in Manulife US REIT by Mirae and its affiliates (of greater than 9.8%) to help recapitalize platform for stability and growth. • Sizeable global real estate presence with an established track record and presence in the U.S. for 15 years. • Ability to provide Manulife US REIT access to its U.S. asset pipeline across various sector classes (e.g. office, hospitality, logistics) which allows Manulife US REIT to execute its pivot strategy.
4.	Is the REIT Manager’s abrupt change in its plan now to potentially undertake the preferred placement (which is the worst alternative for unitholders) due to the fact that the Sponsor under the potential transaction can possibly ‘walk away’ with a ‘Golden Parachute’ through the sale of the REIT Manager at a substantial and sizeable profit when compared to its cost price?	<p>The Manager highlights several misstatements in this question:</p> <ul style="list-style-type: none"> • There is no abrupt change in the Manager’s original plans as there was never a fixed option in relation to the strategic review. The strategic review did not specifically ask potential parties to submit a bid for a certain transaction. Instead, it was an invitation to parties to submit their proposal in relation to Manulife US REIT. Each party would have to propose a transaction structure in relation to their bid. In addition, in the various announcements and presentations where the strategic review was touched upon, there was no reference to a specific set of plans. • The Manager has gone through a thoughtful strategic review with the assistance of its financial advisor which has resulted in the decision to negotiate a transaction with Mirae. The contemplated transaction involves a meaningful capital injection by Mirae and gives Manulife US REIT the flexibility to pursue additional strategic initiatives. Mirae’s proposal to

¹ Mirae’s website

		<p>invest in Manulife US REIT also includes taking control of the Manager.</p> <ul style="list-style-type: none"> In support of the investment by Mirae, the Sponsor will not be “walking away” from Manulife US REIT. Firstly, the Sponsor has acquired Tanasbourne, as announced on 12 April 2023. Secondly, the Sponsor will retain its unitholding in Manulife US REIT, and is, in fact, considering a subscription for new units to maintain its existing 9.1% unitholding in Manulife US REIT. Both these instances demonstrate the Sponsor’s support and provides certainty during this volatile period for Manulife US REIT.
<p>5.</p>	<p>Who is leading the negotiations with Mirae?</p>	<p>Citi assists the Strategic Working Group in its review. Citi has been appointed by the Manager (and not the sponsor) for the strategic review.</p> <p>To be clear, the strategic review did not require a bidder to make an offer to buy the Manager. Proposals from parties to inject capital into Manulife US REIT all included a requirement to take over the Manager and effect control over Manulife US REIT as part of their overall bid. There are no bids where a potential party is willing to provide capital without taking control of the management of Manulife US REIT. Citi is facilitating that portion of the transaction so that the capital injection can take place.</p> <p>Upon submission of the bids, the terms pursuant to such bids were also thoroughly evaluated by the Manager’s board of directors. For the avoidance of doubt, all bids received were submitted to the Board. After much consideration and discussion, it was unanimously decided by the Board that the Mirae proposal attributed the most value to the existing units of Manulife US REIT and provided the best opportunity to execute a go-forward strategy that would grow and protect shareholder value over the long term.</p> <p>Given the complex transaction structure proposed by Mirae, the Sponsor has also lent its expertise and has focused its guidance on how best to maximise value for unitholders. As noted above, the Board of Directors has the ultimate approval right over any proposed strategic transaction, and bids were evaluated from the standpoint of value maximisation for Manulife US REIT and the attractiveness of the post-transaction strategy, with the Manager considering, among others, factors such as execution certainty and ease of implementation, including obtaining regulatory approval.</p>

<p>6.</p>	<p>How would unitholders benefit if the manager, who is looking to sell itself to Mirae, carries out a placement to Mirae at the current depressed price levels? Would the manager be conflicted as it also negotiates with Mirae?</p>	<p>The Sponsor is negotiating the sale of the Manager with Mirae, without the involvement of the Board and management.</p> <p>As Mirae’s proposal also contemplates a subscription for new units in Manulife US REIT, Citi is facilitating that portion of the transaction so that the capital injection can take place. Mirae’s proposal to invest in Manulife US REIT also includes taking control of the Manager. The following sets out the background of Mirae:</p> <ul style="list-style-type: none"> • Mirae’s position as an industry leader in real estate investment and fund management with global AUM of US\$198 billion inclusive of stocks, bonds, ETFs, and real estate among other asset classes as at 31 December 2022.² • Backed by Mirae Asset Financial Group, which is one of the largest independent financial groups in Asia, with an AUM of US\$528 billion as at 31 December 2022.² • Subscription for new units in Manulife US REIT by Mirae and its affiliates (of greater than 9.8%) to help recapitalise platform for stability and growth. • Sizeable global real estate presence with an established track record and presence in the U.S. for 15 years. • Ability to provide Manulife US REIT access to its U.S. asset pipeline across various sector classes (e.g. office, hospitality, logistics) which allows Manulife US REIT to execute its pivot strategy. <p>In support of the investment by Mirae, the Sponsor will not be “walking away” from Manulife US REIT. The Sponsor will retain its unitholding in Manulife US REIT, and is also, in fact, considering a subscription for new units to maintain its existing 9.1% unitholding in Manulife US REIT.</p> <p>Mirae’s proposal to invest in Manulife US REIT also includes taking control of the Manager. While the Sponsor is the sole shareholder of the Manager and will decide in that capacity on whether to sell the Manager, and under what terms it will do so, it was the Board of Manulife US REIT, which consists of a majority of independent directors, that selected Mirae’s proposal after evaluating the other bids from the standpoint of value maximisation for Manulife US REIT.</p>
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² Mirae’s website

7.	<p>As the preferred placement to Mirae is part of the potential transaction to purchase the REIT manager, Mirae should be subjected to SGX Rulebook 812. Approval from independent unitholders must be sought before any placement should be given to Mirae. This is to ensure fair pricing and the size of the placement to protect the rights of independent unitholders. Will Unitholders' approval be sought?</p>	<p>The issuance of new units to Mirae and its affiliates pursuant to a placement will be subject to the approval of unitholders.</p>
8.	<p>If the sponsor were also to sell part or all of its unitholdings to Mirae, this might result in Mirae potentially owning more than 10% of Manulife US REIT, and in breach of the 10% ownership limit. Will the REIT Manager have to undertake another placement to bring the potential stake of Mirae back to less than 10%?</p>	<p>To clarify, the proposal from Mirae in relation to the units of Manulife US REIT relates to a subscription of <u>new units</u> in Manulife US REIT and does not include any offer to acquire any existing units from Unitholders or the Sponsor.</p> <p>Mirae and its affiliates intends to subscribe for an aggregate of more than 9.8% unitholding in Manulife US REIT. As disclosed in the SGX Announcement titled "Update on Strategic Review" on 12 April 2023, the Manager has appointed a U.S. tax adviser to ensure that the subscription of new Units by Mirae will comply with the applicable US REIT tests. As such, there will not be any need for another placement to bring Mirae's potential stake below 10%.</p>
9.	<p>Will the placement be offered to all Unitholders to enable them to participate and average down their price if they wish to?</p>	<p>The Manager is still in the midst of finalising the transaction structure (with regards to the capital injection by Mirae) and will be considering this as an option. More details will be shared at a later date.</p>
10.	<p>A simpler solution would have been to reduce the leverage by selling 1-2 assets. The sponsor has sold more than US\$ 1.4 billion of assets to the REIT often citing that these are high quality 'trophy assets' from the sponsor. Why can't the Sponsor repurchase 1-2 assets from the REIT given that most of the assets have been valued at an even lower price?</p>	<p>While the Manager continues to identify potential asset disposition opportunities within the existing portfolio, this option is challenging given the prevailing negative sentiment around the U.S. office sector. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the U.S. office sector which makes sizeable asset dispositions difficult in several markets.</p> <p>Since its IPO in 2016, Manulife US REIT acquired six properties totalling US\$1.5 billion (based on purchase price) from the Sponsor. Those properties were sold at the then fair market value based upon two independent appraisals completed at those times. The properties were sold by the Sponsor well before the global pandemic started in 2020, which has substantially</p>

		<p>impacted U.S. office properties, and well before the increase in interest rates which occurred throughout 2022 which has also substantially impacted commercial real estate values more generally.</p> <p>The Sponsor has completed the purchase of Tanasbourne from Manulife US REIT for US\$33.5 million on 12 April 2023 (see announcement titled “Divestment of Property Known as Tanasbourne Located in, Hillsboro, Oregon” for details) but has no present intention of repurchasing any additional assets from Manulife US REIT.</p>
11.	<p>Can the sponsor and the parent company reiterate their commitment to the REIT?</p>	<p>The Sponsor remains committed to Manulife US REIT and has demonstrated this through the various actions:</p> <ul style="list-style-type: none"> • Completed the acquisition of Tanasbourne from Manulife US REIT at US\$33.5 million, which is the higher of the two independent valuations (Appraised valuations as at 31 December 2022 – JLL: US\$33.5 million; Colliers: US\$32.3 million) • Waiver of divestment fee in relation to the divestment of Tanasbourne to Manulife <p>In support of the investment by Mirae, the Sponsor will not be “walking away” from Manulife US REIT. The Sponsor will retain its unitholding in Manulife US REIT, and is also, in fact, considering a subscription for new units to maintain its existing 9.1% unitholding in Manulife US REIT.</p>
12.	<p>How can Manulife US REIT improve its share price?</p>	<p>The U.S. office market continues to face unprecedented challenges. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the U.S. office sector which makes sizeable asset dispositions difficult in several markets.</p> <p>Average unit prices of U.S. office S-REITs and U.S. listed peers over the last 12-month period ending 13 April 2023 have fallen by 61% and 62% respectively. As at 13 April 2023, U.S. office S-REITs are trading on average 0.4x price-to-book.</p> <p>In Manulife US REIT’s case, finding an appropriate remedy to the gearing overhang is in the best interests of our unitholders. As part of the strategic review, there has been ongoing discussions to address the aforementioned gearing overhang through a combination of asset dispositions, recapitalisation by Mirae, and bringing Mirae on as a strategic partner to allow Manulife US REIT to effect a potential pivot strategy.</p>

		<p>We continue to engage the investment community proactively to explain the challenges and share what the Manager is doing to address them. The team remains focused on working with our financial advisor and strategic working group comprising the senior members of the Manager and the Board of the Manager to explore options to improve the performance of Manulife US REIT.</p>
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B. Capital and Operational Management		
13.	Gearing ratio: How does the high ratio gearing of 48.8% affect the REIT?	<p>As at 31 December 2022, the total gross outstanding debt of Manulife US REIT was US\$1,032.7 million with an aggregate leverage of 48.8%, an increase from 42.8% as at 31 December 2021, mainly due to the decline in portfolio valuation. The higher leverage ratio is within the regulatory limit of 50.0% set by MAS, accompanied by an interest coverage ratio of 3.1 times.</p> <p>As mentioned in Manulife US REIT's annual report, the Manager recognises that the higher aggregate leverage has increased the risk profile of Manulife US REIT. This could limit additional borrowings to fund future capital expenditure, tenant improvement allowances and leasing costs. As such, to improve Manulife US REIT's financial flexibility, the Manager has retained US\$3.8 million from its 2H 2022 distributable income and sold Tanasbourne at the higher of the two independent valuations (US\$33.5 million).</p> <p>We will continue to explore various fundraising options, including further asset dispositions, distribution reinvestment plans and equity injection.</p>
14.	Assuming no divestments/ capital inflow in 2023, does the REIT have sufficient cash for op, capex needs for 2023?	<p>On 12 April 2023, Manulife US REIT completed the divestment of Tanasbourne for US\$33.5 million. Manulife US REIT has also retained US\$3.8 million of 2H 2022 distribution.</p> <p>The Manager is currently optimising Manulife US REIT's spending in the areas of essential capital expenditure that is in part related to leasing and improving occupancy as well as some essential upkeeps/improvements for the buildings. It continues to maintain a very prudent approach in capital management, closely monitoring the liquidity of Manulife US REIT while exploring various fundraising options, such as, distribution retention, further asset disposition plans, distribution reinvestment plan and equity injection to follow.</p>
15.	Return-to-office: Does the manager have an estimate of the percentage of workers who have returned to the offices for its properties?	<p>Based on Kastle Systems' weekly barometer, U.S. office occupancy was around 49% across 10 key cities (as at 5 April 2023).</p> <p>Physical occupancy varies across Manulife US REIT's properties. In Atlanta, occupancy at Phipps averaged 60% in Q1 2023 whilst in Washington D.C., Penn's occupancy averaged ~10% during the first quarter, as the U.S. government has not mandated their employees to return to office.</p> <p>Physical occupancy remains a good metric to track, but its significance may have waned due to the nature of the hybrid work environment that has emerged in the U.S. Hybrid work trends lead</p>

		to employees staggering days between in-office and out-of-office work days. This staggered approach results in companies still needing office space, but could result in a lower average physical occupancy on a day-to-day basis.
16.	In its 2Q2022 results presentation, the manager spoke about exploring ideas to reassert Michelson’s trophy status e.g. intro new concepts/amenities. Are there any updates on this?	The Manager continues to analyse the opportunity to reinvest into Michelson, but there are no firm plans or timelines to commence any project. Further, the Manager is first prioritising the execution of the hotelisation/asset enhancement initiative (“AEI”) work at Peachtree.
17.	Figueroa: What are the manager’s plans for Figueroa? With TCW vacating its premises by end-2023, will the occupancy rate of Figueroa fall to approximately 46%?	<p>We are focused on maximising value at Figueroa and employing a dual track approach of putting forth our best efforts to lease the current and impending vacancy while also being open minded about the possibility of selling the property.</p> <p>1) On the leasing front, Figueroa’s two long-standing anchor tenants – TCW and Quinn Emmanuel – are vacating and downsizing by half, respectively. Excluding these two tenants, the building’s occupancy rate will be approximately 51%.</p> <p>We are marketing available space in the building and are encouraged by the level of touring activity as there is over 450,000 square feet (~1.7x more than the space being vacated by TCW and Quinn Emmanuel) of active tenant inquiry as of April 2023.</p> <p>2) On the sales front, as with all properties in the portfolio, we remain open to disposing Figueroa if the right opportunity and price comes along.</p>
18.	Hotelisation: Can the manager provide some updates on the status of Peachtree modernisation/ hotelisation? How confident is the manager on its hotelisation strategy for Peachtree? Would the hotelisation lead to a significant increase in non-leasable communal spaces, such as end-of-trip facilities, garden, chill out zone? How much of the remodeling work has been completed?	<p>The business plan at Peachtree to hotelise the asset remains a sound strategy. The hotelisation would not increase the non-leasable space at the building as most of the amenities being created are being placed in either space that is currently already an amenity or being created from currently unused or underutilised space (i.e., building out an outdoor amenity space that is currently an under-utilised roof space). We are currently in the planning and permitting phase of the project and expect to commence construction in Q4 2023 and complete the project by Q1 2025.</p> <p>The total project is expected to cost approximately US\$18 million and the Manager believes that it will elevate the building’s achievable rents and lead to a potential positive rental reversion of approximately 30%. In FY 2022, Peachtree experienced a +11.2% rental reversion on 53,000 square feet of leases signed during the year. We are hopeful that the level of rental reversion</p>

	<p>Can the manager also elaborate further on the assumptions behind the expected IRR of 9%? Specifically, what is the rental reversion of new leases entered into at Peachtree?</p>	<p>will increase as we commence the AEI/hotelisation work. We expect the US\$18 million investment in the building and corresponding positive rental reversion to yield an unlevered IRR of ~9% when stabilised.</p>
<p>19.</p>	<p>Plaza: Can the manager help unitholders better understand the “Flex by JLL” initiative? Specifically, what is the role of JLL since it is understood that the REIT will maintain direct relationship with tenants? Who assumes the vacancy risks?</p>	<p>Flex by JLL is JLL’s enterprise-grade flexible space solution. It is the only available enterprise-grade flexible solution on the market where the owner (in this case, Manulife US REIT) maintains control of the space, experience, tenants and revenue. Manulife US REIT entered into this partnership with Flex by JLL to meet growing market demand for flex and modernised office space, as more tenants seek the option of expanding and contracting as needed.</p> <p>Flex by JLL works as follows: JLL plays the role of the flex operator. It designs and builds out the space and then leases and manages the day-to-day operations. JLL receives management fees, leasing commissions and takes a small share of the operating profits (after accounting for capital expenditure and operating expenditure). The revenue that is generated on the space is expected to be ~30% premium to traditional, non-flex market rents.</p> <p>Unlike traditional serviced offices and coworking spaces pre-COVID-19, this partnership has tangible benefits to Manulife US REIT. The structure will allow Manulife US REIT to enjoy greater upside potential by sharing a majority of the operating profits from use of the space. Flex by JLL presents a compelling value proposition for tenants to justify paying a rent premium for the flexibility and amenities offered by the flex office solution. This would also allow Manulife US REIT to maintain its relationships with tenants and creates the potential to convert some flex tenants into traditional ones.</p> <p>While JLL is primarily responsible for filling the vacant space within the Flex by JLL space, both Manulife US REIT and JLL assume vacancy risk – if the entire space remains vacant, JLL will not be paid its management fee and will not achieve any profit share; whereas Manulife US REIT will not collect any revenue to cover the space’s pro rata share of building operating expenses or to collect repayment of the capex spend needed to build out the space.</p>

<p>20.</p>	<p>Does Manulife US REIT have the intention to diversify its portfolios into other sectors to mitigate the risks of downturn in the office sectors?</p> <p>I have heard online that the manager of Manulife US REIT is considering the "Hotelisation" for some office buildings. But won't be it better if the manager can consider acquiring properties for other sectors like Logistics and Industrial uses like data centres and be more well diversified?</p>	<p>Given the current challenges that the REIT is facing, the Manager is focused on improving leasing to drive occupancy and income growth. The hotelisation of selected assets may enable Manulife US REIT to achieve higher rents and improve occupancy. In addition, the Manager continues to assess selective asset dispositions within the existing portfolio, specifically assets which require significant capex but with minimal return on capital, as well as assets located in submarkets that are expected to exhibit underperformance.</p> <p>A move into growth markets and other property types has been considered as part of the strategic review. The Manager will contemplate this further when Manulife US REIT achieves greater stability and when the opportunity arises.</p>
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C. Board Matters		
21.	<p>Can the manager help unitholders better understand if the cessation of Mr Hsieh Tsun-Yan is part of an orderly board renewal and succession planning process?</p> <p>If so, did the manager consider announcing the cessation in advance?</p>	<p>Mr Hsieh Tsun-Yan had served as the Non-Independent Non-Executive Board Chairman of the REIT Manager since the inception of Manulife US REIT and the MUSREM Board in June 2015. The search for a new Board Chairman commenced swiftly in 1Q 2022, after Mr Hsieh expressed his intention to retire from the Board as part of the board renewal and succession planning process.</p> <p>The Board renewal process (including the selection of new directors and re-election of existing directors) is set out in the Corporate Governance section on Page 113 of Manulife US REIT's FY2022 Annual Report.</p>
22.	<p>Given that the manager has “an orderly board renewal and succession planning process” in place, what are the reasons for the delay in identifying and appointing a new chairman?</p>	<p>For board diversity and good corporate governance and in particular, for the search of the new Board Chairman, the Manager has engaged a search consultant to advise and help identify external high-calibre candidates. A working group comprising the non-independent, non-executive directors, independent directors and management team was empowered by the Nominating and Remuneration Committee (“NRC”) and Board to work with the consultant on the selection criteria and pre-qualification of candidates for the Board Chairman position. The working group met regularly with the search consultant and kept the NRC and Board apprised of the search progress. Lead Independent Director Professor Francis Koh and Mr Stephen James Blewitt, key members of the working group, have been meeting all candidates who the consultant proposed that they meet.</p>
23.	<p>What is the search and nomination process for new directors, especially the chairman of the board?</p>	<p>The original intention was to announce Mr Hsieh's retirement and the appointment of a new Board Chairman concurrently. However, the search for potential candidates has been taking much longer than expected due to the challenges of finding the right candidates with the preferred mix of Singapore corporate governance and U.S. real estate experience. The instability and uncertainty in the global financial and REIT markets over the past year have also reduced the number of interested candidates.</p> <p>Mr Blewitt was appointed in the interim to take over from Mr Hsieh as the Board Chairman with effect from 1 October 2022, pending the appointment of a new Board Chairman. The Board currently comprises a majority of independent directors led by Professor Francis Koh (the Lead Independent Director) to ensure there is an independent check and balance.</p>

24.	<p>Would the REIT benefit from having an independent chairman as the manager carries out the strategic review?</p>	<p>All members of the Board of Directors, including the interim chairman, have acted in the interest of the unitholders through this strategic review. At the same time, the Board has a majority of independent directors (comprising 4 out of the 6 member board), meaning that they have ultimate control over any decision and can assure that any such decision is in the best interest of unitholders.</p>
25.	<p>Considering that there was a change in CEO in May 2022 and a cessation of the chairman in October 2022, is there sufficient continuity in the manager to execute on its “3R” strategy to create value for unitholders?</p>	<p>The 3R strategy was first shared by the current CEO during Manulife US REIT’s 3Q 2022 operational updates. It is well-embedded in Manulife US REIT as a key initiative to create value for unitholders. To reiterate, the 3R strategy includes:</p> <p>Recycle: We have delivered on this ‘R’ with the Tanasbourne asset disposition. This is part of the Strategic Review and represents the Manager’s continued efforts in identifying asset disposition opportunities within its existing portfolio with plans to redeploy proceeds for working capital, fund capital expenditure and repaying debt.</p> <p>Reposition and Rejuvenate: We believe that these two ‘R’s can potentially be achieved with the entry of Mirae, which helps to inject capital and also provides the relevant resources to reposition Manulife US REIT for growth.</p>