



**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 18 APRIL 2024  
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 18 April 2024.

Please refer to the attached Appendix A for the Manager’s responses to the substantial and relevant questions which have been submitted by Unitholders.

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)

12 April 2024

**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 Unitholders' Questions**

NO.	QUESTIONS	ANSWERS
1.	<b>How will an anticipated Fed rate cut affect the execution of the Recapitalisation Plan? Do we see more tailwinds or headwinds ahead?</b>	<p>The U.S. Federal Reserve (Fed) is monitoring various economic factors such as the job gains and inflation numbers before deciding to cut interest rates. Currently, the Fed is not in a rush to cut rates, since the economy is growing, and inflation remains above the central bank's 2% yearly target. The market is forecasting interest rate cuts in 2H 2024. With these rate cuts, it is expected that the financial market and commercial real estate market will open up for lending and transacting, which will be beneficial for the execution of the Recapitalisation Plan.</p>
2.	<b>The interest rates in the U.S. do not seem to be coming down so soon, with inflation in the U.S. still quite high. Today, personal consumer expenditure numbers do not seem to favour a rate cut anytime soon. What is the REIT doing to cope with persistently high inflation and high interest rates?</b>	<p>As at 31 December 2023, 91.3% of MUST's loans are on fixed rates or hedged to fixed rates with interest rate swaps – this reduces MUST's exposure to fluctuations in interest rates in the short term. In addition, the Manager is also focused on executing the Recapitalisation Plan which will raise funds from dispositions for loan repayment, thus reducing the interest expense.</p> <p>While high inflation may drive up property expenses, higher property expenses may be passed on to tenants through higher recoveries income from tenants. The Manager will continue to work on leasing to maintain and improve the asset occupancies in order to seek recoveries from tenants.</p>
3.	<b>What is the status of your disposition plan? When do you expect to execute your divestments? Any challenges or obstacles hindering the process? Please give an update with regards to the execution of the Recapitalisation Plan, especially the sales of Tranche 1 assets. How are we progressing on the plan? How many prospective buyers have the REIT spoken to? How many prospective</b>	<p>Transaction volumes for office sales in the U.S. remain slow, largely due to a lack of available lending in the market and a wide bid-ask spread between buyers and sellers. Interest rates have been the biggest unknown in U.S. commercial real estate, and the stabilisation and eventual lowering of rates will be key to a resumption of a normal capital markets environment. Late in 2023, the market widely expected that the U.S. Fed would begin lowering rates in early 2024. The market anticipated that this would lead to an increased number of transactions as expectations realign and the bid-ask gap narrows due to a stabilising cost of capital. However, expectations for rate reductions have been pushed back to later in 2024 and the improvements that were hoped for in capital market conditions have been similarly delayed. Still, transactions are happening, and there are all-cash buyers actively pursuing deals in the</p>

	<p><b>buyers have had a look at the REIT's properties?</b></p>	<p>market. These buyers are typically bargain-hunting, looking to purchase high-quality assets at attractive prices.</p> <p>In the midst of these challenging conditions, we have identified some Tranche 1 and Tranche 2 assets that have attractive attributes for buyers in the market. There are currently two properties which we are analysing for potential disposition. The process of broker selection has begun on these properties. Once brokers are selected, a marketing and sale process will begin in the subsequent weeks and bids would be solicited as soon as practicable. The completion of a property sale would depend on several factors. All-cash buyers could potentially close the sale more quickly, as they would not be reliant on securing debt financing prior to closing.</p>
<p>4.</p>	<p><b>Can the Management provide some updates with regards to the progress of hotelisation and AEI works?</b></p>	<p>Construction for asset enhancement initiatives (AEI) at Peachtree – including a renovation of the lobby, elevator cabs, upgraded landscaping and hardscaping of the building exteriors, a new glass storefront system at the building entrance and the addition of an upscale coffee bar in the lobby – is expected to begin in April 2024, with a target to complete by 2025. The Manager has disclosed in October 2023 that it had secured a 65-month renewal for Kilpatrick Townsend, its largest tenant at Peachtree. Since the announcement of the AEI, leasing enquiries at Peachtree have also increased.</p>
<p>5.</p>	<p><b>I note that the directors of MUST are not subject to unitholder re-election. In the name of enhancing corporate governance and upholding high ESG standards (in particular "Governance" - see definition of "Governance" below per Investopedia), would the REIT subject all directors of the REIT to unitholder re-election going forward? Please advise.</b></p> <p><i>Governance: Ensures a company uses accurate and transparent accounting methods, pursues integrity</i></p>	<p>Under Section 13D of the Securities and Futures (Licensing and Conduct of Business) Regulations, REIT Managers have the option to decide whether to allow unitholders the right to vote on the appointment of directors to the Board. Where unitholders do not have the right to vote on the appointment of directors to the Board, at least half of the total number of directors need to be independent directors. Where unitholders have the right to vote on the appointment of directors to the Board, at least one third of the total number of directors need to be independent directors.</p> <p>Currently, four out of five directors of the Manager are independent directors. Accordingly, the Manager is in compliance with the requirements under Section 13D of the Securities and Futures (Licensing and Conduct of Business) Regulations regarding its Board.</p> <p>The Manager has in place the appropriate processes to ensure accountability, integrity and diversity in its Board of Directors. To</p>

	<p><b><i>and diversity in selecting its leadership, and is accountable to shareholders.</i></b></p>	<p>ensure the long-term effectiveness of the Board, the Manager has established a Nominating and Remuneration Committee (NRC) at the outset to make recommendations to the Board for the appointment and reappointment of each Director. The NRC’s responsibilities include developing a process and criteria for evaluating the performance of the Board, its Board committees and Directors, reviewing the training and professional development programmes for the Board, the appointment or reappointment of Directors taking into account each Director’s competencies, commitment, contribution and performance, and their independence.</p> <p>The Board also seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to MUST’s business. The Board will continue to evaluate its effectiveness annually and identify potential room for improvements to uphold high corporate governance standards.</p> <p>Please refer to pages 111 to 113 of MUST’s Annual Report 2023 for more details on its Board Membership and Board Performance.</p>
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