



**Deepening Seattle Footprint with
Maiden Acquisition of
Westpark Portfolio
in Redmond, Washington**

Extraordinary General Meeting
16 October 2018

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DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Keppel-KBS US Real Estate Investment Trust (the “Offering”). DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Merrill Lynch (Singapore) Pte. Ltd. were the joint bookrunners and underwriters for the Offering.



Transaction Overview

Creating Long Term Value for Unitholders

The Westpark Portfolio

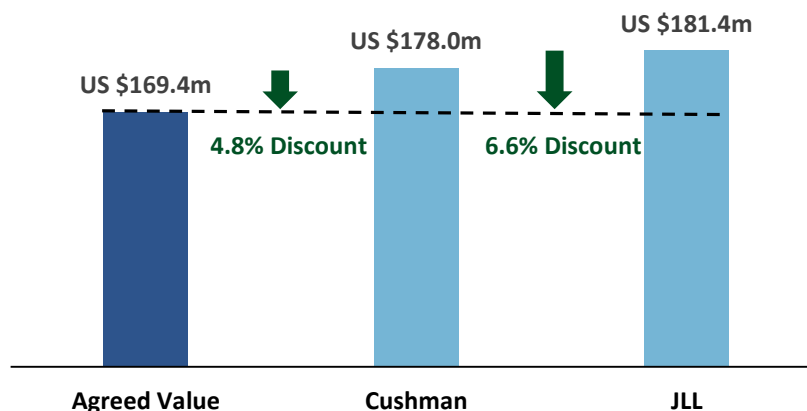


- Business campus comprising 21 buildings in Redmond, Washington
- Located in the supply-constrained Eastside suburban office market of Seattle
- Strong appeal to tech & professional services tenants due to proximity to Microsoft World HQ and key commercial hubs in Bellevue and Seattle
- Good connectivity to key commercial hubs in Redmond and the Seattle-Bellevue area
- Surrounded and supported by excellent amenities and infrastructure

Transaction Summary

- Purchase price of **US\$169.4m** is **lower than independent appraisals** by Cushman and JLL

Attractive Discount to Independent Valuations⁽¹⁾



- Acquisition will be funded with proceeds from
 - equity fund raising⁽²⁾,
 - debt financing and
 - internal cash resources

(1) The Manager has commissioned an independent property valuer, Cushman & Wakefield of Washington, Inc. (“Cushman”), and Perpetual (Asia) Limited, in its capacity as trustee of Keppel-KBS US REIT, has commissioned another independent property valuer, JLL Valuation & Advisory Services, LLC (“JLL”, together with Cushman, the “Independent Valuers”), to value the Westpark Portfolio. Cushman in its report dated 22 August 2018, stated that the open market value of the Westpark Portfolio is US\$178.0 million and JLL in its report dated 20 August 2018, stated that the open market value of the Westpark Portfolio is US\$181.4 million

(2) Structure of the equity fund raising will be determined by the Manager at a later date, taking into account prevailing market conditions

Seattle, Washington: The Nation's Rising Tech Hub

Washington's Economic and Cultural Hub



- Largest metropolitan area in the Pacific Northwest
- Thriving economy driven by rapid growth in the software and IT services sector
- Anchored by tech titans such as Microsoft, Amazon and Google
- Demand for office space fuelled by positive employment growth and outpaces supply

Economic Indicators Outpace National Average



Strong GMP growth trends

- 4.6% ⁽¹⁾ in 2017
- Consistently above national average since 2012



Young and educated workforce

- 3.9 million residents in 2017
- 1.3% ⁽¹⁾ growth p.a. from 2018 to 2022



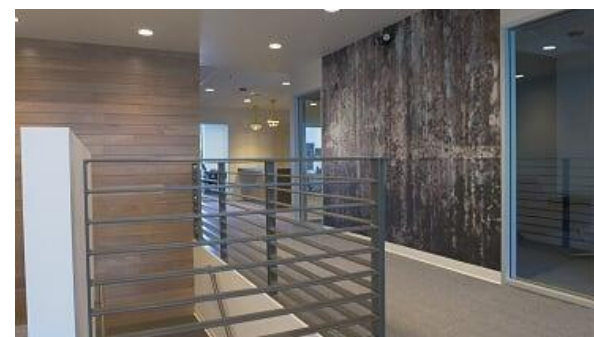
Healthy employment growth

- Stable growth of 1.1% ⁽¹⁾ p.a. through 2020 in office-using industries

(1) According to Cushman & Wakefield Western, Inc. (the "Independent Market Research Consultant")

Strategic Addition for Stronger Growth Platform

| | |
|---|---|
| Property | Westpark Portfolio: Business campus of 21 buildings in Redmond, Washington |
| Land Tenure | Freehold |
| Land Area | 1,804,255 sq ft |
| Net Lettable Area (“NLA”) | 781,966 sq ft |
| Occupancy | 97.7% ⁽¹⁾ |
| Weighted Average Lease Expiry (“WALE”) | 4.3 years ⁽²⁾ |
| Refurbishment Period | Between 2016 to 2017 |
| Number of Tenants | 102 ⁽³⁾ |



(1) The lease with Oculus VR, Inc (“Oculus”) was entered into on 10 August 2018. The occupancy rate is computed based on the assumption that the lease with Oculus was in place as at 30 June 2018.

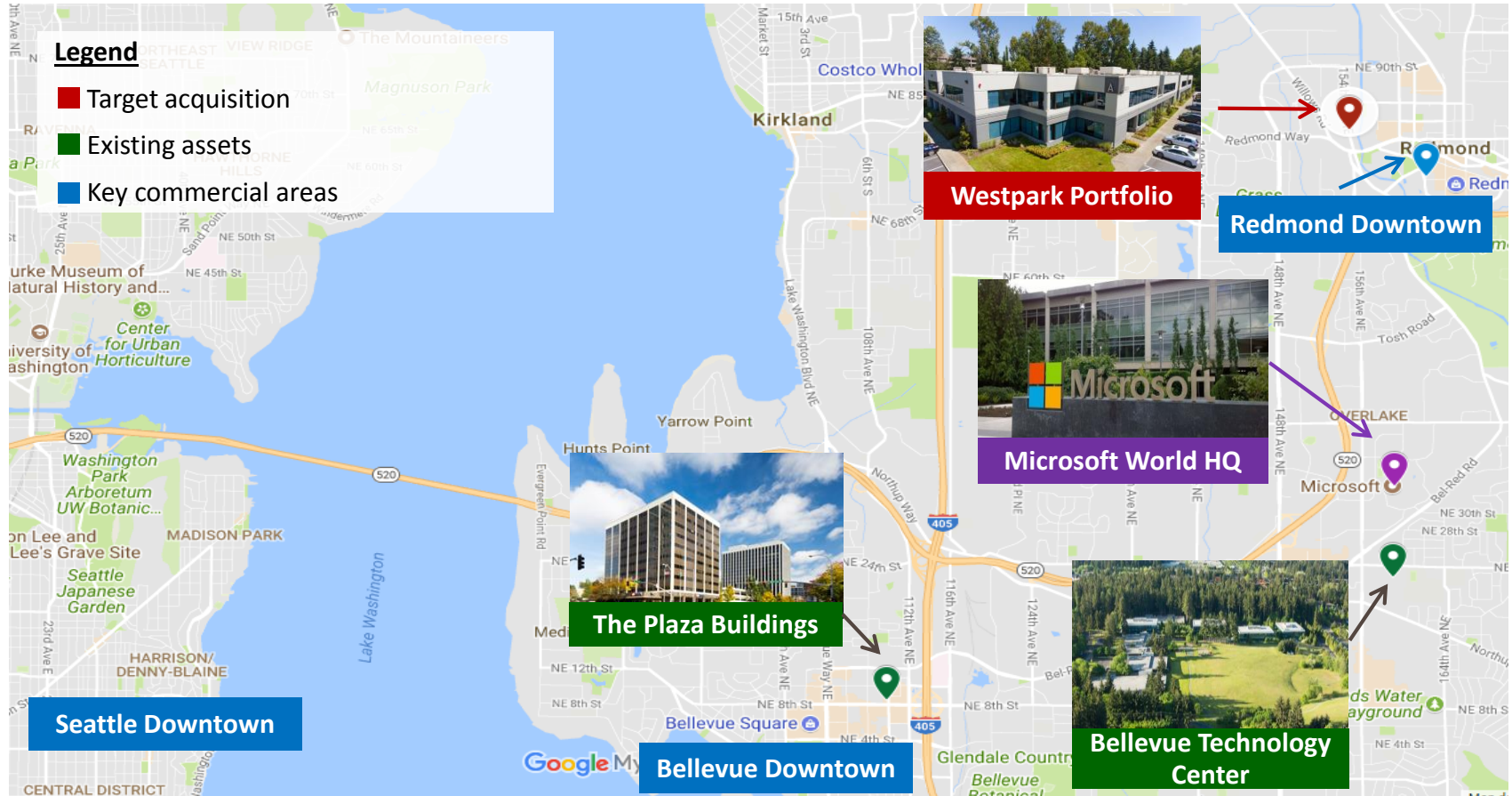
(2) As at 30 June 2018 and based on Cash Rental income. WALE is 4.0 years based on NLA

(3) As at 30 June 2018

Well-located with Good Connectivity

Strong Appeal for Technology and Professional Services Tenants

- Close to Microsoft World HQ and key commercial hubs in Bellevue and Seattle
- Good connectivity to key commercial hubs in Redmond and the Seattle-Bellevue area



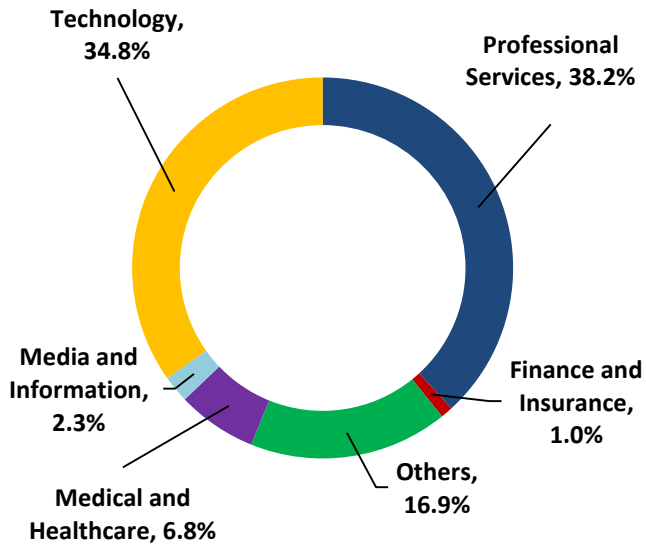
Source: Google Maps

Overview: Westpark Portfolio

Technology-Centric Tenant Base

- More than 30% of portfolio tenants from the high growth technology sector⁽¹⁾
- Large number of professional services tenants provide support services to the technology sector
- Average WALE: 5.3 years⁽¹⁾ for top 10 tenants; 4.3 years⁽²⁾ for portfolio

Sectorial Breakdown By NLA



| Tenant | Sector | % of CRI ⁽²⁾ |
|--------------------------------|------------------------|-------------------------|
| Oculus VR, Inc. | Technology | 15.6% |
| Echonous, Inc. | Technology | 4.6% |
| Wildlife Computers, Inc. | Technology | 3.6% |
| Micronics, Inc. | Medical and Healthcare | 3.4% |
| Microsurgical Technology, Inc. | Medical and Healthcare | 3.4% |
| Helion Energy, Inc. | Technology | 3.2% |
| Majiq, Inc. | Technology | 3.2% |
| Xtreme Consulting Group | Professional Services | 2.8% |
| Seattle Aero, LLC | Engineering | 2.4% |
| Kone Inc. | Engineering | 1.9% |
| Total | | 44.1% |

(1) As at 30 June 2018 and based on NLA. Includes leases with Oculus VR, Inc.

(2) As at 30 June 2018 and based on Cash Rental Income. Includes leases with Oculus VR, Inc.



Merits of the Acquisition



Merits of the Acquisition

1

Deepen Presence in High Growth Seattle Market

2

Accretive Acquisition Positioned for Long Term Growth

3

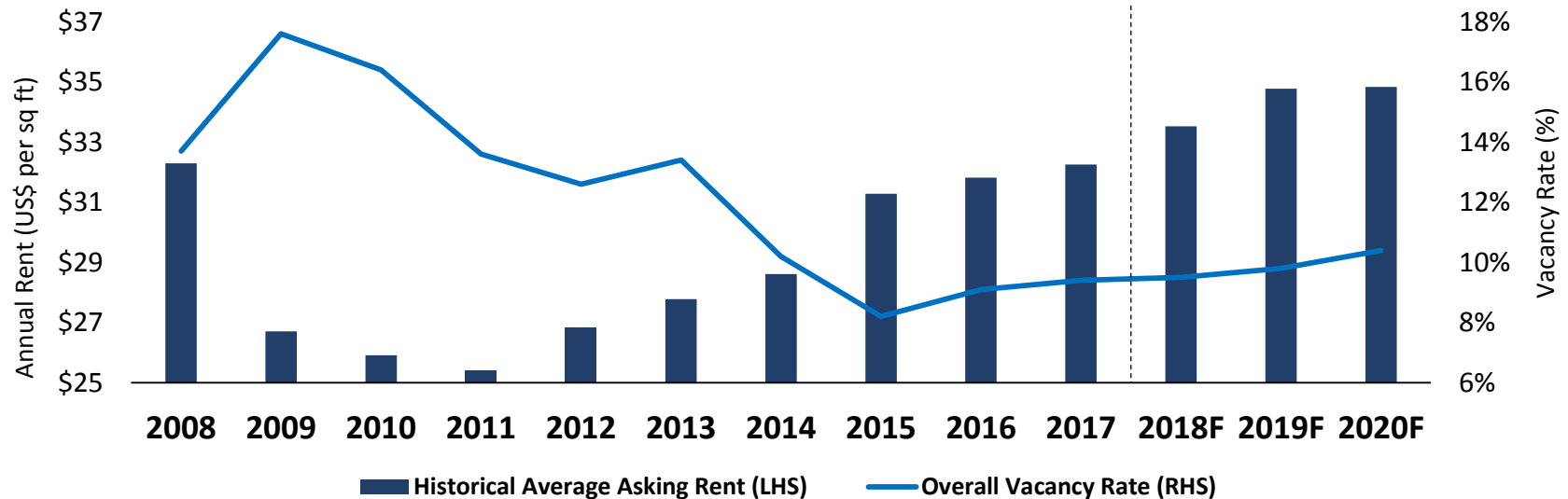
Portfolio Diversification that Enhances Income Resilience

Deepen Presence in High Growth Seattle Market

Positive Growth Momentum Sustained by Strong Office Fundamentals

- Strong rental growth in the past 5 years accompanied by improvement in vacancy rate
- Positive leasing activity backed by strong interest from technology corporations
- Positive trend in rental growth expected to continue

Overall Vacancy Rate and Average Asking Rent by Year⁽¹⁾
Eastside Suburban Office Market, 2008 – 2020F



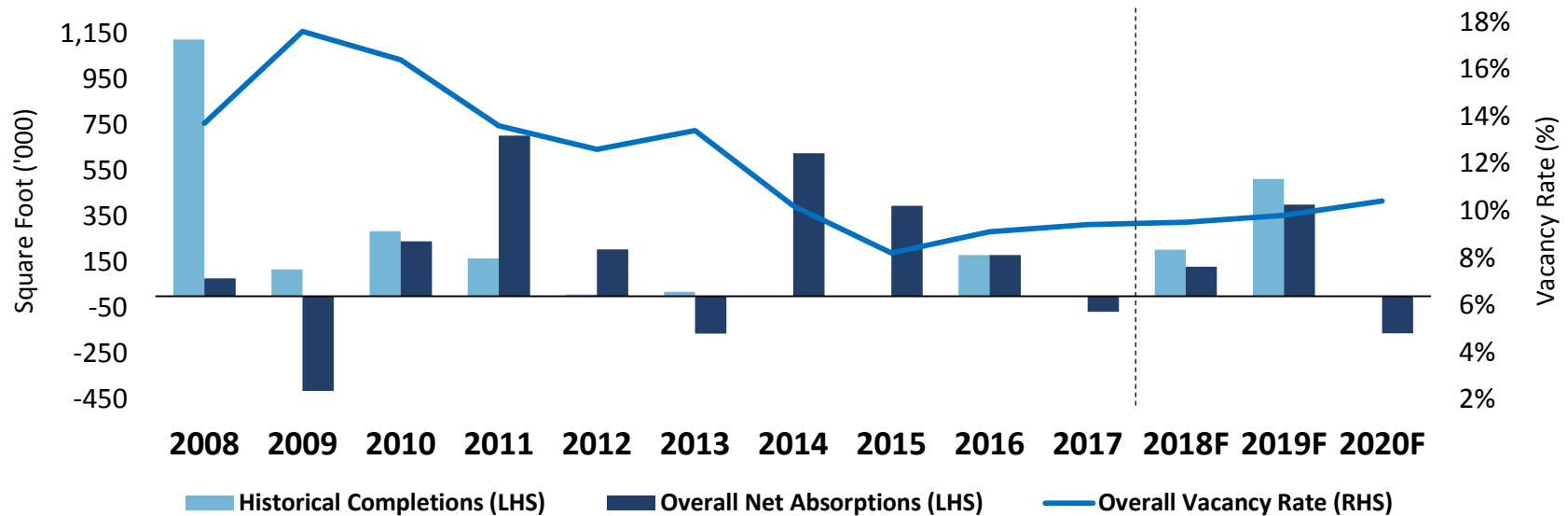
(1) According to the Independent Market Research Consultant

Deepen Presence in High Growth Seattle Market

Positive Growth Momentum Sustained by Strong Office Fundamentals

- Demand for high quality office space outpaces construction
- Slow construction trends will drive prospective tenants to absorb existing spaces
- No new office construction planned for Redmond submarket in the immediate future⁽¹⁾

Completions & Absorptions vs. Vacancy⁽¹⁾
Eastside Suburban Office Market, 2008 – 2020F



(1) According to the Independent Market Research Consultant

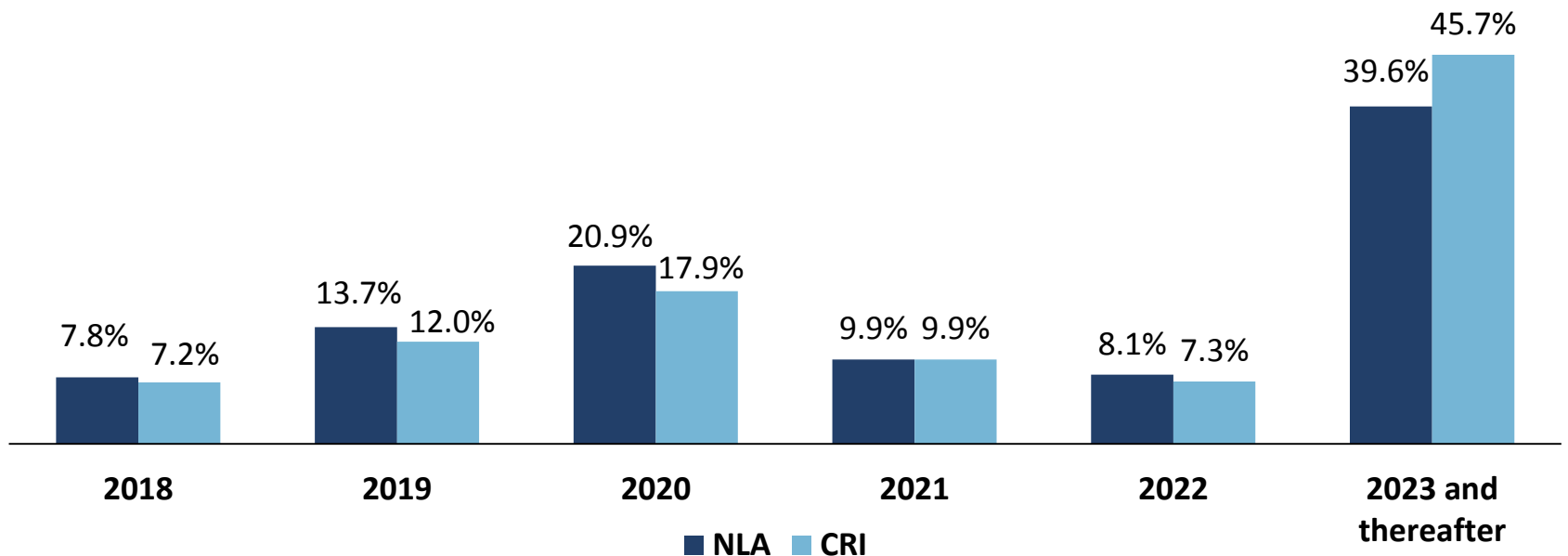
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Deepen Presence in High Growth Seattle Market

Well-Spread Lease Expiry Profile Positioned for Positive Rental Reversion

- 100% of leases have built-in rental escalations of 2% to 3% p.a.

Westpark Portfolio Lease Expiry Profile⁽¹⁾



(1) As at 30 June 2018. The lease expiry profile of the Westpark Portfolio includes the leases with Oculus VR, Inc.

Accretive Acquisition Positioned For Long Term Growth

| Pro Forma (as at 30 June 2018) | Pre- Acquisition | Post-Acquisition | |
|-------------------------------------|---------------------|--------------------------------|---|
| | | Rights Issue ⁽¹⁾ | Preferential Offering ⁽²⁾ |
| Annualised DPU (US Cents) | 3.82 | 3.64 | 3.86 |
| Annualised DPU Yield (%) | 7.1 ⁽³⁾ | 7.2 ⁽⁴⁾ | 7.2 ⁽³⁾ |
| NAV (US\$ mn) | 563.8 | 667.6 | 667.6 |
| Issued Units (mn) | 630.2 | 806.0 | 761.8 |
| NAV per Unit (US\$) | 0.89 | 0.83 | 0.88 |
| Aggregate Leverage (%) | 33.1 | 34.1 | 34.1 |

- Adequate debt headroom available for future growth
- Lengthen weighted average debt term to 4.1 years
- Limited interest rate exposure with 80% fixed rates
- Interest coverage ratio of 4.9 times

(1) Assumes that the equity fund raising comprises a rights issue of new Units at an illustrative issue price of US\$0.59 to raise gross proceeds of approximately US\$102.3 million

(2) Assumes that the equity fund raising comprises a preferential offering of new Units at an illustrative issue price of US\$0.78 to raise gross proceeds of approximately US\$101.3 million

(3) DPU yield is computed based on the illustrative unit price of US\$0.84

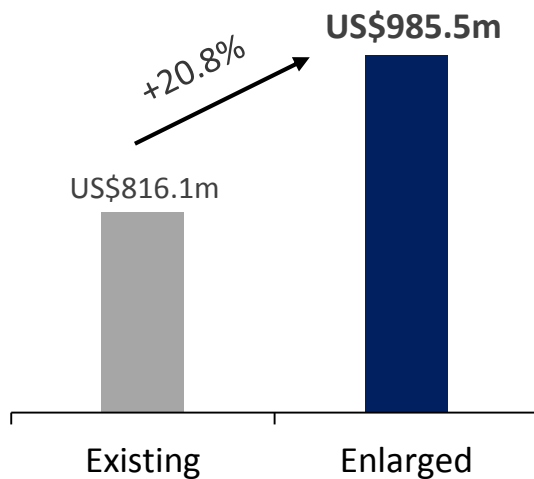
(4) DPU yield is computed based on the illustrative theoretical ex-rights price of US\$0.7854

*Please refer to the announcement dated 24 September 2018 for details of the Pro Forma financial effects of the Acquisition.

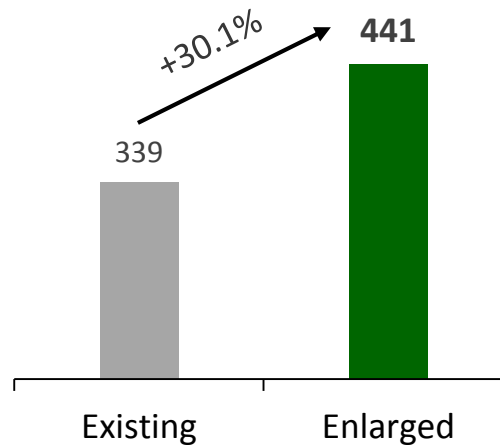
Diversification of Portfolio

Improves Income Resilience of Portfolio

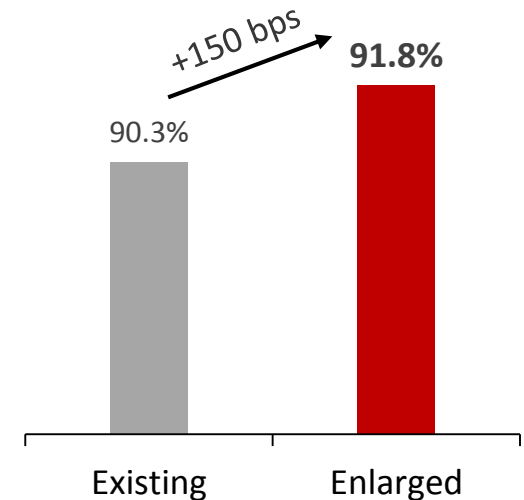
Enlarges AUM



Expands tenant base



Boosts portfolio occupancy



Diversification of Portfolio

Improves Tenant Diversification and Exposure to Tech Sector

- Increases portfolio exposure to high growth technology sector by 3.0%⁽¹⁾
- Increases portfolio WALE⁽¹⁾ to 3.8 years
- Top 10 tenants of the enlarged portfolio will now account for 20.5% of CRI instead of 22.8%
- Contribution from top tenant is now 3.0% of CRI⁽²⁾

| Top 10 Tenants of the Enlarged Portfolio | Sector | Asset | % CRI |
|--|-----------------------|----------------------------|--------------|
| Ball Aerospace & Tech Corp | Professional Services | Westmoor Center | 3.0% |
| Oculus VR, Inc. | Technology | Westpark Portfolio | 2.5% |
| Zimmer Biomet Spine, Inc. | Technology | Westmoor Center | 2.5% |
| Unigard Insurance Company | Finance and Insurance | Bellevue Technology Center | 2.1% |
| US Bank National Association | Finance and Insurance | The Plaza Buildings | 2.0% |
| Blucora, Inc. | Technology | The Plaza Buildings | 1.9% |
| Health Care Service Corp | Finance and Insurance | 1800 West Loop South | 1.9% |
| Reed Group, Ltd | Finance and Insurance | Westmoor Center | 1.7% |
| Regus PLC | Professional Services | Bellevue Technology Center | 1.5% |
| Nintex USA LLC | Technology | The Plaza Buildings | 1.4% |
| Total | | | 20.5% |

All information as at 30 June 2018.

(1) Based on Net Lettable Area

(2) Top tenant's CRI contribution based on existing portfolio is 3.6%



Summary

Summary

The Institutional Shareholder Services (ISS) has Recommended a Vote FOR the Proposed Acquisition⁽¹⁾



Strategic addition that creates a stronger growth platform



Attractively priced acquisition with potential to benefit from the positive fundamentals in Seattle



Enhances income resilience through portfolio diversification



Creates long term value for Unitholders

(1) Source: Institutional Shareholder Services; Report dated 3 October 2018.

THANK YOU