

Media & Analysts Briefing

2 November 2017

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IMPORTANT NOTICE REGARDING THE OWNERSHIP OF UNITS

Due to US tax requirements, Unitholders of Keppel-KBS US REIT and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units in Keppel-KBS US REIT (the "Unit Ownership Limit"), subject to any increase or waiver pursuant to the terms of the Trust Deed of Keppel-KBS US REIT. The Trust Deed of Keppel-KBS US REIT provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be automatically forfeited ("Automatic Forfeiture") and held by the trustee of Keppel-KBS US REIT (the "Trustee"). While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the proceeds (net of any commissions and expenses) from the disposition, subject to certain limits disclosed in the Prospectus. Investors may not fully recover the cost of your investment in the Units forfeited or their market value in the event of such Automatic Forfeiture. Unitholders will have to ensure that the Unit Ownership Limit is not breached on an on-going basis. The mechanisms which will be adopted by the Manager and the Trustee to monitor and enforce any breach of the Unit Ownership Limit disclosed in the Prospectus.

Offering summary

Issuer	■ Keppel-KBS US REIT (BBG ticker: KORE)
Sponsors	■ Keppel Capital Holdings Pte. Ltd. ("KC") and KBS Pacific Advisors Pte. Ltd. ("KPA")
Manager	■ Keppel-KBS US REIT Management Pte. Ltd. ("Manager") (50:50 joint venture partnership between KC and KPA)
Investment mandate	■ To invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in the key growth markets of the US
IPO Portfolio	■ 11 office properties located across key growth markets in the US, with an aggregate net lettable area ("NLA") of 3.2mn sq ft
Portfolio valuation	■ US\$829.4mn ⁽¹⁾
Purchase consideration	■ US\$804.0mn
Indicative market capitalisation	■ US\$553.1mn
Sponsors' stakes ^{(2),(3)}	■ Up to 9.5% for KC relevant entities ⁽⁴⁾ ■ Up to 9.5% for KPA relevant entities ⁽⁴⁾
Offering size	■ US\$448.0mn ⁽³⁾ ■ Cornerstone Tranche: US\$216.8mn ■ Placement Tranche: US\$201.2mn ■ Retail Tranche: US\$30.0mn
Aggregate leverage	■ 36.0% at listing ⁽⁵⁾
Listing exchange / distribution	■ Mainboard of the SGX-ST / Reg S
Listing currency	■ USD
Distribution currency	■ SGD or USD, at the option of Unitholder ⁽⁶⁾
Sole Financial Advisor & Issue Manager	 DBS
Joint Bookrunners & Underwriters	 DBS   
Key milestones / dates	■ Listing: 9 Nov 2017

Cornerstone subscription stands at US\$216.8mn, representing 48.4% of the Offering

#	Cornerstone Investor
1	Affin Hwang Asset Management Berhad
2	Private Banking clients of Credit Suisse AG
3	DBS Bank Ltd.
4	Private Banking clients of DBS Bank Ltd.
5	Hillsboro Capital, Ltd

(1) Property valuations are shown as the higher of two independent valuations from Cushman & Wakefield of Illinois, Inc. ("Cushman") and JLL Valuation & Advisory Services, LLC ("JLL") as at Jun 2017 throughout the presentation.

(2) Unitholding in Keppel-KBS US REIT will be subject to an ownership restriction of 9.8% of the total units outstanding for each Sponsor.

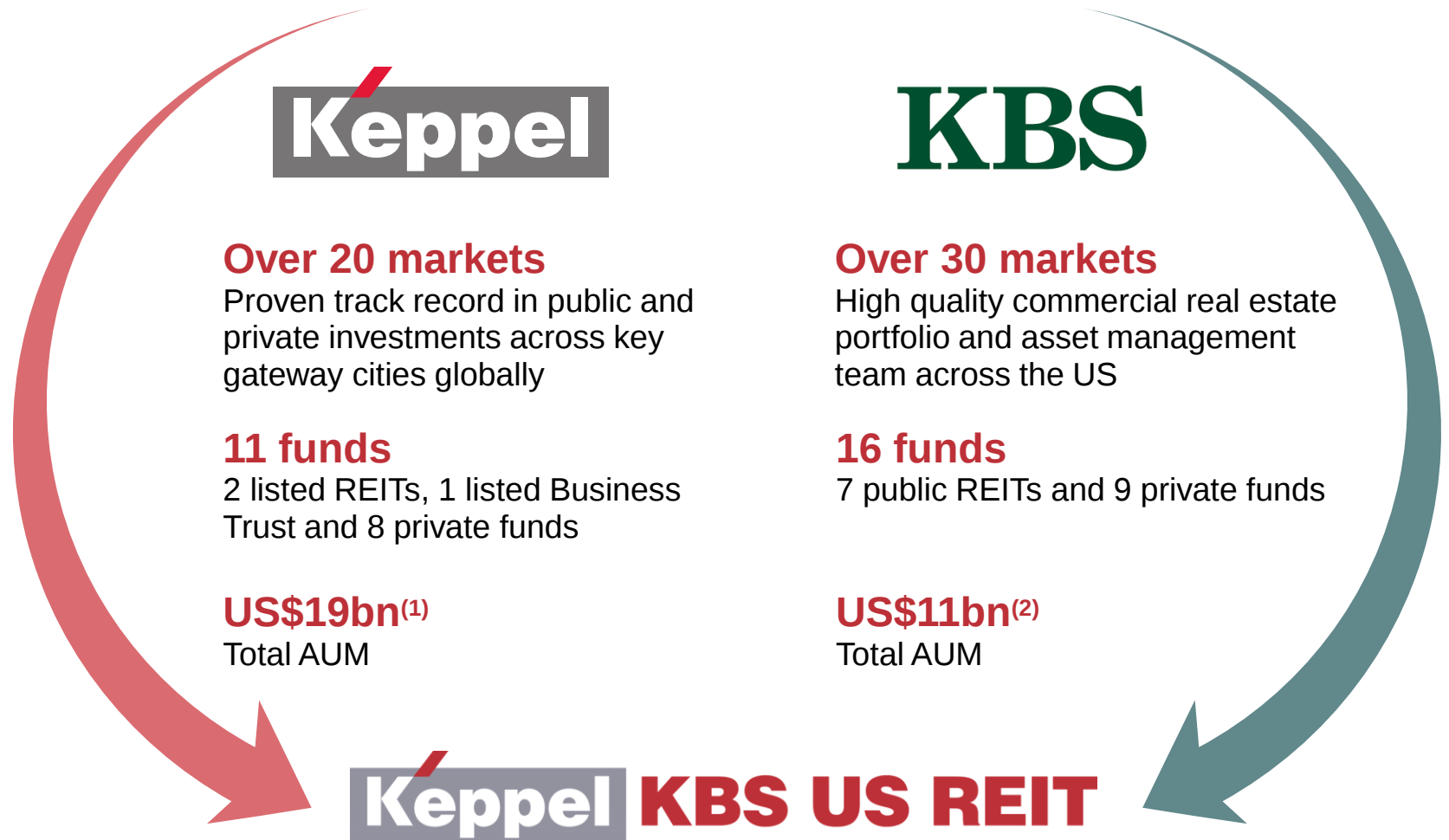
(3) Before over-allotment option of 5.0%.

(4) Keppel Capital Investment Holdings Pte. Ltd., which is an indirect wholly-owned subsidiary of KC will hold stake in Keppel-KBS US REIT. KBS SOR Properties, LLC, which is an indirect wholly-owned subsidiary of KBS Strategic Opportunity REIT, Inc. will hold stake in Keppel-KBS US REIT.

(5) Expected aggregate leverage of 38.2% in 2018F.

(6) Default distribution currency will be SGD.

Partnership between Keppel Capital and KBS



Source: Keppel Group and KBS information.

(1) Total AUM as at 30 Sep 2017.

(2) Total AUM as at 30 Jun 2017.

Proven US office origination capabilities and acquisition track record



- 11th largest US owner of office properties globally⁽¹⁾
- >180 experienced and dedicated specialists across US
- >US\$33bn of transactional volume completed

(1) National Real Estate Investor, as at 31 Dec 2016.

Why invest in Keppel-KBS US REIT?

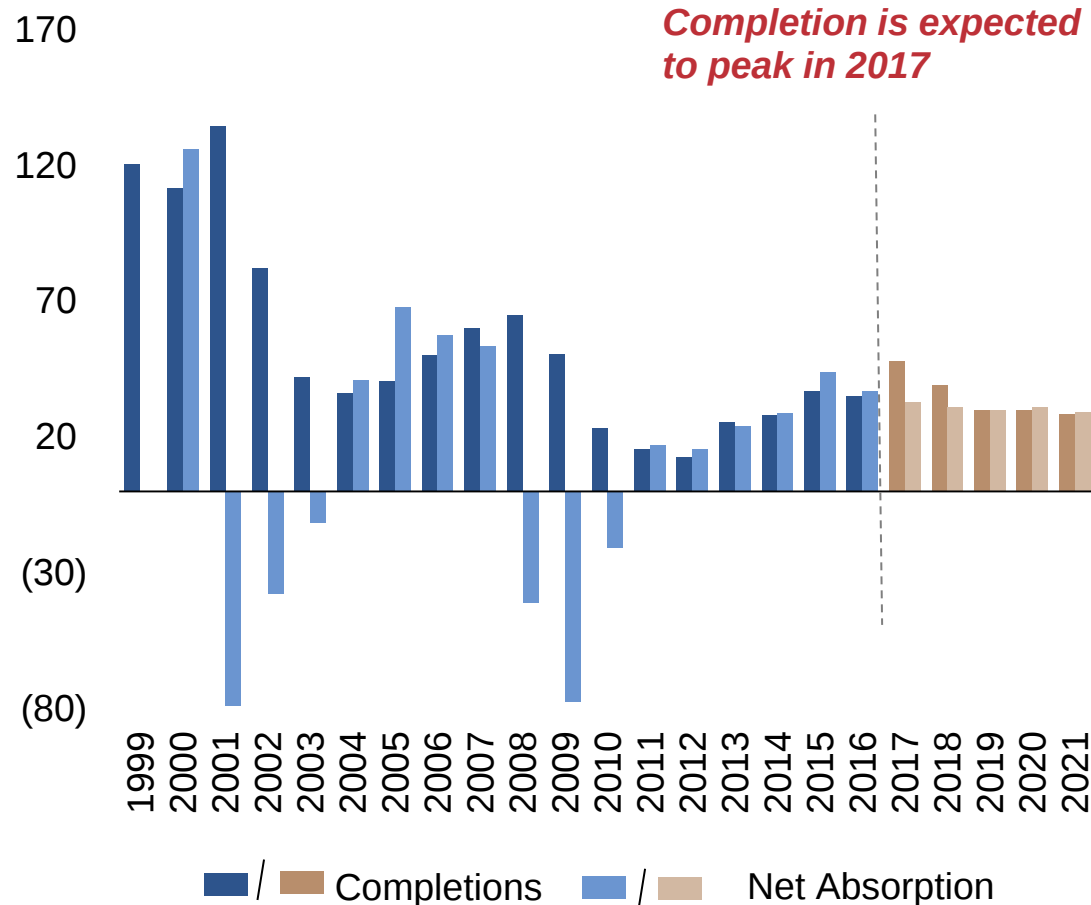
- 1 Attractive US office real estate fundamentals**
- 2 Exposure to targeted growth cities within the US**
- 3 Highest total return portfolio amongst peers at 12.6%⁽¹⁾**
- 4 Best-in-class management platforms with strong pipeline opportunities**

(1) Calculated as the sum of Forecast Year 2018 distribution yield and distribution yield growth from Forecast Year 2018 to Projection Year 2019.

Attractive US office real estate fundamentals

Completions and net absorption

(mn sq ft)



- Property upcycle expected to continue given a highly sustainable economic growth in the US
- Office demand expected to remain strong given moderate levels of construction of office space
- Asking rent projected to rise at 2.3% CAGR for 2017F - 2021F

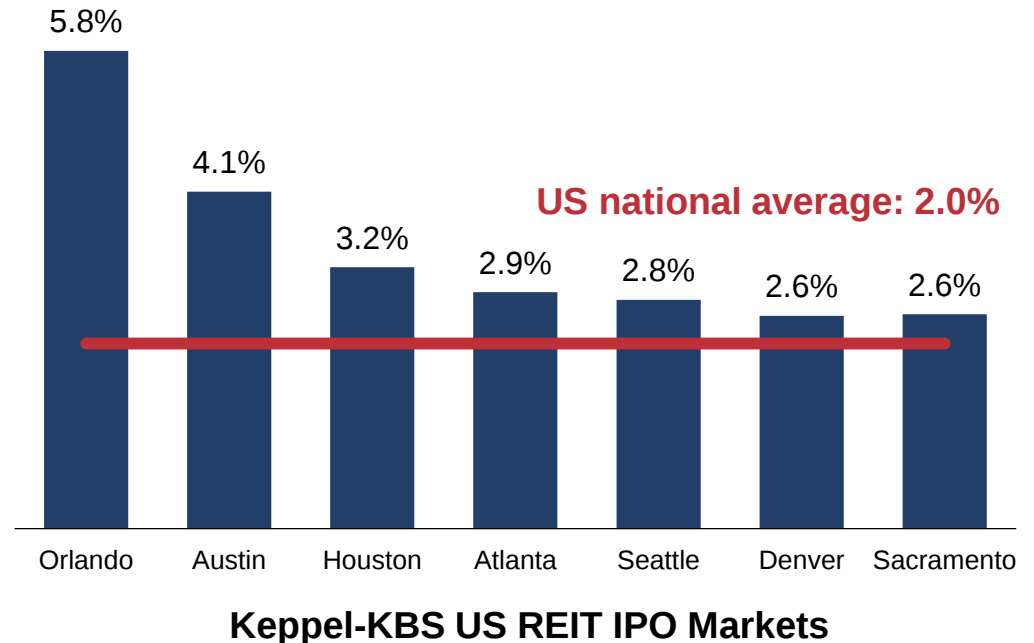
Source: Cushman, as the independent property market research consultant commissioned by the Manager, for all market data throughout the presentation.

Strategic portfolio focus on key growth markets

- Focus on markets which outperform the US average in GDP growth, new job creation and population growth
- Targeted markets with strong industry focus in technology, medical and healthcare and other growth industries
- Markets with rent growth expected to outperform US average with economic expansion

IPO PROPERTIES LOCATED IN MARKETS THAT OUTPERFORM THE US AVERAGE GROWTH RATE

GMP⁽¹⁾ / GDP growth forecast
Average forecast 2017F - 2021F (%)

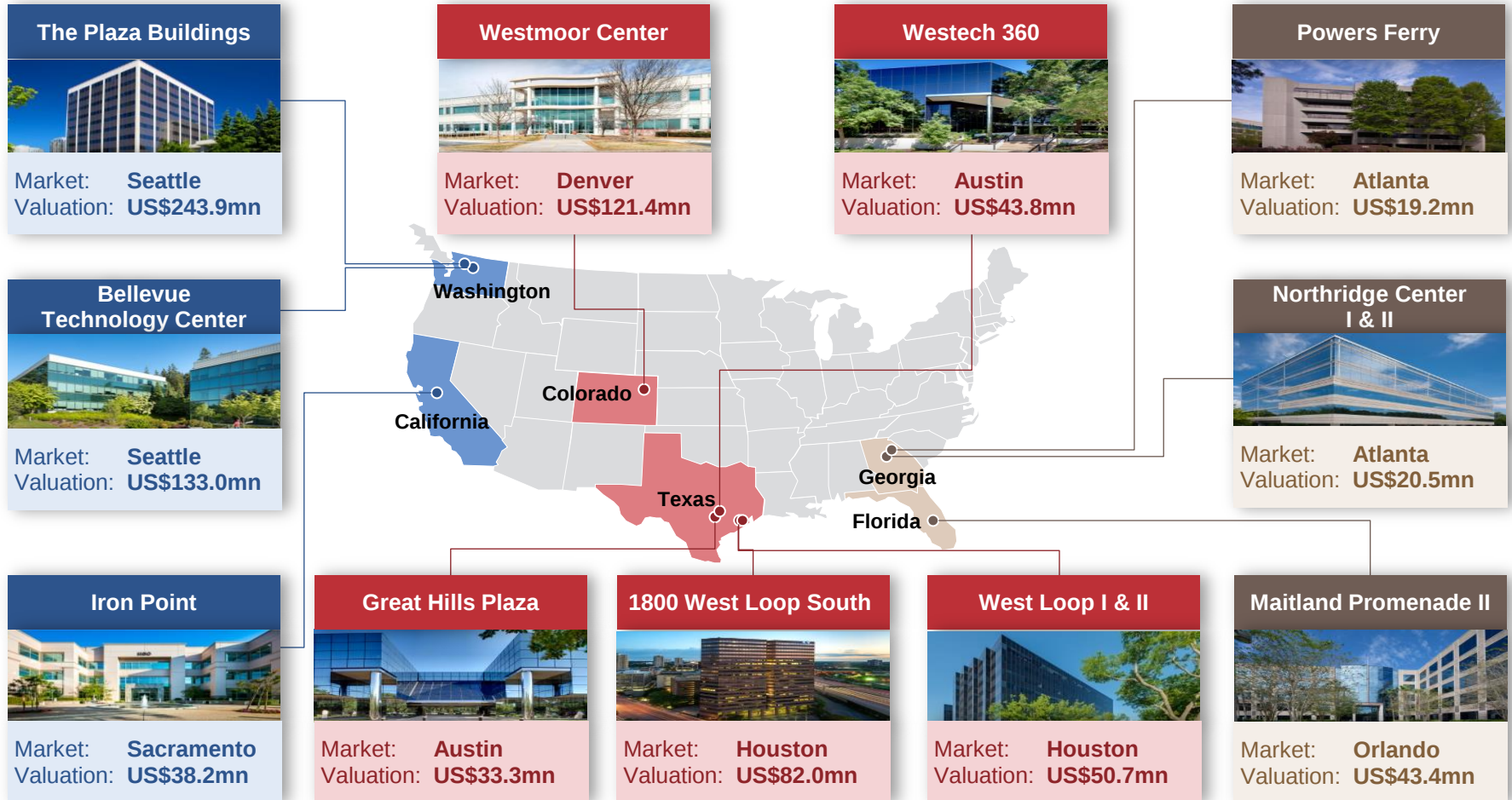


Source: Cushman.

(1) GMP refers to Gross Metropolitan Product.

Distinctive portfolio with quality assets

- 11 high quality, freehold office properties
- Average 3.3 years from last refurbishment
- Strong occupancy rate of 90%
- Attractive cash NPI yield of 6.3% for 2018F



Note: Data as at 30 Jun 2017 unless otherwise stated. Occupancy refers to committed occupancy as at 30 Sep 2017.

■ West Coast ■ Central ■ East Coast

Key growth markets: West Coast

Seattle

- Strong economic and population growth, largely driven by technology and aerospace manufacturing industries
- **Portfolio location:** Bellevue, one of the strongest office markets, and poised to continue as one of the region's most stable office markets



The Plaza Buildings, Seattle



The Plaza Buildings, Seattle



Bellevue Technology Center, Seattle



Bellevue Technology Center, Seattle

Sacramento

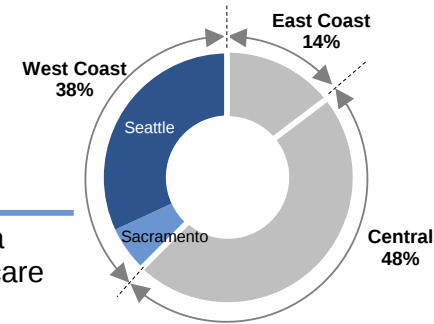
- The capital of California and benefits from a diversified economy (e.g. education, healthcare and professional services)
- **Portfolio location:** Folsom, a well-established submarket which supports professional and financial services and healthcare-related office tenancy



Iron Point, Sacramento



Iron Point, Sacramento



Key growth markets: Central

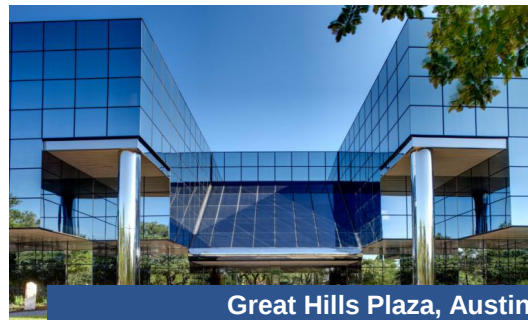
Denver

- Young and educated workforce and low business cost and taxes, which propel employment growth
- **Portfolio location:** Westminster, a high-tech and aerospace campus cluster with Fortune 500 companies



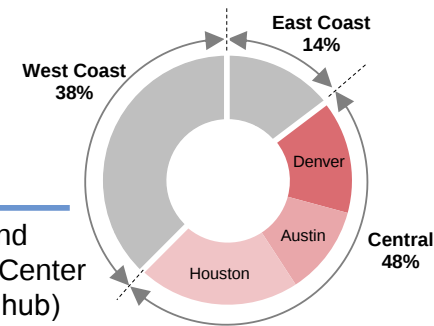
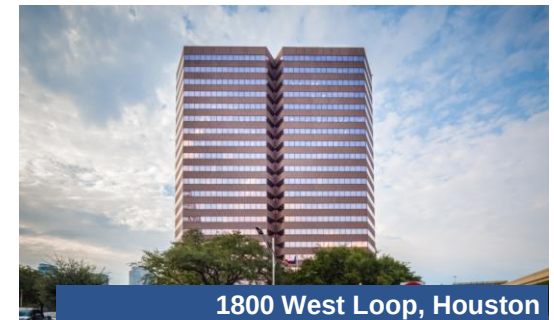
Austin

- Major technology hub in Central USA which benefits from a highly educated workforce
- **Portfolio location:** Northwest Submarket, a desirable market with high accessibility and established amenities



Houston

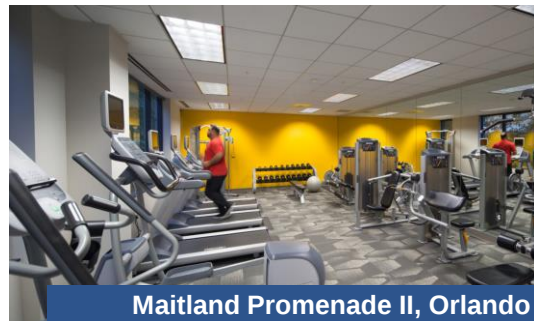
- Fifth largest MSA in USA, and home to the Texas Medical Center (the world's largest medical hub)
- **Portfolio location:** Galleria and West Loop; diversified office users, including medical, healthcare, and professional services



Key growth markets: East Coast

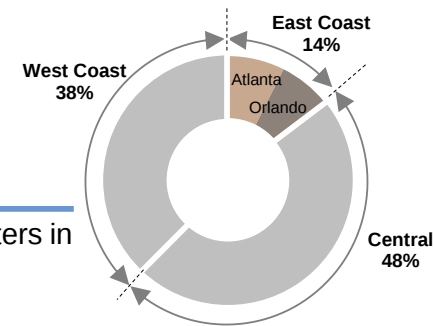
Orlando

- Robust metropolitan area with thriving tourist and healthcare industries, attracting strong in-migration
- **Portfolio location:** Maitland, a well-established submarket with a significant household base that supports professional, financial and healthcare services tenancy



Atlanta

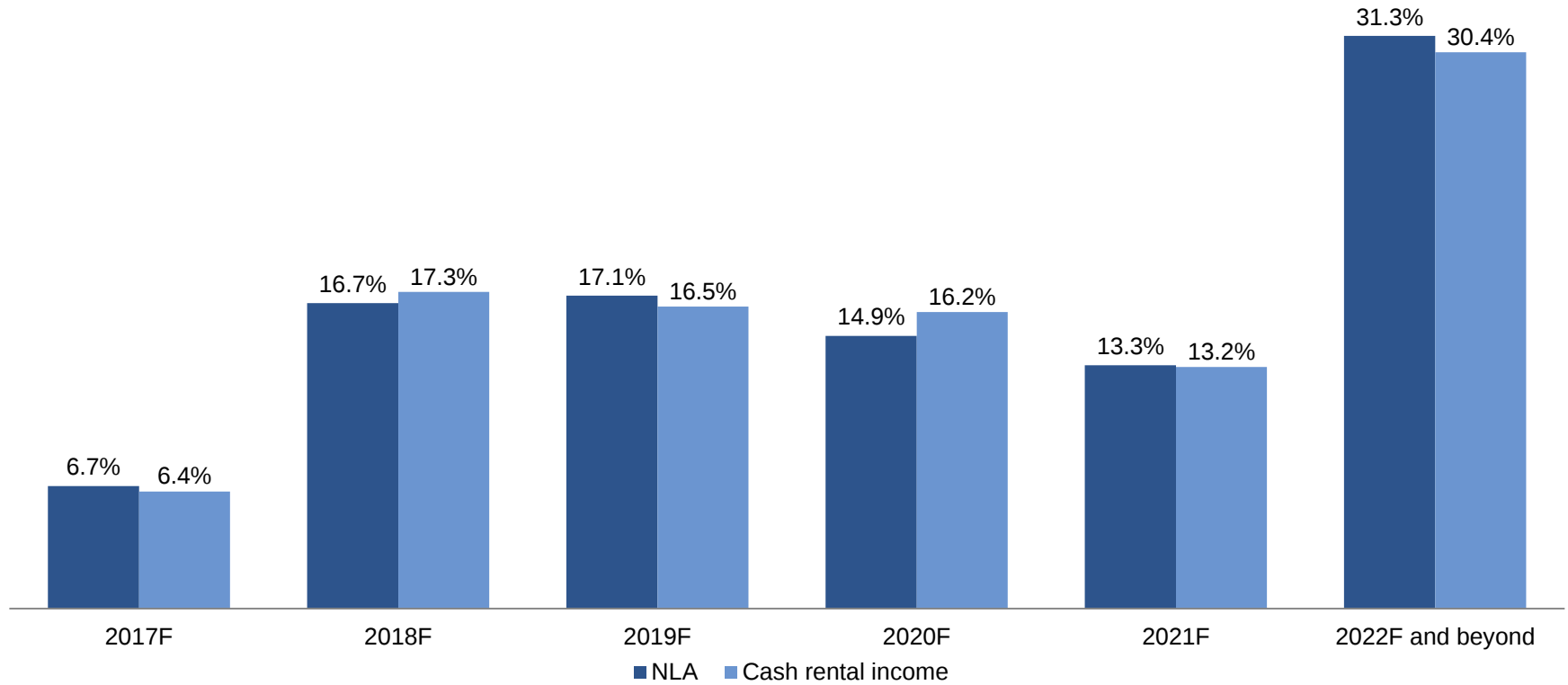
- Third most Fortune 500 company headquarters in the US, with a steady stream of business relocations and expansions
- **Portfolio location:** Cumberland and North Central, two office submarkets that enjoy great accessibility and proximity to residential neighbourhoods



Stable lease expiry profile

Weighted Average Lease Expiry of 3.7 years⁽¹⁾, ensuring stability of cash flows

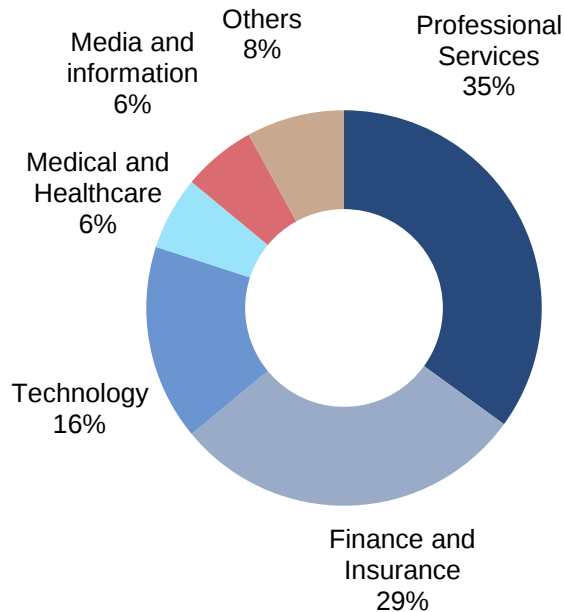
Lease expiry profile
(%)



Note: As at 30 June 2017.
(1) Based on cash rental income.

Diversified tenant base with limited tenant concentration

Tenant base composition⁽¹⁾



Top 10 tenants⁽¹⁾

Tenant	Tenant Mix	Property	%
Zimmer Biomet Spine, Inc.	Technology	Westmoor Center	3.0%
Unigard Insurance Company ⁽²⁾	Finance and Insurance	Bellevue Technology Center	2.7%
ServiceLink Field Services LLC	Finance and Insurance	Westmoor Center	2.3%
Ball Aerospace & Tech Corp	Professional Services	Westmoor Center	2.2%
Reed Group, Ltd.	Finance and Insurance	Westmoor Center	2.2%
US Bank National Association	Finance and Insurance	The Plaza Buildings	2.2%
Oracle America, Inc.	Professional Services	Westmoor Center	2.1%
Regus PLC	Professional Services	Bellevue Technology Center	1.9%
Blucora, Inc.	Technology	The Plaza Buildings	1.9%
Health Care Service Corp	Finance and Insurance	1800 West Loop South	1.8%
Total			22.3%

Top 10 tenants have a WALE of 5.2 years

Note: As at 30 June 2017.
 (1) By cash rental income.
 (2) Subsidiary of QBE Insurance Group.

Attractive total return and high initial distribution yield

1

Built-in rental escalations

- ~97.5% of existing leases with 2.0%-3.0% built-in rental escalations

2

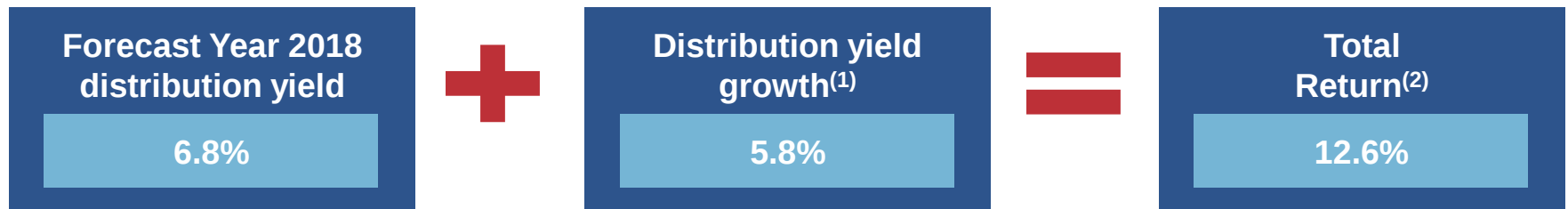
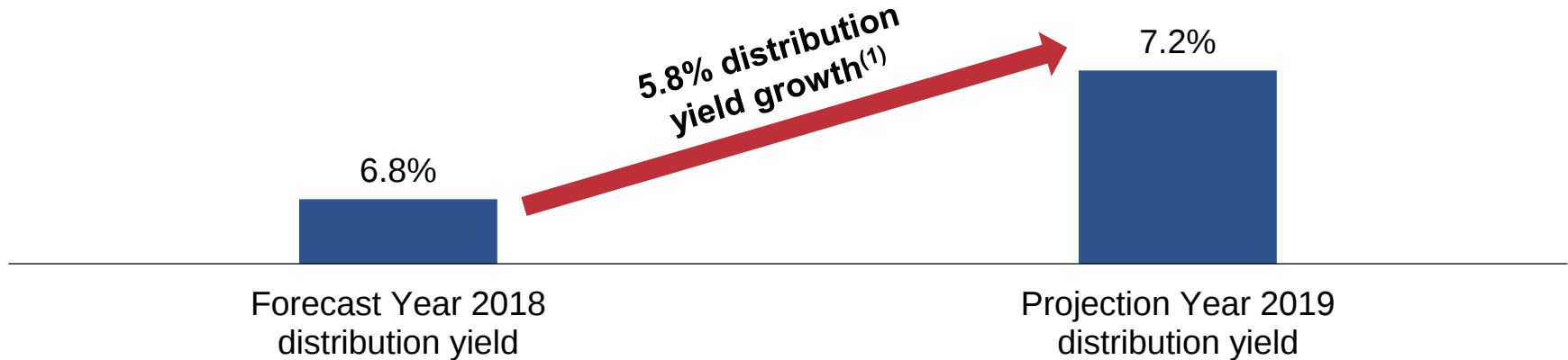
Positive rental reversion

- Opportunity to lease expiring space with market rents up to 17% higher than current passing rents

3

Potential growth in portfolio occupancy

- Ability to capitalise on active leasing demand to achieve higher occupancy rates



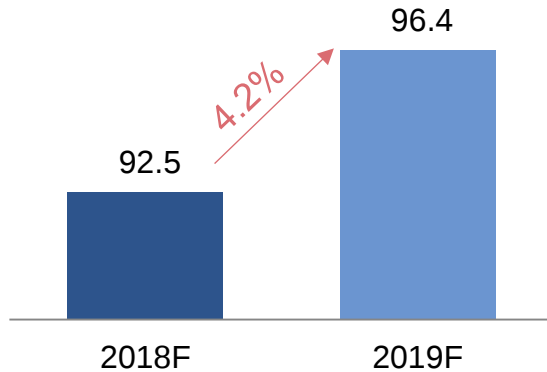
(1) Calculated as the distribution yield growth from Forecast Year 2018 to Projection Year 2019.

(2) Calculated as the sum of Forecast Year 2018 distribution yield and distribution yield growth.

Forecast financials

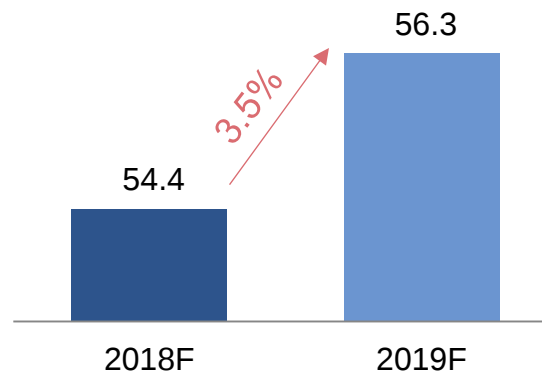
Gross revenue

(US\$mn)



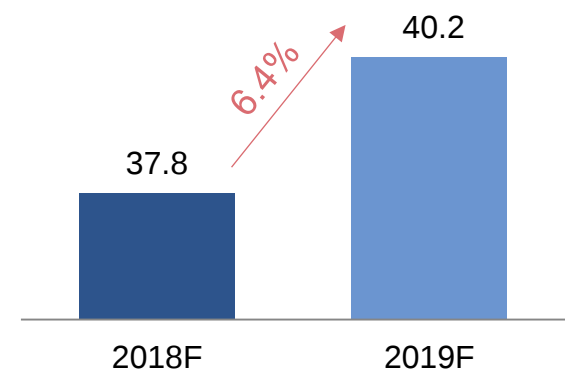
Net property income

(US\$mn)



Distributable income

(US\$mn)



Certainty of distributable income

- **97.5⁽¹⁾%** of locked-in leases have rental escalation clauses
- **79%** and **75%** of rental and recoveries income for 2018F and 2019F derived from existing leases
- At least **75%** of the interest expense to be hedged via derivative hedging instruments

(1) By cash rental income.

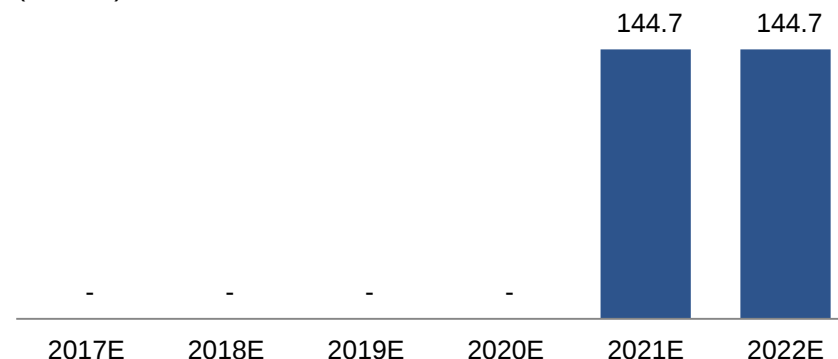
Healthy balance sheet and active capital management

Initial debt facility details

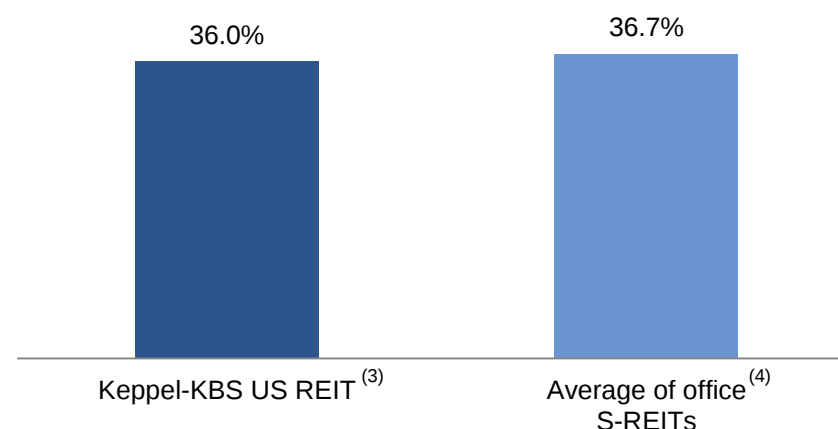
Total debt	■ US\$289.4mn
Available facilities	■ US\$50mn of undrawn revolving credit facility
Aggregate leverage	■ 36.0% at listing date, with maximum debt headroom of US\$131.6mn ⁽¹⁾
Average cost of debt (%)	■ 3.35% per annum
Interest coverage	■ 5.3x in 2018F and 5.3x in 2019F ⁽²⁾
Average term to maturity	■ Average of 4.5 years ■ Year 4 (50%), Year 5 (50%)
Interest hedging strategy	■ At least 75% of the interest expense to be hedged via derivative hedging instruments

Debt maturity profile

(US\$m)



Comparable aggregate leverage



Source: Respective company filings for aggregate leverage of peers.

(1) Based on maximum aggregate leverage of 45%.

(2) Calculated as NPI divided by finance expenses.

(3) Based on aggregate leverage of 36.0% at point of listing.

(4) Average of CapitalLand Commercial Trust, Frasers Commercial Trust, IREIT Global, Keppel REIT, Manulife US REIT, Mapletree Commercial Trust, OUE Commercial REIT and Suntec REIT's leverage levels as at 5 Oct 2017.

Opportunity to participate in a balanced office REIT focused on key growth markets in the US

1 Attractive US office real estate fundamentals

2.0% *US GDP CAGR for 2017F - 2021F*

2.3% *Average asking rent CAGR for 2017F - 2021F*

2 Exposure to targeted US growth cities

7 *Key growth markets*

22.3% *Top 10 tenants concentration⁽¹⁾*

3 Highest total return portfolio amongst peers

12.6% *Total return*

6.8% *Projected distribution yield for 2018F*

4 Established sponsors with strong pipeline

US\$30bn *Combined AUM*

>US\$30bn *Transactions by US Asset Manager since inception*

Note: Data as at 30 Jun 2017. Market data from Cushman.
(1) Based on cash rental income.

Thank you
