



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

24 September 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.

Table of Contents

1

Transaction Overview

2

Market Overview

3

Key Rationale

4

Merits of Proposed Acquisition

5

Additional Information

Westpark

SECTION 1

Transaction Overview

Deepening Seattle Footprint with Maiden Acquisition

The Westpark Portfolio

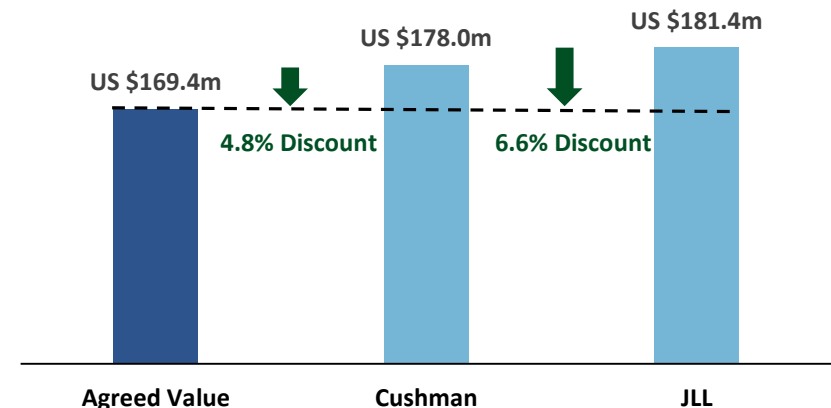


- Business campus comprising 21 buildings in Redmond, Washington
- Located in the supply-constrained Eastside suburban office market of Seattle
- Good connectivity to key commercial hubs in Redmond and the Seattle-Bellevue area
- Surrounded and supported by excellent amenities and infrastructure

Transaction Summary

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

Attractive Discount to Independent Valuations⁽¹⁾



- Acquisition will be funded with the 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

Overview: Westpark Portfolio

Property	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

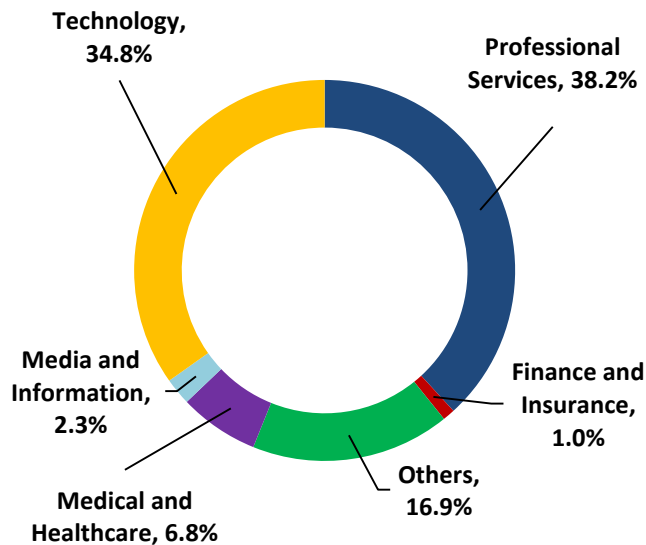
(3) As at 30 June 2018

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
- Top 10 tenants have an average WALE of 5.3 years⁽¹⁾
- Average portfolio WALE of 4.3 years⁽²⁾

Sectorial Breakdown By NLA



Tenant	Sector	% of CRI ⁽²⁾
Oculus VR, Inc.	Technology	15.6%
Echonus, 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.

SECTION 2

Market Overview

Seattle, Washington: The Nation's Rising Tech Hub

Primary Economic and Cultural Center of Washington



- 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

Seattle, Washington: The Nation's Rising Tech Hub

Macroeconomic Indicators Outpace National Average



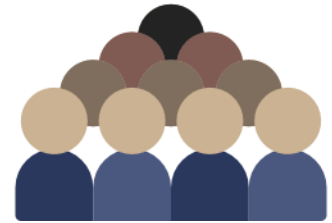
Strong GMP growth trends

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



Young & 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")



SECTION 3

Key Rationale

Key Rationale

1

Deepen Presence in High Growth Seattle Market

2

Accretive Acquisition Positioned for Long Term Growth

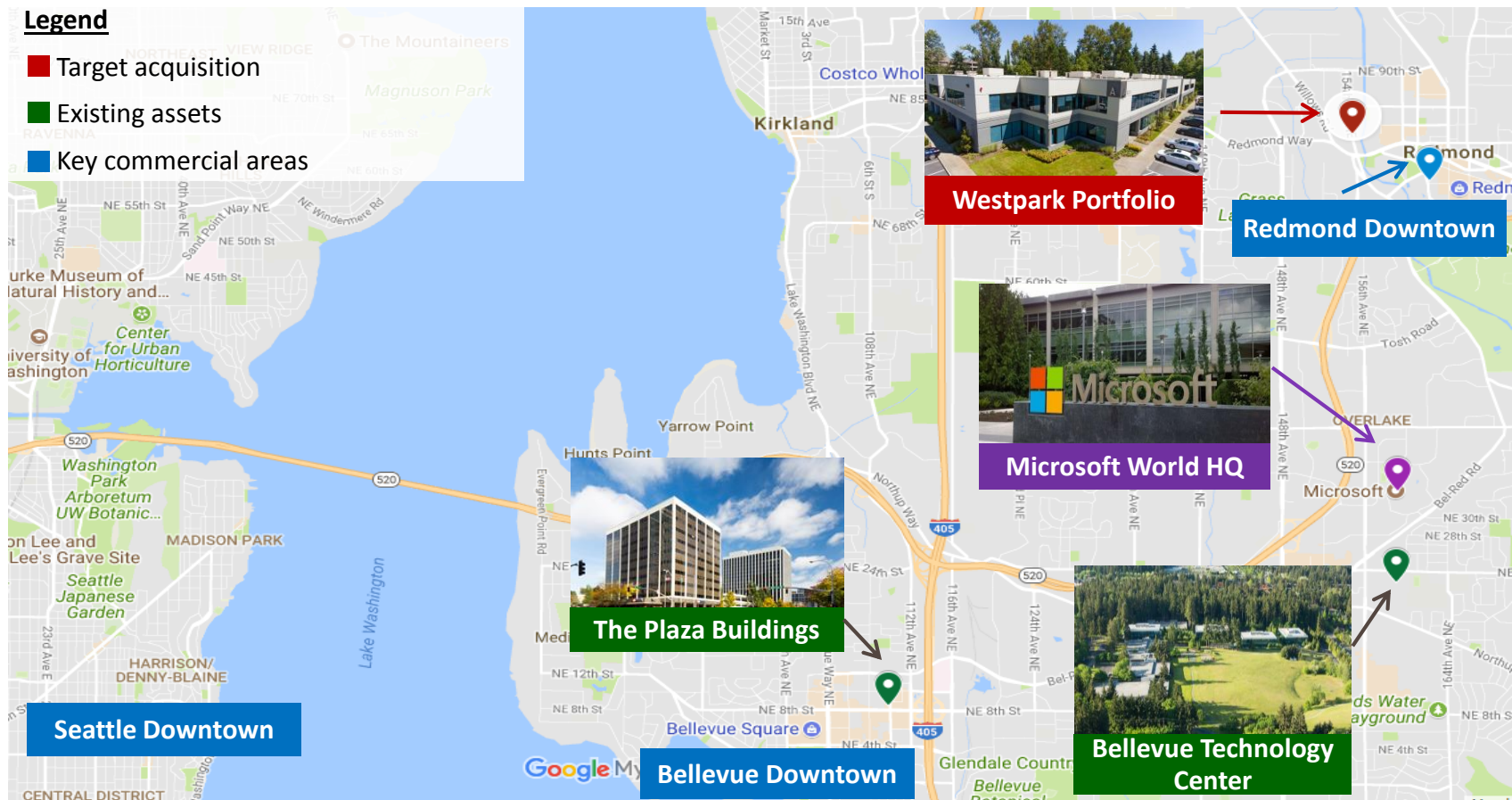
3

Portfolio Diversification that Enhances Income Resilience

Deepen Presence in High Growth Seattle Market

Strategic Location with Good Connectivity

- Appeals to technology and professional services tenants due to close proximity to Microsoft World HQ and key commercial hubs in Bellevue and Seattle.



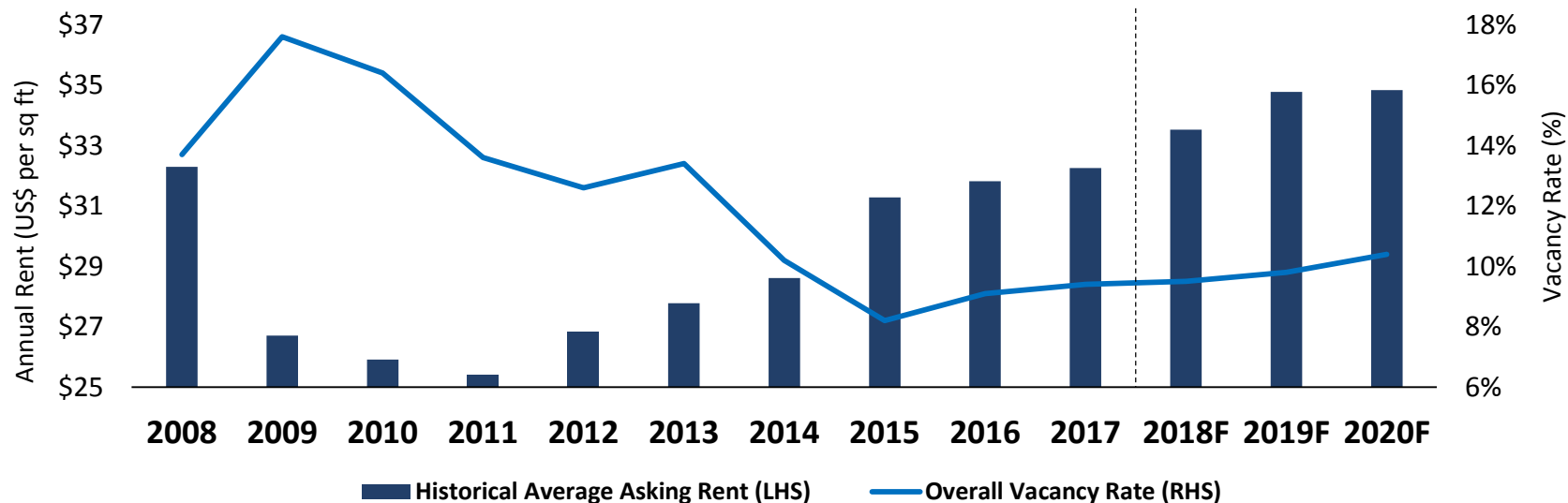
Source: Google Maps

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
- Projected rent growth of circa 4% by 2020⁽¹⁾

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



(1) According to the Independent Market Research Consultant

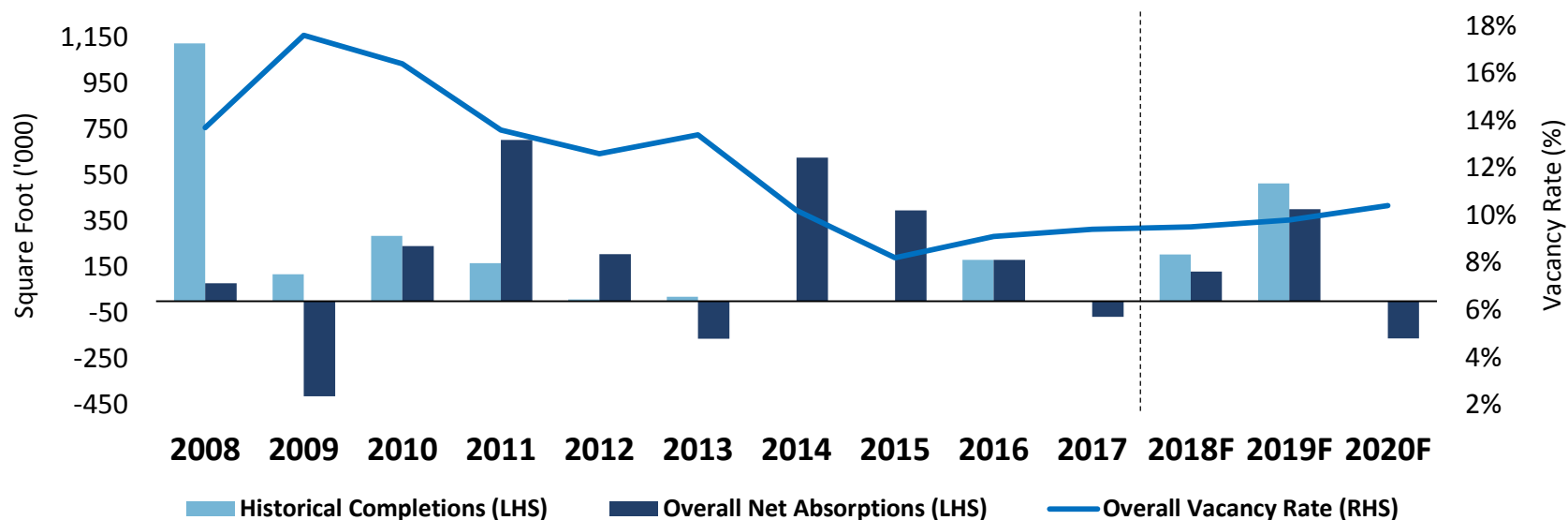
Deepen Presence in High Growth Seattle Market

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



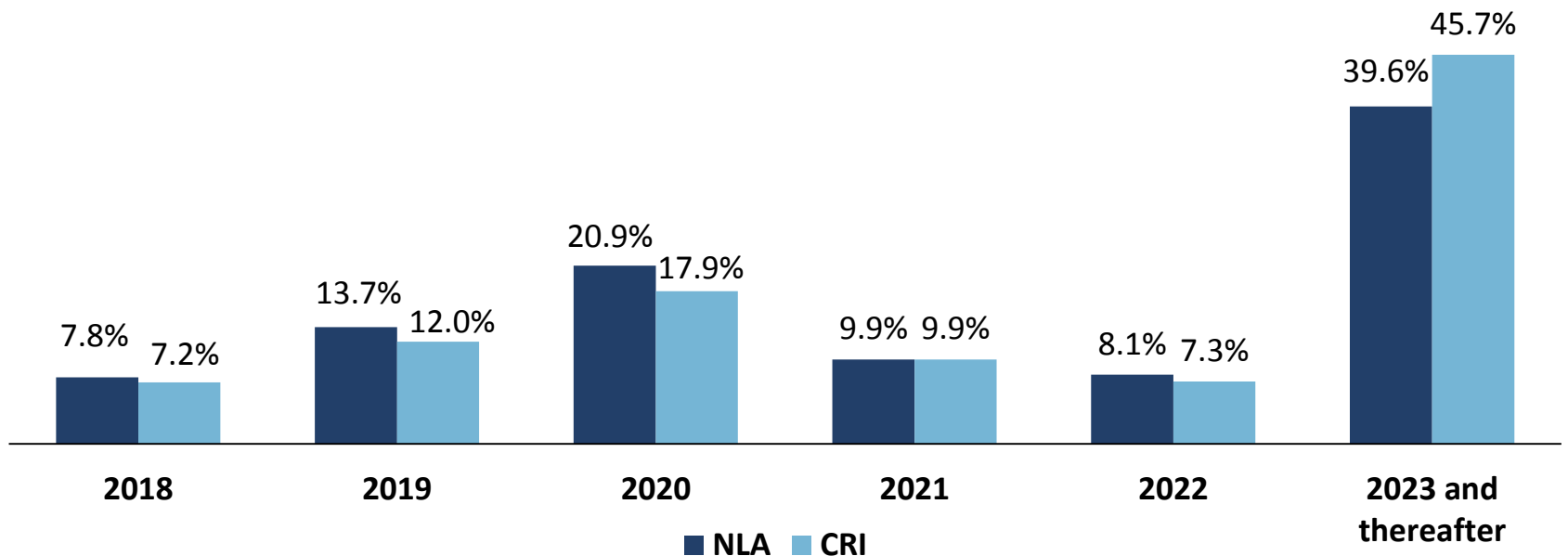
(1) According to the Independent Market Research Consultant

Deepen Presence in High Growth Seattle Market

Well-Spread Lease Expiry 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

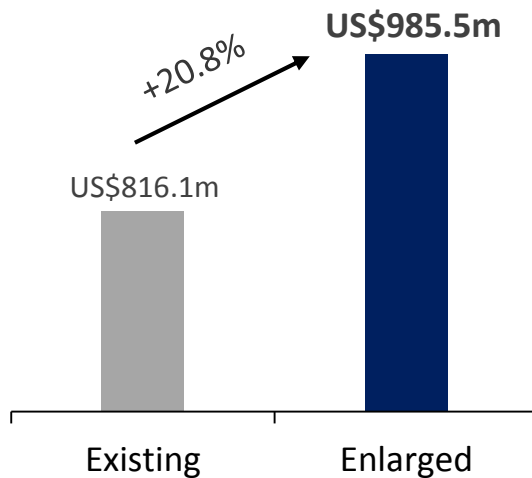
(4) DPU yield is computed based on the illustrative theoretical ex-rights price of US\$0.7854

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

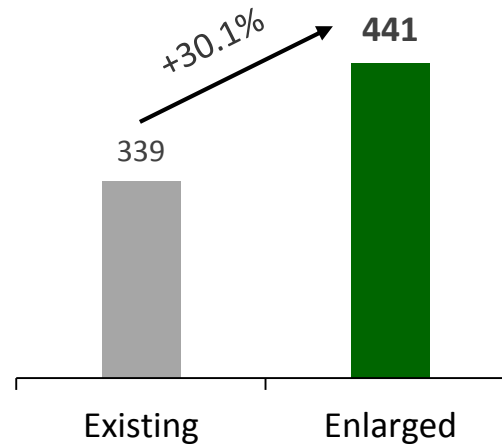
Diversification of Portfolio

Improves Income Resilience of Portfolio

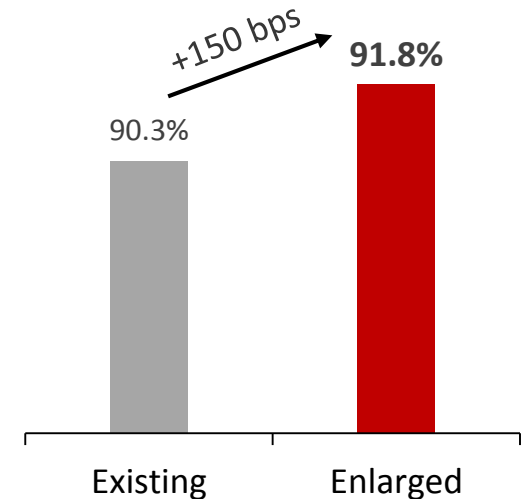
Enlarges AUM



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%



SECTION 4

Merits of Proposed Acquisition

Merits of Proposed Acquisition



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

THANK YOU



SECTION 5

Additional Information

Keppel-KBS US REIT: Enlarged Portfolio

Enlarged Portfolio Valuation of US\$985.5 million from US\$816.1 million

	Existing Portfolio	Westpark Portfolio	Enlarged Portfolio	% Change
NLA (sq ft)	3,225,739	781,966	4,007,705	▲ 24.2%
Valuation (US\$ million)	816.1	169.4 ⁽¹⁾	985.5	▲ 20.8%
WALE by NLA (Years)	3.7	4.0	3.8	▲ 0.1 years
Number of Tenants	339	102	441	▲ 30.1%
Committed Occupancy	90.3%	97.7% ⁽²⁾	91.8%	▲ 150bps

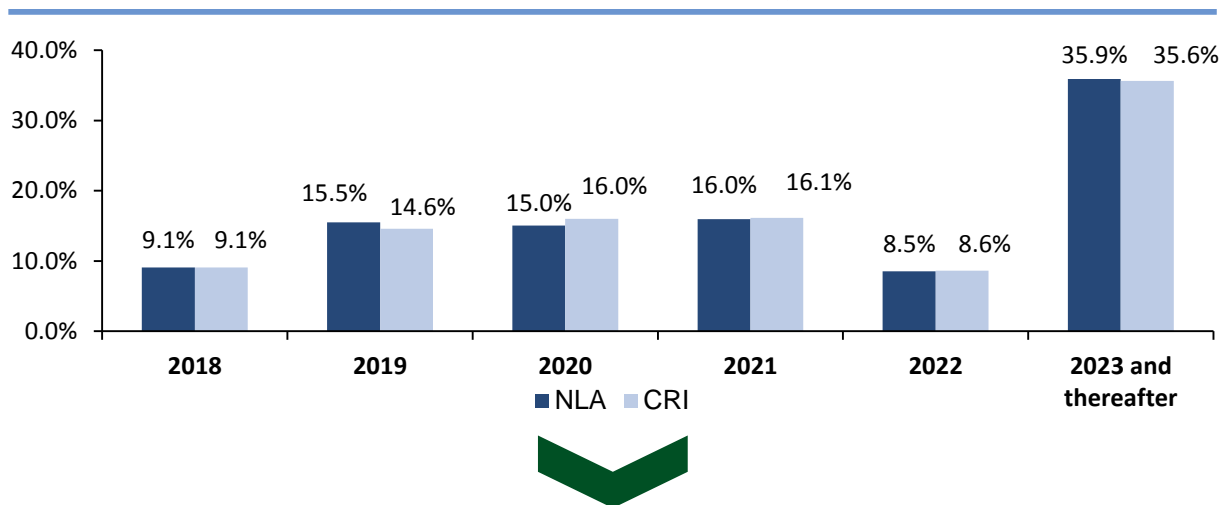
(1) Valuation of the Westpark Portfolio is based on Purchase Consideration of US\$169.4 million

(2) The committed occupancy rate is computed based on the assumption that the lease with Oculus was in place as at 30 June 2018

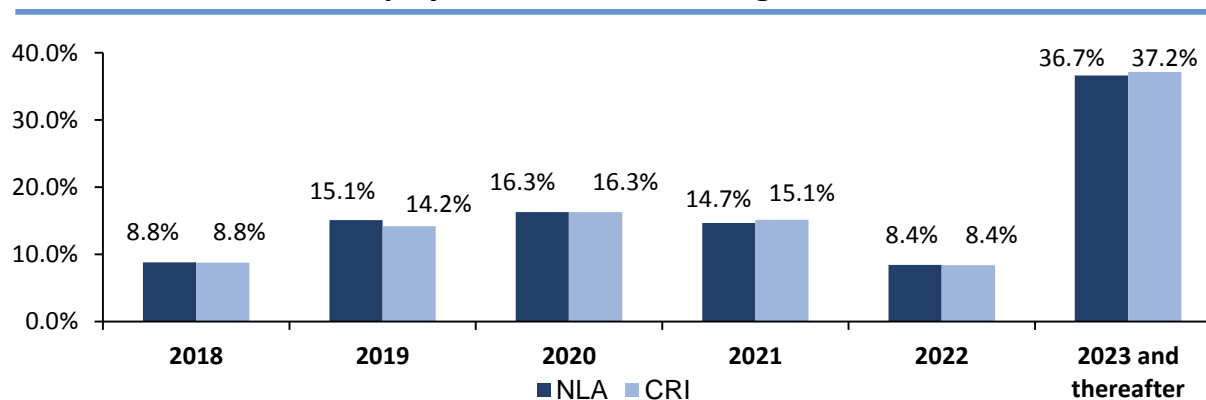
Lease Expiry Profile

Well-Spread Lease Expiry Profile

Lease Expiry Profile for the Existing Portfolio⁽¹⁾



Lease Expiry Profile for the Enlarged Portfolio⁽¹⁾

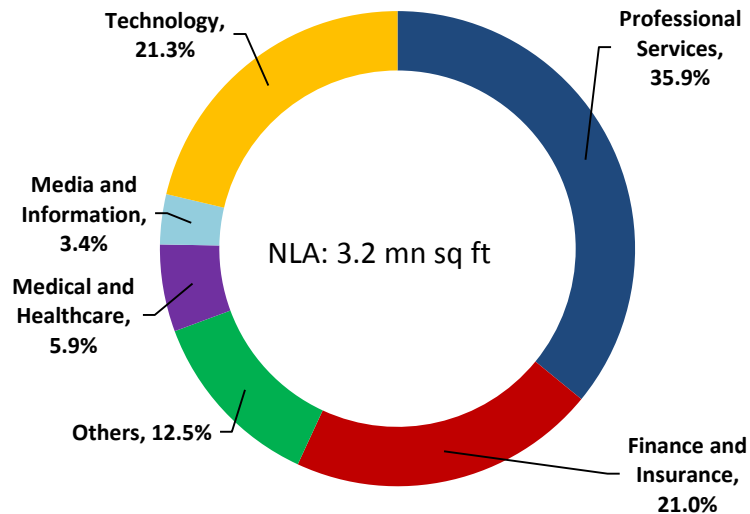


(1) As at 30 June 2018. The lease expiry profile of the Enlarged Portfolio includes the leases with Oculus VR, Inc.

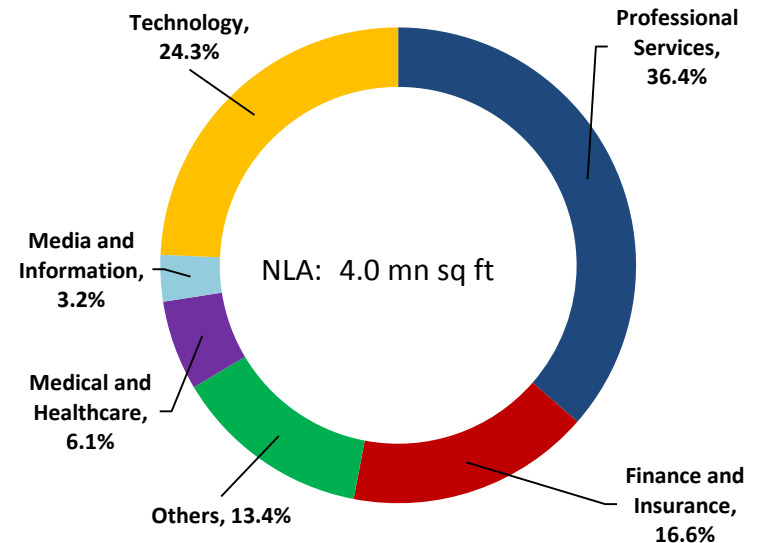
Portfolio Sector Breakdown

Well-Diversified Tenant Base

Existing Portfolio by NLA



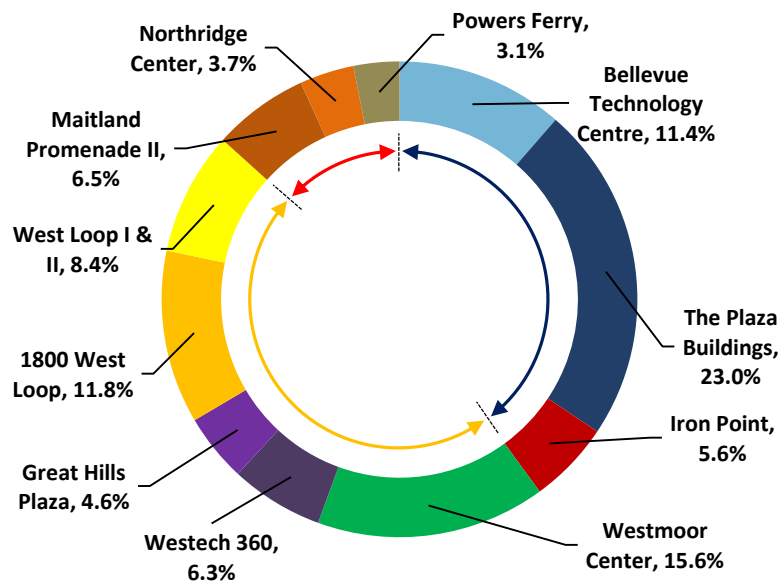
Enlarged Portfolio By NLA



Portfolio CRI Contribution

Enlarged AUM with greater asset diversification

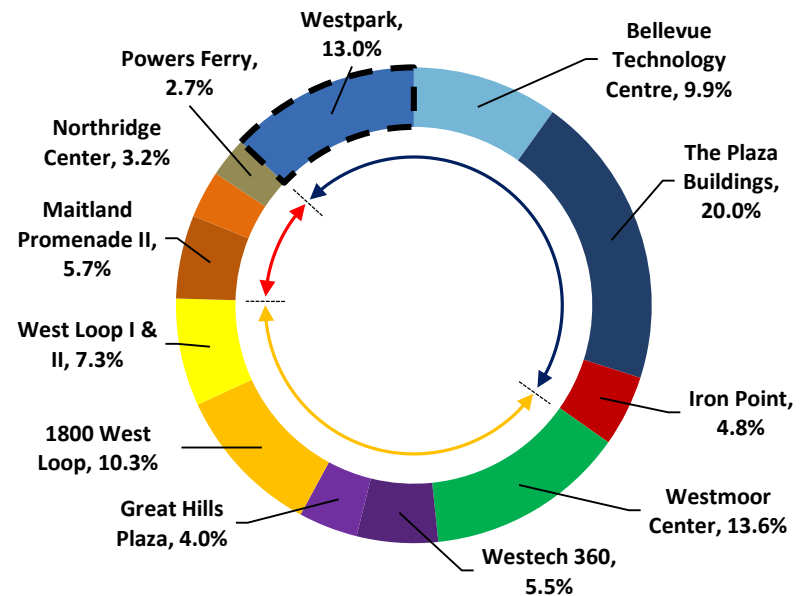
Existing Portfolio by CRI



Legend:

- West Coast
- East Coast
- Central

Enlarged Portfolio By CRI



Top 10 Tenants

Top 10 Tenants for the Existing Portfolio⁽¹⁾

Tenant	Sector	Asset	% of CRI
Ball Aerospace & Tech Corp	Professional Services	Westmoor Center	3.6%
Zimmer Biomet Spine, Inc.	Technology	Westmoor Center	2.9%
Unigard Insurance Company	Finance and Insurance	Bellevue Technology Center	2.5%
US Bank National Association	Finance and Insurance	The Plaza Buildings	2.4%
Blucora, Inc.	Technology	The Plaza Buildings	2.3%
Health Care Service Corp	Finance and Insurance	1800 West Loop South	2.2%
Reed Group, Ltd	Finance and Insurance	Westmoor Center	2.0%
Regus PLC	Professional Services	Bellevue Technology Center	1.7%
Nintex USA LLC	Technology	The Plaza Buildings	1.7%
PointMarc LLC	Technology	The Plaza Buildings	1.5%
Total:			22.8%



Top 10 Tenants for the Enlarged Portfolio⁽¹⁾

Tenant	Sector	Asset	% of 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%
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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%

(1) As at 30 June 2018 and includes leases with Oculus VR, Inc for the Enlarged Portfolio.