

The background of the slide is a low-angle photograph of a modern skyscraper with a grid-like facade of windows and concrete panels. A large, semi-transparent red arrow points diagonally upwards from the bottom left towards the top right, passing behind the text. The sky is a clear, deep blue.

Keppel Pacific Oak US REIT

**Proposed Acquisition of
One Twenty Five,
a Class A Office Complex
in Dallas, Texas**

Extraordinary General Meeting
15 October 2019

The logo for Keppel Pacific Oak US REIT is centered on a white background. It features the word "Keppel" in white, bold, sans-serif font, enclosed within a dark gray rectangular box. A small red diagonal line is positioned above the first 'e' in "Keppel". To the right of this box, the words "Pacific Oak US REIT" are written in a bold, red, sans-serif font. Two large, dark gray triangular shapes are positioned on the left and right sides of the logo, pointing towards each other.

Keppel **Pacific Oak US REIT**

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Market Overview

*Neighbouring Park at
One Twenty Five
Dallas, Texas*



Extending Footprint Into a New Key Growth Market: Dallas

Seattle, Washington (38.2%)



The Plaza Buildings
Occupancy: 96.5%



Bellevue Technology Center
Occupancy: 98.5%



The Westpark Portfolio
Occupancy: 97.8%

Atlanta, Georgia (6.3%)



Northridge Center I & II
Occupancy: 85.1%



Powers Ferry
Occupancy: 98.0%

Sacramento, California (5.1%)



Iron Point
Occupancy: 95.8%

Denver, Colorado (8.6%)



Westmoor Center
Occupancy: 91.2%

Austin, Texas (6.3%)



Westech 360
Occupancy: 96.4%



Great Hills Plaza
Occupancy: 98.1%

Houston, Texas (15.3%)



1800 West Loop South
Occupancy: 81.9%



West Loop I & II
Occupancy: 89.5%

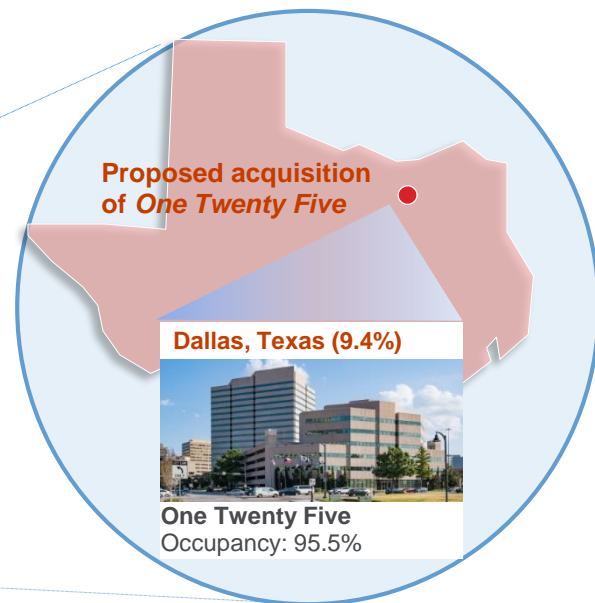
Orlando, Florida (10.8%)



Maitland Promenade I
Occupancy: 97.9%



Maitland Promenade II
Occupancy: 99.7%



Dallas: Economic Hub of North Central Texas

Attractive Dynamics Driving Strong Office Fundamentals



Strong Economic Fundamentals

- ✓ From 2013-2017, average GDP growth of 4.2%, above the US national average of 2.2%
- ✓ From 2018 to 2022, real GDP growth is expected at an average of 3.1% per annum



Growing Population

- ✓ Consistently outpaced the US in population growth over the past 30 years
- ✓ From 2014-2018, average population growth of 2.0%, above the US national average of 0.7%
- ✓ Population expected to grow 19.7% through 2025



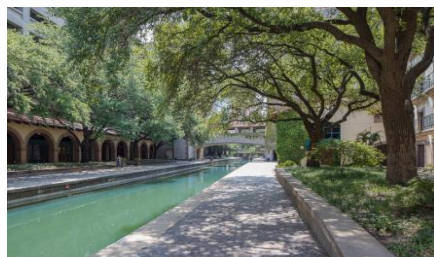
Key Corporate Hub

- ✓ One of the highest concentrations of corporate headquarters in the US
- ✓ Desirable live-work-play community and continued in-migration will drive business growth



Educated Workforce

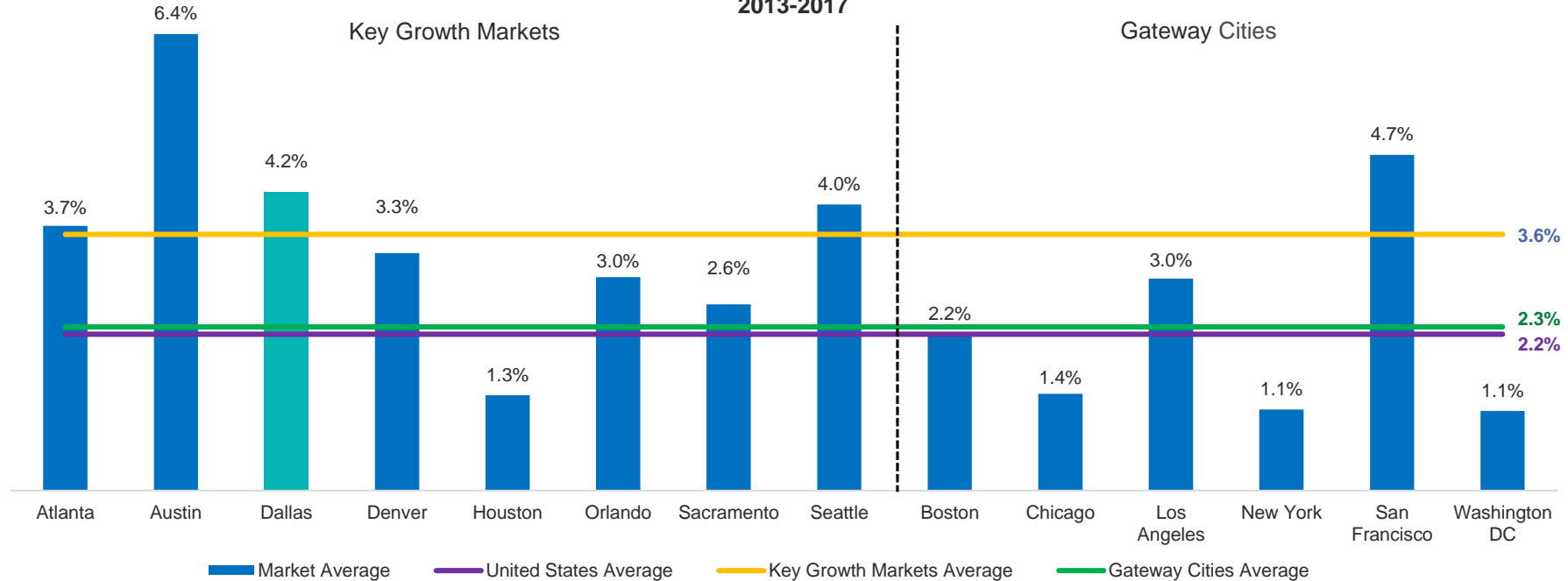
- ✓ Young, affluent, well-educated population
- ✓ From 2014-2018, average employment growth of 3.0%, above the US national average of 1.8%



Extending Presence in Key Growth Markets

Positive Economics: KORE's Key Growth Markets Outperformed National Average

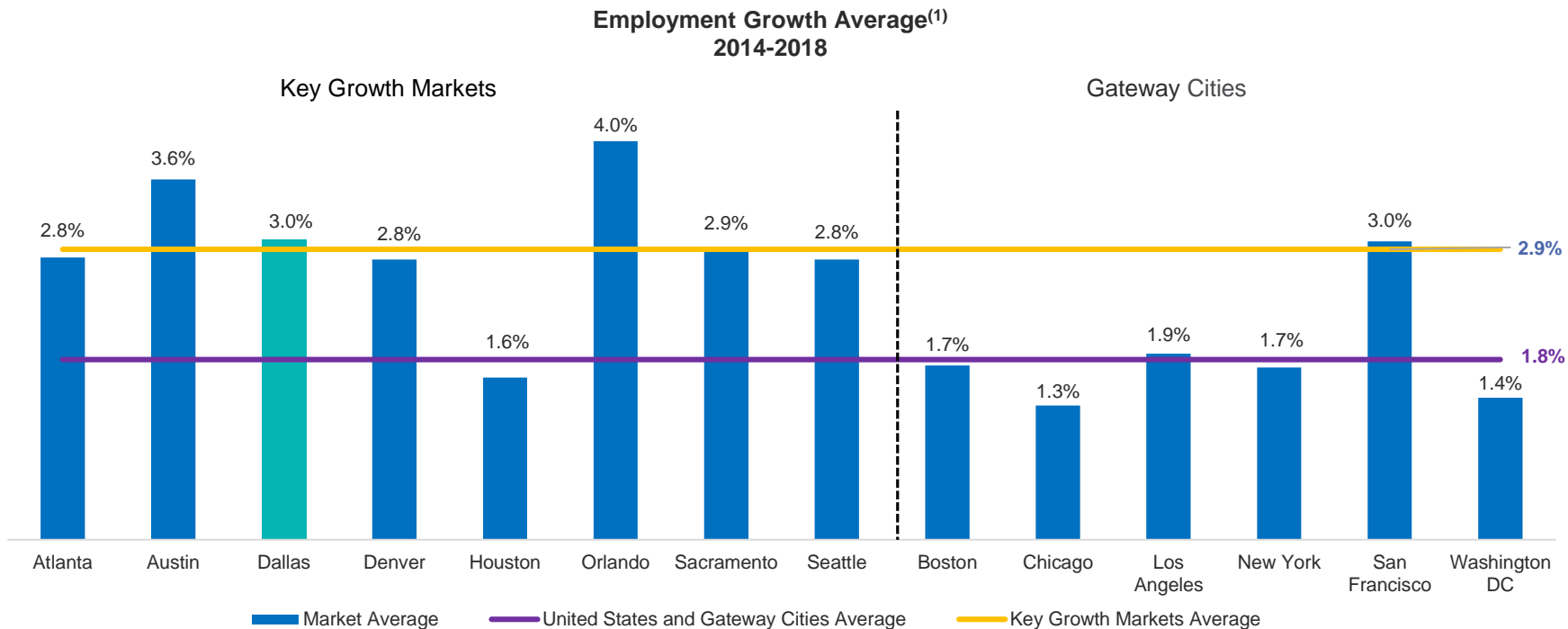
Real GDP Growth Average⁽¹⁾
2013-2017



Note: Gateway cities average is based on Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC.
(1) US Bureau of Economic Analysis.

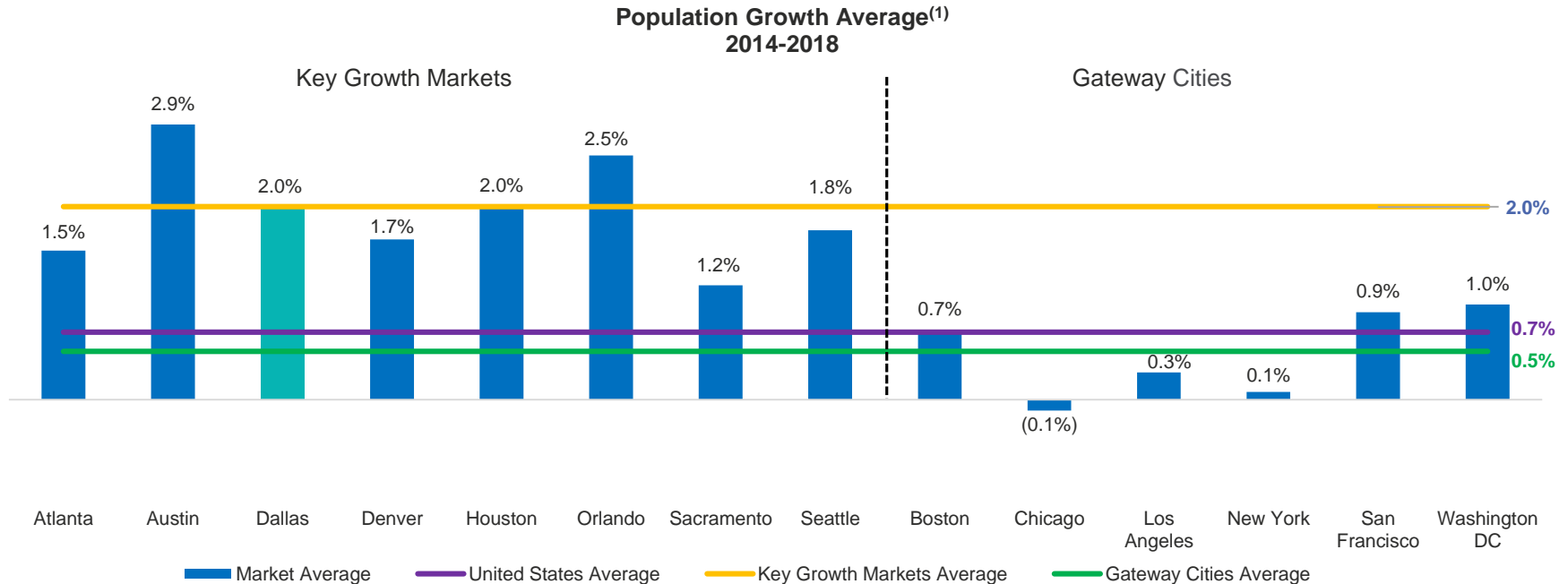
Extending Presence in Key Growth Markets

Rising Employment: KORE's Key Growth Markets Outperformed National Average



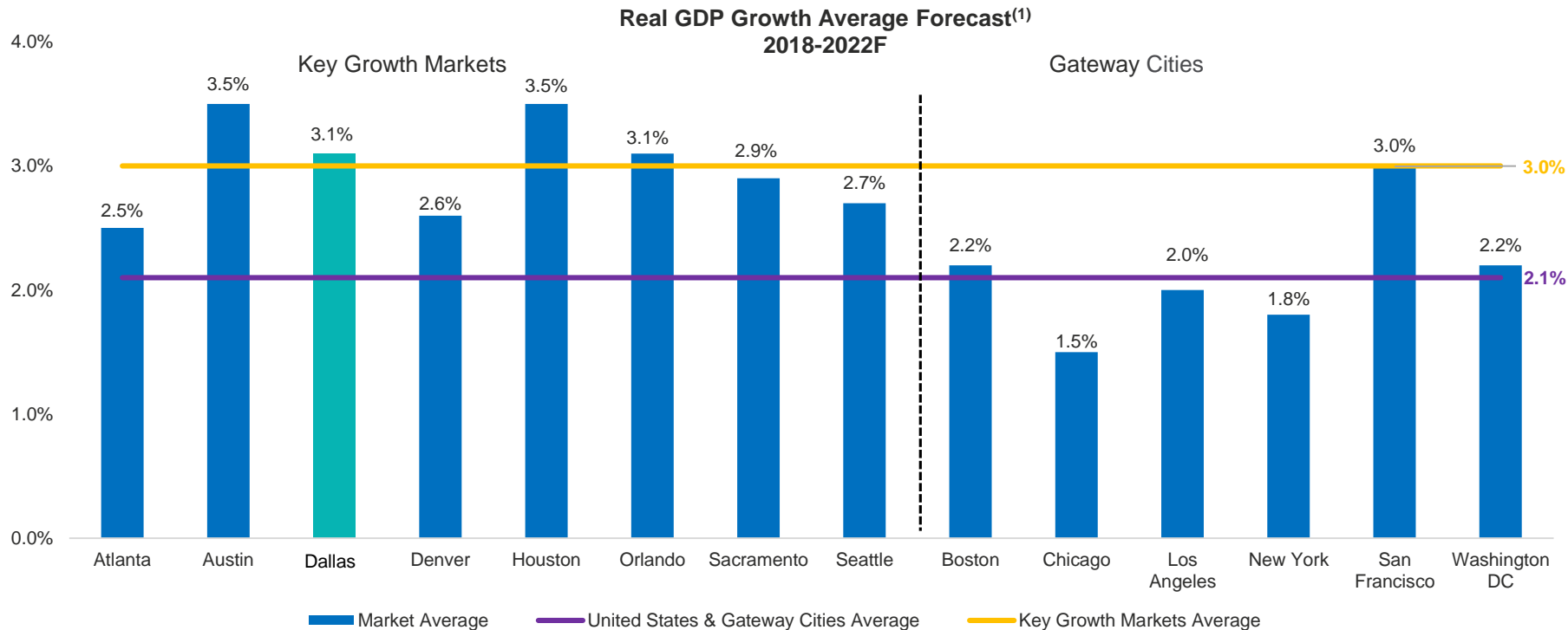
Extending Presence in Key Growth Markets

Expanding Population: KORE's Key Growth Markets Outperformed National Average



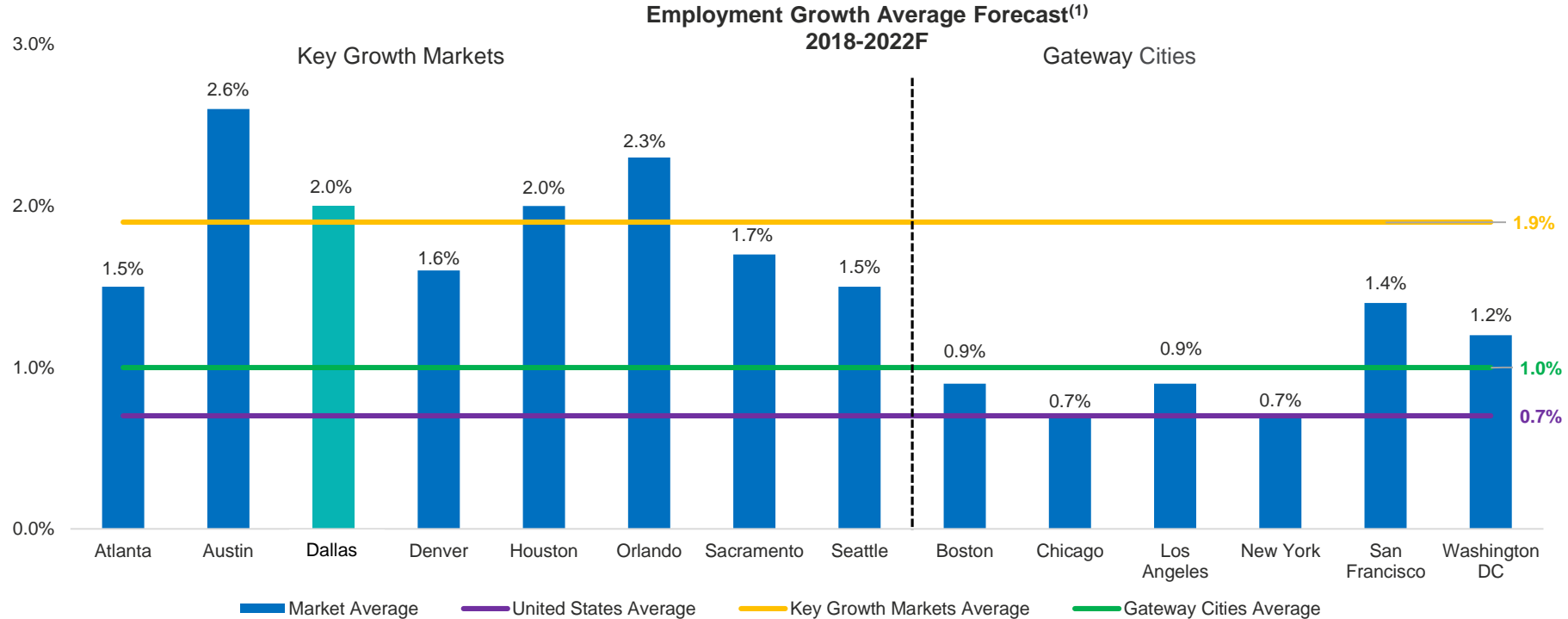
Positive Economic Outlook in KORE's Key Growth Markets

KORE's Key Growth Markets are Forecasted to Outperform National Average



Positive Job Outlook in KORE's Key Growth Markets

KORE's Key Growth Markets are Forecasted to Outperform National Average

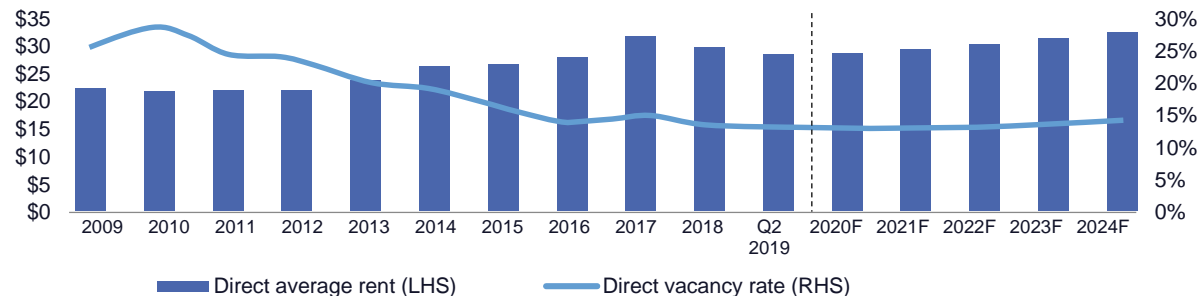


Attractive Office Fundamentals in Las Colinas

Positive Overall Net Absorption, Rent Growth and Lower Vacancy

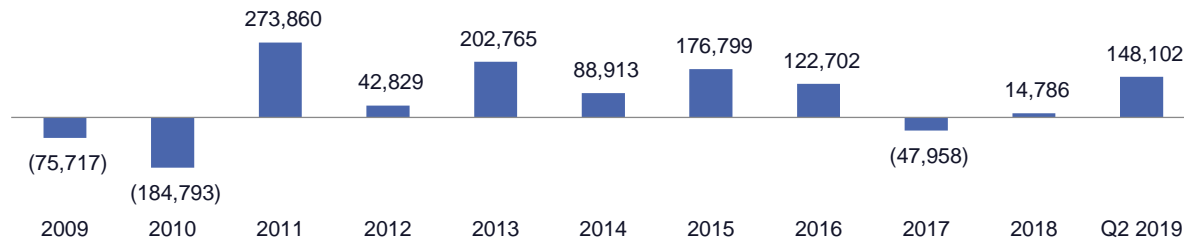
Overall Vacancy Rate and Overall Asking Rent by Year

Average asking rent (US\$ per sq ft)



Overall Absorption

(In sq ft)



Limited Supply in Las Colinas

- Office inventory space of approximately 6.6m sf between 33 buildings
- No multi-tenant office space in the last decade

Positive Rent Growth and Low Vacancy

- Overall vacancy rate has decreased significantly from 25.5% in 2009 to 13.0% in 2Q 2019, well below the average vacancy rate of 19.3% for Dallas
- No new deliveries until the Music Factory opened in 2018, with supply of new office space restrained since
- Average asking rents in Las Colinas increased from US\$22.10 psf in 2009 to US\$29.74 psf in 2018, with a CAGR of 3.4%, outpacing the Dallas' CAGR of 2.9% over the same period
- Average asking rents are projected to increase to US\$32.57 psf in 2024 driven by strong leasing demand

Merits of the Proposed Acquisition

*One Twenty Five
Dallas, Texas*





One Twenty Five
Dallas, Texas

Extending Footprint in the Key Growth Market of Dallas

- ✓ Strong economic and office fundamentals
- ✓ A key corporate hub in the US
- ✓ Young, affluent and well-educated workforce
- ✓ Growing population

Strategic Addition for Long Term Growth

- 1 Addition of high-growth Dallas market extends KORE's footprint to eight key growth markets
- 2 Strategically located Class A office complex with high quality tenants in a first choice submarket
- 3 Opportunity for rental uplift supported by below market in-place rent and positive market outlook
- 4 Enhances income resilience through diversification
- 5 DPU accretive acquisition that will drive long term value for Unitholders



Great Location in the First Choice Las Colinas Submarket

Choice Business Address for US Corporates. Strategic Location with Excellent Accessibility.



Strengthening the Portfolio with the Acquisition of *One Twenty Five*

Overview of *One Twenty Five*

Property Description	<ul style="list-style-type: none"> Office complex comprising two Class A office buildings with total NLA of 445,317 sf <ul style="list-style-type: none"> 125 East John Carpenter 5100 North O'Connor Located in the first choice submarket of Las Colinas
Land Tenure	<ul style="list-style-type: none"> Freehold
Committed Occupancy	<ul style="list-style-type: none"> 95.5%⁽¹⁾
WALE	<ul style="list-style-type: none"> 7.1 years⁽²⁾
Refurbishment Period	<ul style="list-style-type: none"> Property underwent extensive capital improvement works since 2015
Number of Tenants	<ul style="list-style-type: none"> 20⁽¹⁾

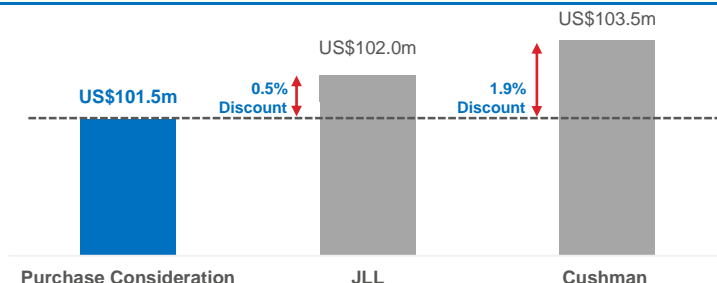


- Modern interior finishes that appeal to office users
- Onsite amenities include fitness centre, conference centre, deli, tenant lounge and 7-storey parking garage

Transaction Summary

Acquisition Cost	<ul style="list-style-type: none"> Estimated total acquisition cost of US\$105.2m, comprising: <ul style="list-style-type: none"> Purchase Consideration US\$101.5m Acquisition Fee US\$1.0m <i>(payable in Units to the Manager)</i> Estimated professional & other fees and expenses incurred or to be incurred⁽³⁾ US\$2.7m
Method of Financing	<ul style="list-style-type: none"> Proceeds from a private placement⁽⁴⁾; debt financing⁽⁴⁾; and internal cash resources

Purchase Consideration at Discount to Independent Market Valuations⁽⁵⁾



(1) As at 30 June 2019.

(2) Based on Cash Rental Income as at 30 June 2019. WALE is 7.0 years based on NLA.

(3) Refers to the estimated professional and other fees and expenses incurred or to be incurred by Keppel Pacific Oak US REIT in connection with the Acquisition (inclusive of debt financing related expenses).

(4) Proportion of the debt and equity will be determined at the appropriate time, taking into account the then prevailing market conditions.

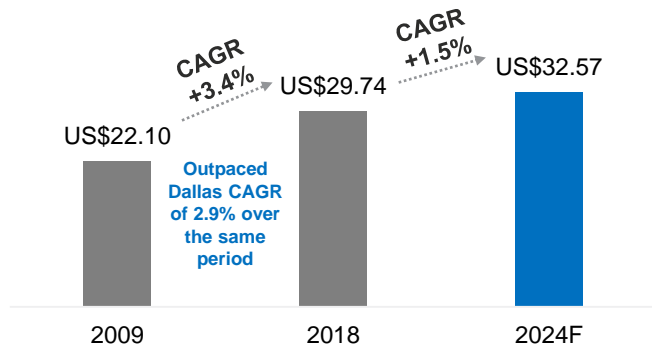
(5) JLL and Cushman were commissioned by the Trustee and Manager respectively.

Strong Organic Growth With Potential Rental Upside

Strong Office Fundamentals Expected to Drive Positive Rental Reversion

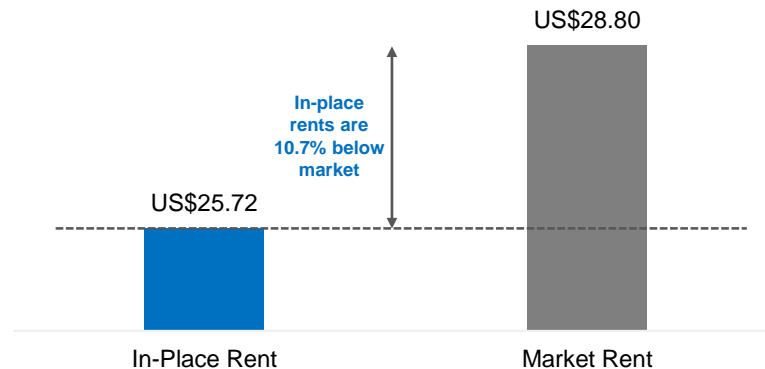
Strong Office Fundamentals in Las Colinas

- Average asking rents in Las Colinas increased from US\$22.10 psf in 2009 to US\$29.74 psf in 2018
- Average asking rents projected to increase to US\$32.57 psf in 2024 supported by strong leasing demand



Positive Rental Reversion

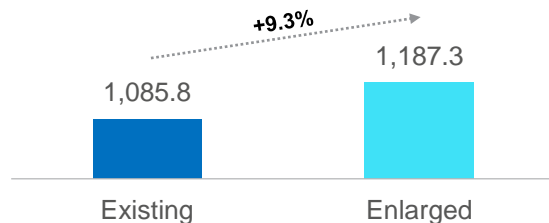
- Property in-place rent is 10.7% below market rent
- Strong organic growth opportunity as leases are marked to market



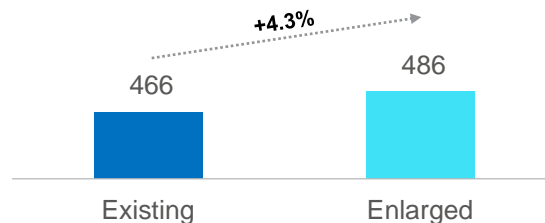
Enhanced Portfolio Scale and Diversification

Strengthens Income Resilience of Portfolio

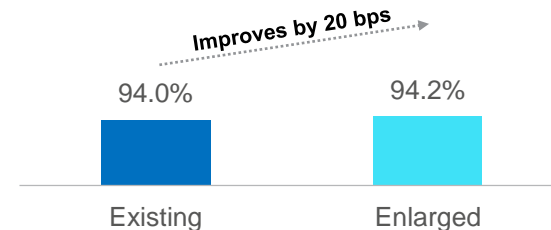
Enlarges AUM (US\$m)



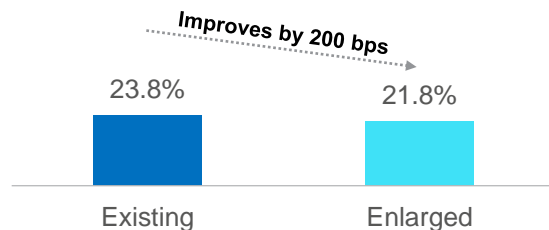
Expands Tenant Base



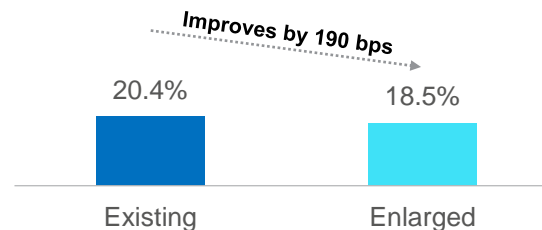
Increases Occupancy⁽¹⁾



Greater Portfolio Diversification Reducing Largest Asset Exposure⁽²⁾



Reduces Top 10 Tenant Exposure⁽³⁾

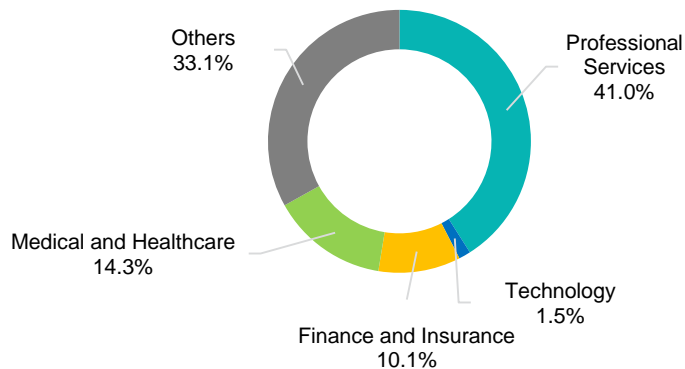


Exposure to High Quality Trade Sectors and Tenants

Diversification of Tenant Base with Increased Exposure to Medical & Healthcare and Other Defensive Sectors

- **One Twenty Five** is leased to 20 tenants mainly in the professional services, government service administration, medical and healthcare, and finance and insurance sectors
- Average WALE of 7.1 years⁽¹⁾
- Top 5 tenants comprise large entities with stable credit profiles, with an average WALE of 8.2 years⁽²⁾

One Twenty Five: Trade Sector Breakdown (by NLA)



One Twenty Five: Top 5 Tenants

Tenant	Sector	Lease Term Remaining	% of CRI	% of NLA
Bio Medical Applications of Texas	Medical and Healthcare	9.9 years	14.0	11.1
US Homeland Security	Government Service Administration ⁽³⁾	9.9 years	12.9	14.2
United Capital Financial Advisors	Finance and Insurance	9.2 years	11.2	8.7
Smurfit Kappa North America	Professional Services	7.8 years	9.2	6.9
Paycom Payroll	Professional Services	2.2 years	7.7	6.0
Total		WALE: 8.2 years (by CRI) 8.5 years (by NLA)	55.0	46.9

(1) Based on Cash Rental Income as at 30 June 2019. WALE is 7.0 years based on NLA.

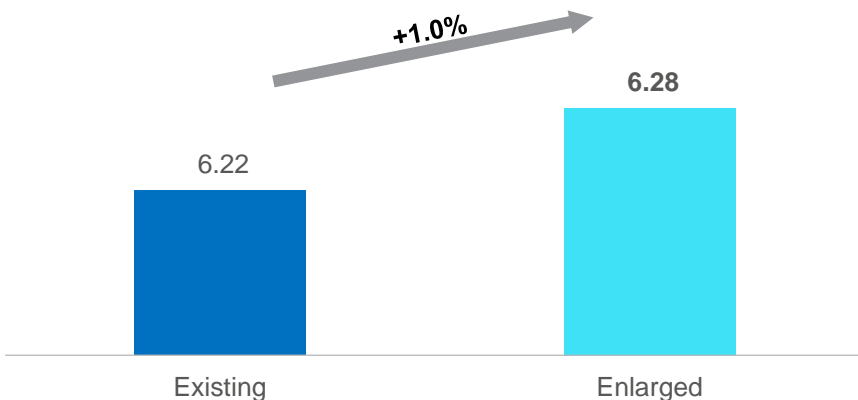
(2) Based on Cash Rental Income as at 30 June 2019. WALE is 8.5 years based on NLA.

(3) Government Service Administration tenants fall under the trade sector labelled as "Others".

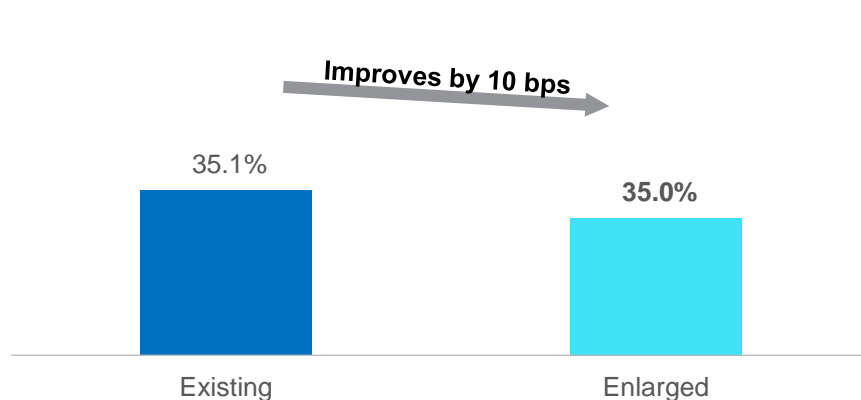
Accretive Acquisition Creating Value for Unitholders

Delivering DPU Accretive Acquisitions for Unitholders while Maintaining Financial Flexibility

Distribution per Unit (US cents)⁽¹⁾



Aggregate Leverage⁽²⁾



FOR ILLUSTRATIVE PURPOSES ONLY – NOT A FORWARD LOOKING PROJECTION.

(1) Actual (and after acquisition) DPU for the period from 9 November 2017 to 31 December 2018 of 6.22 (and 6.28) US cents comprises of 3.82 US cents paid for the period from 9 November 2017 to 30 June 2018, calculated based on 630.2 (and 728.8) million Units and 2.40 (and 2.46) US cents for the period from 1 July 2018 to 31 December 2018 calculated based on 821.7 (and 920.7) million Units.

(2) Pro forma financial aggregate leverage of Keppel Pacific Oak US REIT as at 31 December 2018, assuming that the acquisition, issuance of new Units under a private placement, issuance of acquisition fee Units and drawdown of loan facilities were completed on 31 December 2018.



Resolutions

*Tenant Space
One Twenty Five
Dallas, Texas*





One Twenty Five **A Strategic Addition for Long Term Growth**

**The Institutional
Shareholder Services (ISS)
has Recommended a Vote
FOR the Resolutions⁽¹⁾**

(1) Source: Institutional Shareholder Service, Report dated 2 October 2019.



Resolution 1: The Proposed Acquisition of One Twenty Five, a Class A Office Complex in Dallas, Texas



Resolution 2: The Proposed Issue and Placement of New Units to Keppel Capital Investment Holdings Pte. Ltd. under the Private Placement



Resolution 3: The Proposed Issue and Placement of New Units to KBS SOR Properties LLC under the Private Placement



Thank You

For more information, please visit

www.koreusreit.com

*Las Colinas
Dallas, Texas*



Keppel Pacific Oak US REIT