

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

Keppel Pacific Oak US REIT

Opportunities in Key Growth Markets in the US

*Presentation at the SGX-REITAS
Intermediate Education Series:
Understanding REITs with
US Office Assets*

22 November 2019

About Keppel Pacific Oak US REIT

- ✓ **Key Growth Markets**
with strong economic and office fundamentals that are above the national average
- ✓ **Exposure to the fast growing industries**
of technology, healthcare and professional services
- ✓ **Solid US office real estate fundamentals**
supported by limited supply and strong demand

- ✓ **Annualised distribution yield of 7.8%¹**

Seattle, Washington



The Plaza Buildings



Bellevue Technology Center



The Westpark Portfolio

Atlanta, Georgia



Northridge Center I & II



Powers Ferry

Sacramento, California



Iron Point

Denver, Colorado



Westmoor Center

Austin, Texas



Westtech 360



Great Hills Plaza

Houston, Texas



1800 West Loop South



West Loop I & II

Dallas, Texas



One Twenty Five

Orlando, Florida



Maitland Promenade I & II

Overview

- Distinctive office REIT focused on **key growth markets** significantly driven by **innovation and technology**
- Freehold **office buildings and business campuses** in **first choice submarkets**
- Semi-annual distributions in US dollars; Unitholders have the option to receive distributions in Singapore or US dollars

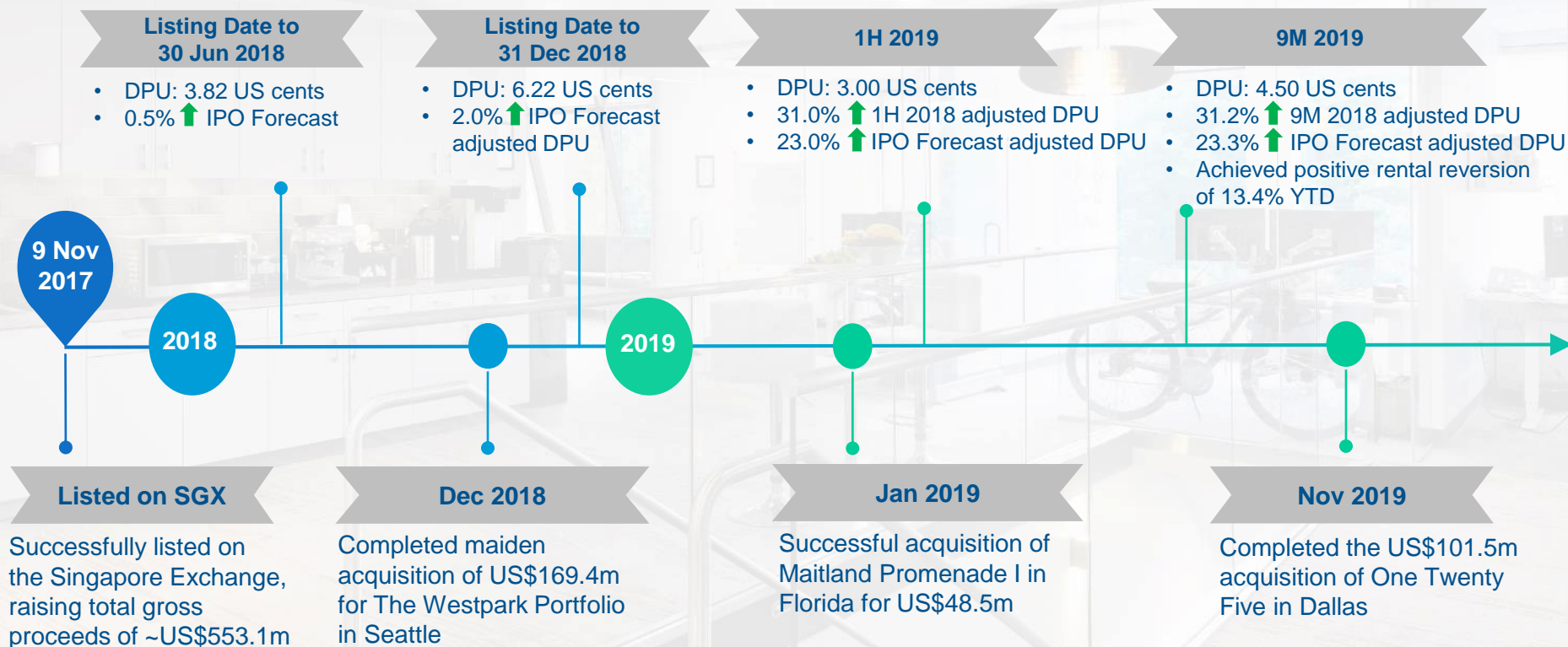
Sponsors

- Keppel Capital and KPA

Manager

- Keppel Pacific Oak US REIT Management Pte. Ltd.

Key Milestones since IPO



Quality Freehold Office Buildings and Business Campuses



Iron Point, Sacramento, California



Westech 360, Austin, Texas



Westmoor Center, Denver, Colorado



Bellevue Technology Center, Seattle, Washington



One Twenty Five, Dallas, Texas



Maitland Promenade II, Orlando, Florida



Coveted Live-Work-Play Environments



Seattle, Washington



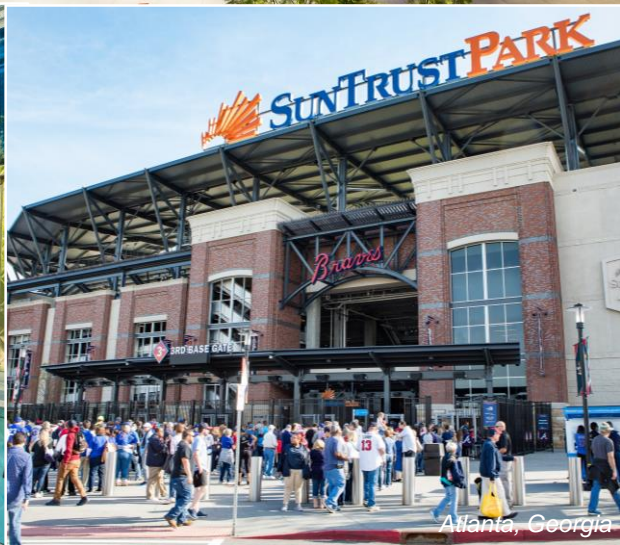
Sacramento, California



Denver, Colorado



Dallas, Texas



Atlanta, Georgia



Modern Designs, Quality Interiors and First-class Amenities



Westtech 360, Austin, Texas



Westmoor Center, Denver, Colorado



Northridge I & II, Atlanta, Georgia



1800 West Loop South, Houston, Texas



Iron Point, Sacramento, California



Bellevue Technology Center, Seattle, Washington





US Economy at a Glance

1.9%

Real GDP growth
in 3Q 2019⁽¹⁾

3.5%

Low unemployment⁽²⁾

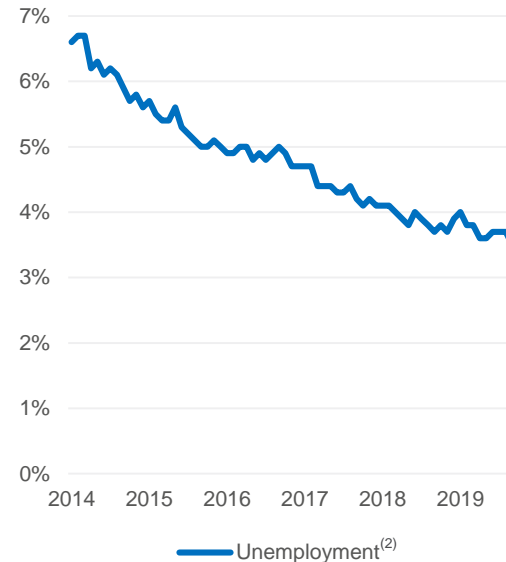
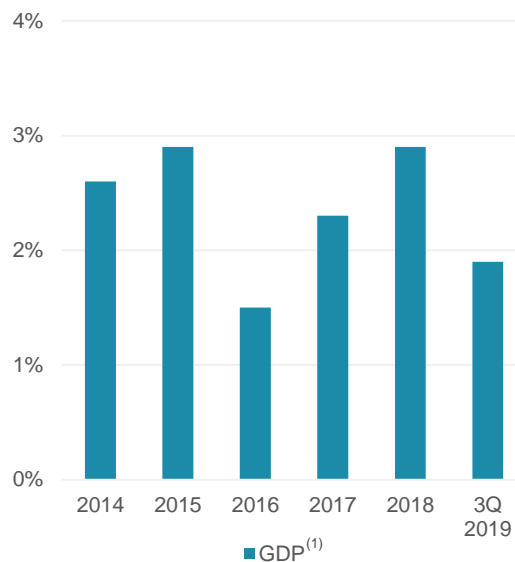
+2.9%

Average hourly
earnings y-o-y⁽²⁾

+136,000

Jobs added⁽²⁾

Sound US Economic Fundamentals



- GDP grew 1.9% in 3Q 2019, extending the US's longest economic expansion on record
- Unemployment rate remained low at 3.5% in September 2019
- Notable gains in job growth occurred in the healthcare and in professional and business services sectors

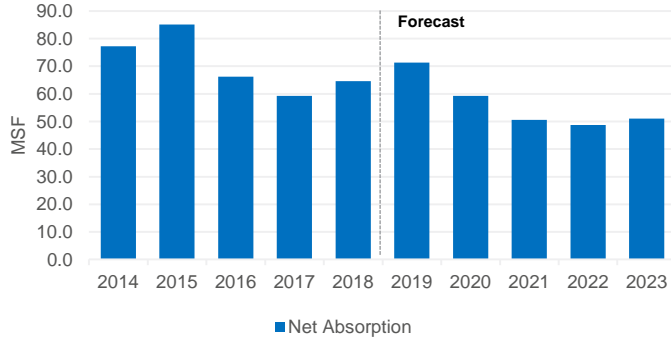
(1) U.S. Bureau of Economic Analysis, October 2019.

(2) U.S. Bureau of Labor Statistic, September 2019.

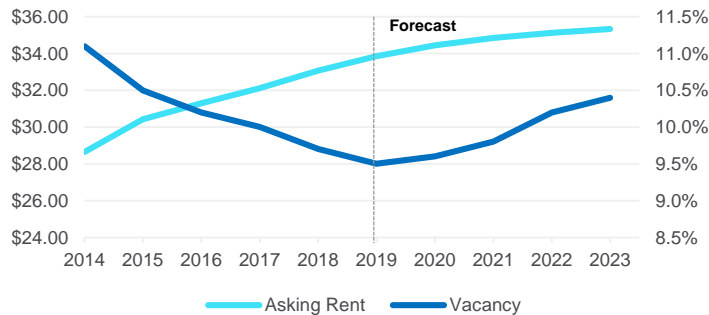
US Office Outlook

Technology sector remains a key driver of leasing demand, especially in strong growth markets

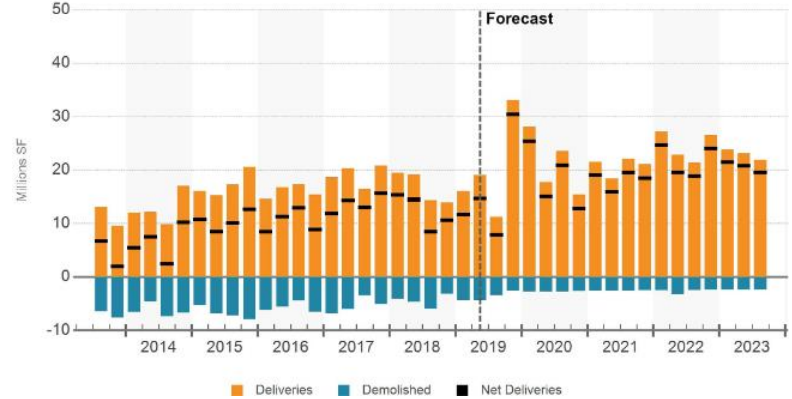
Overall Net Absorption⁽¹⁾



Overall Asking Rents & Vacancy⁽¹⁾



Deliveries & Demolitions⁽¹⁾



47.6m

Last 12M Net Absorption

65.1m

Last 12M Deliveries

2.3%

Last 12M Rent Growth

9.7%

Vacancy Rate

Strong Outlook for First Choice Submarkets

Submarket Property	Submarket Vacancy Rate (%)	Last 12M Deliveries (sf'000)	Last 12M absorption (sf'000)	Average Submarket Rent (US\$ p.a.)	Last 12M Rental Growth (%)	Projected Rental Growth (%)
Seattle, Bellevue CBD <i>The Plaza Buildings</i>	4.5	-	358.0	52.8	10.5	10.0
Seattle, Eastside <i>Bellevue Technology Center</i>	5.2	-	(36.9)	35.9	7.0	6.3
Seattle, Redmond <i>The Westpark Portfolio</i>	4.3	0.3	(152.0)	33.6 ⁽¹⁾	7.8	7.9
Sacramento, Folsom <i>Iron Point</i>	5.0	5.4	17.9	26.2	5.9	5.8
Denver, Northwest <i>Westmoor Center</i>	12.0	125.0	85.5	22.6	4.4	4.5
Austin, Northwest <i>Great Hills & Westech 360</i>	14.9	-	(1,100.0)	36.7	5.6	6.1
Houston, Galleria/Uptown <i>1800 West Loop</i>	16.5	-	(24.7)	32.1	0.8	0.5
Houston, Galleria/Bellaire <i>West Loop I & II</i>	13.8	5.0	28.6	25.3	2.1	2.0
Dallas, Las Colinas <i>One Twenty Five</i>	15.4	-	(73.5)	28.4	3.2	2.8
Atlanta, Cumberland/I-75 <i>Powers Ferry</i>	14.9	-	183.0	25.4	4.3	3.9
Atlanta, Central Perimeter <i>Northridge I & II</i>	15.1	36.0	(520.0)	28.8	3.7	3.1
Orlando, Maitland <i>Maitland Promenade I & II</i>	9.4	-	(121.0)	22.6	2.7	3.0



Lobby, The Plaza Buildings, Seattle, Washington

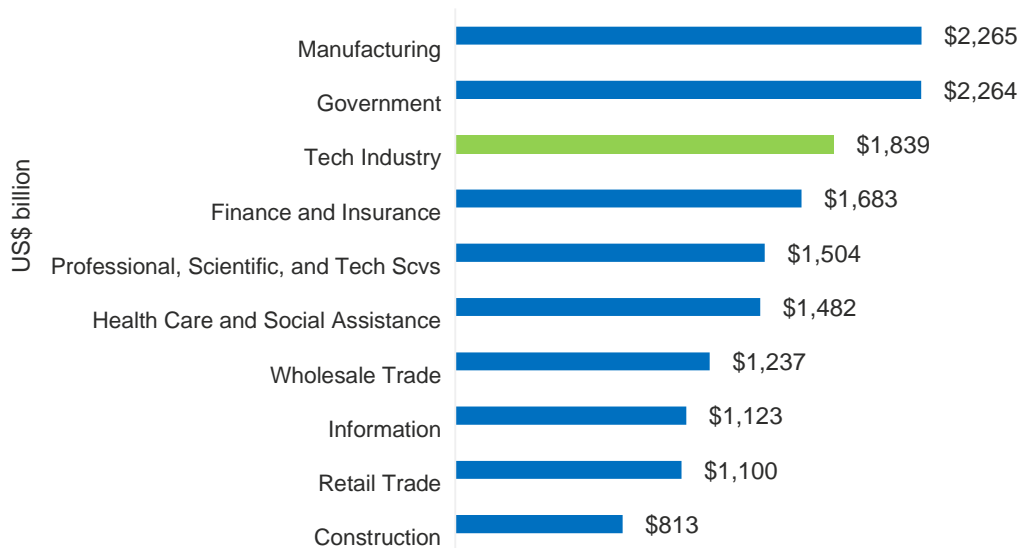
Tech hubs of Austin, Seattle and Denver make up ~60% of KORE's CRI

10.2%

Estimated direct contribution of the tech sector to the US economy

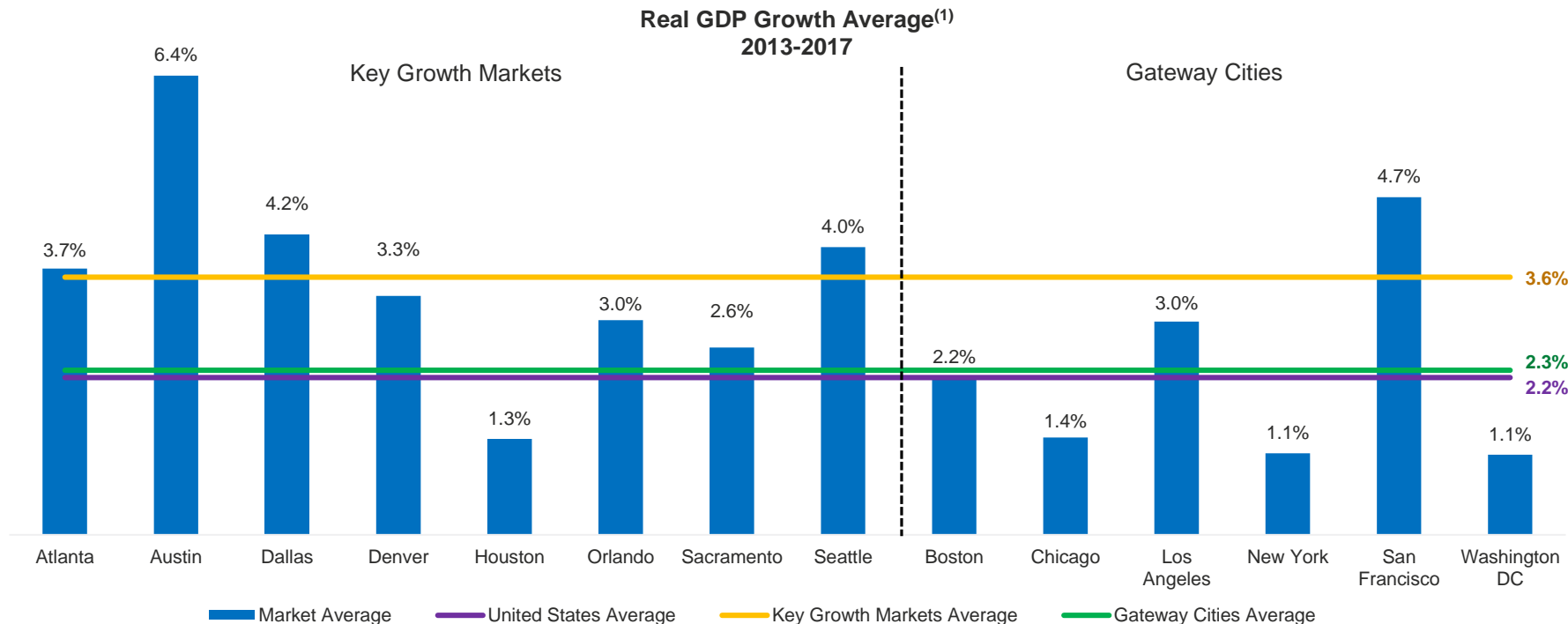
Technology – A Key Driver of US Growth and Leasing Demand

Ranking of Top 10 US Industry Sectors Gross Product (Economic Impact), 2018 est.



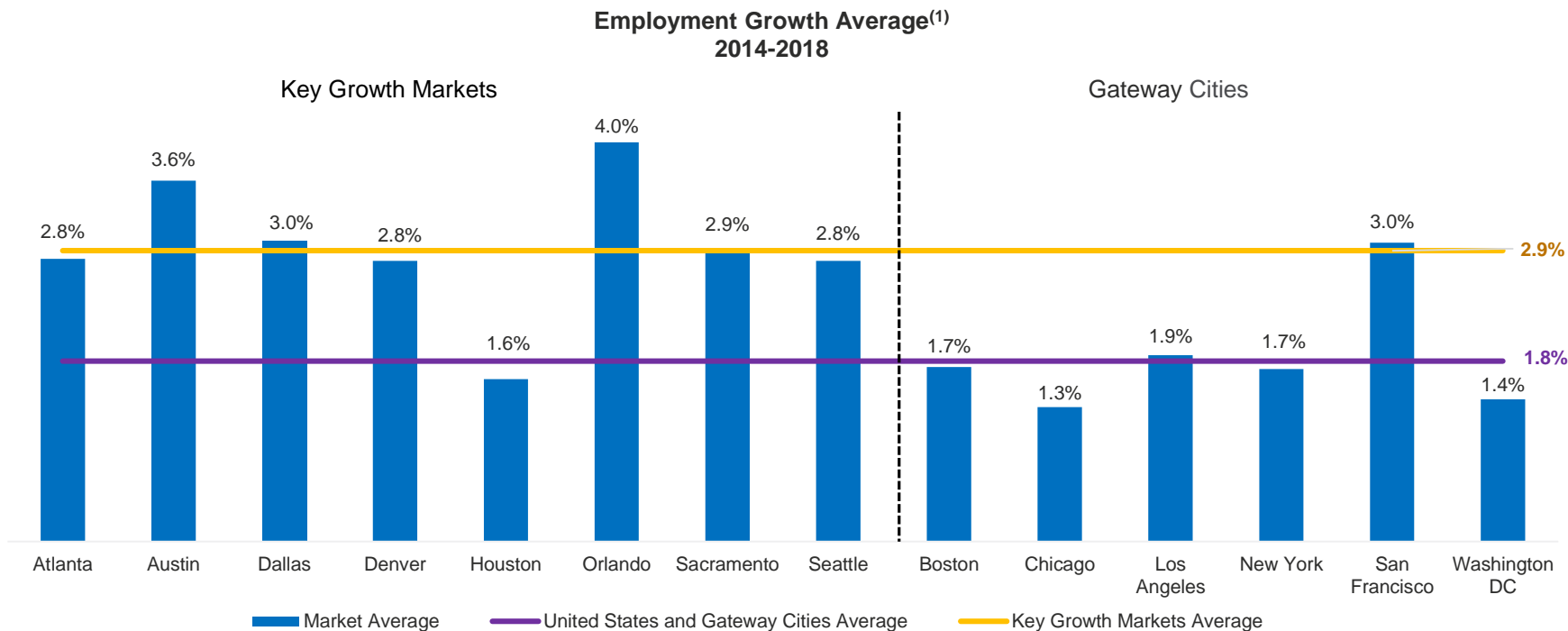
Positive Economics in KORE's Key Growth Markets

KORE's key growth markets outperformed national average over the last 5 years



Rising Employment in KORE's Key Growth Markets

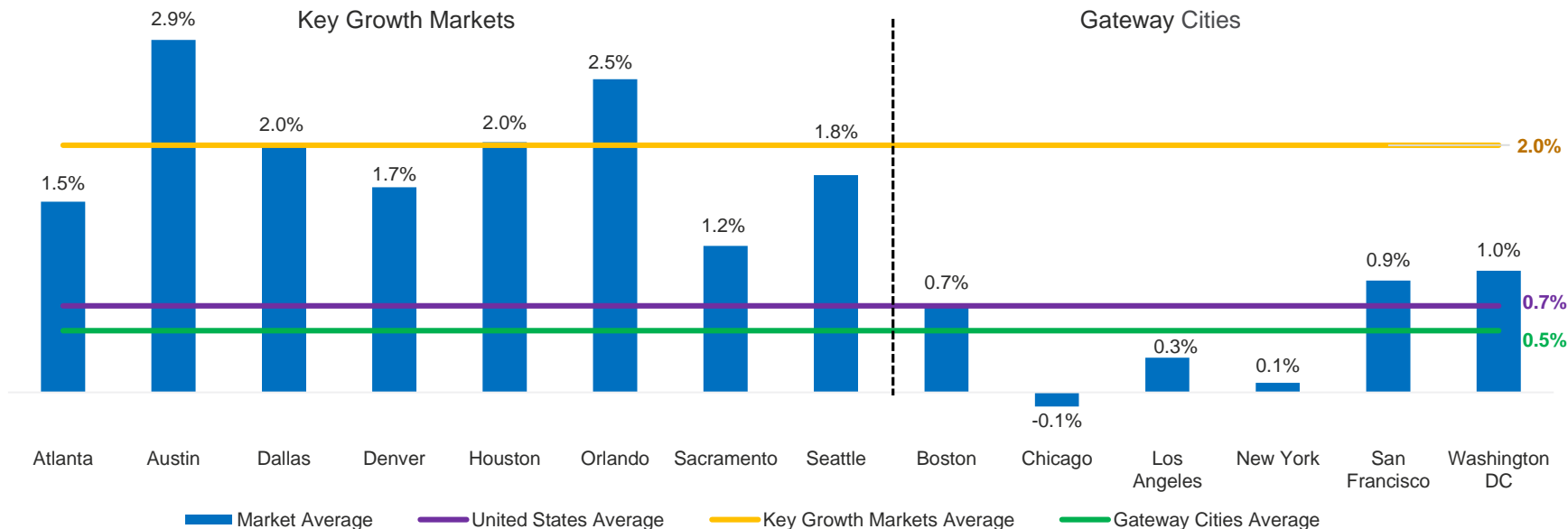
KORE's key growth markets outperformed national average over the last 5 years



Expanding Population in KORE's Key Growth Markets

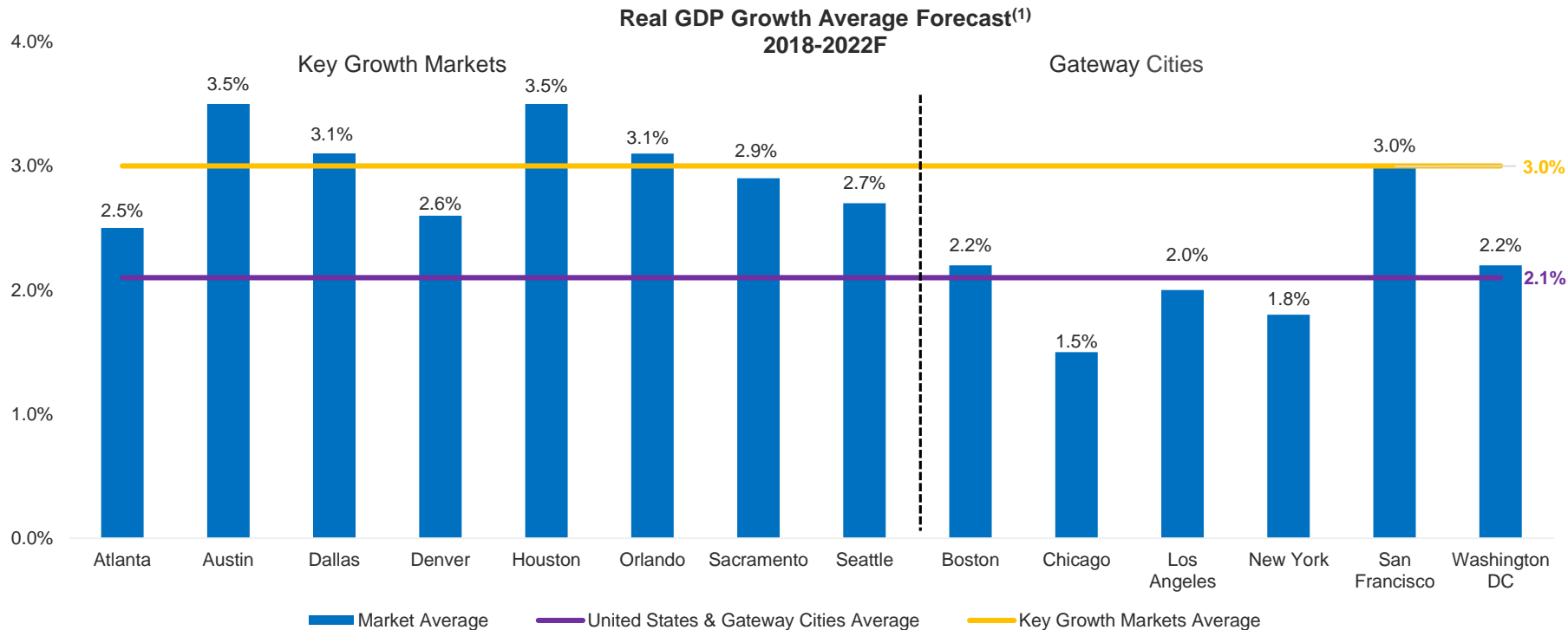
KORE's key growth markets outperformed national average over the last 5 years

Population Growth Average⁽¹⁾
2014-2018



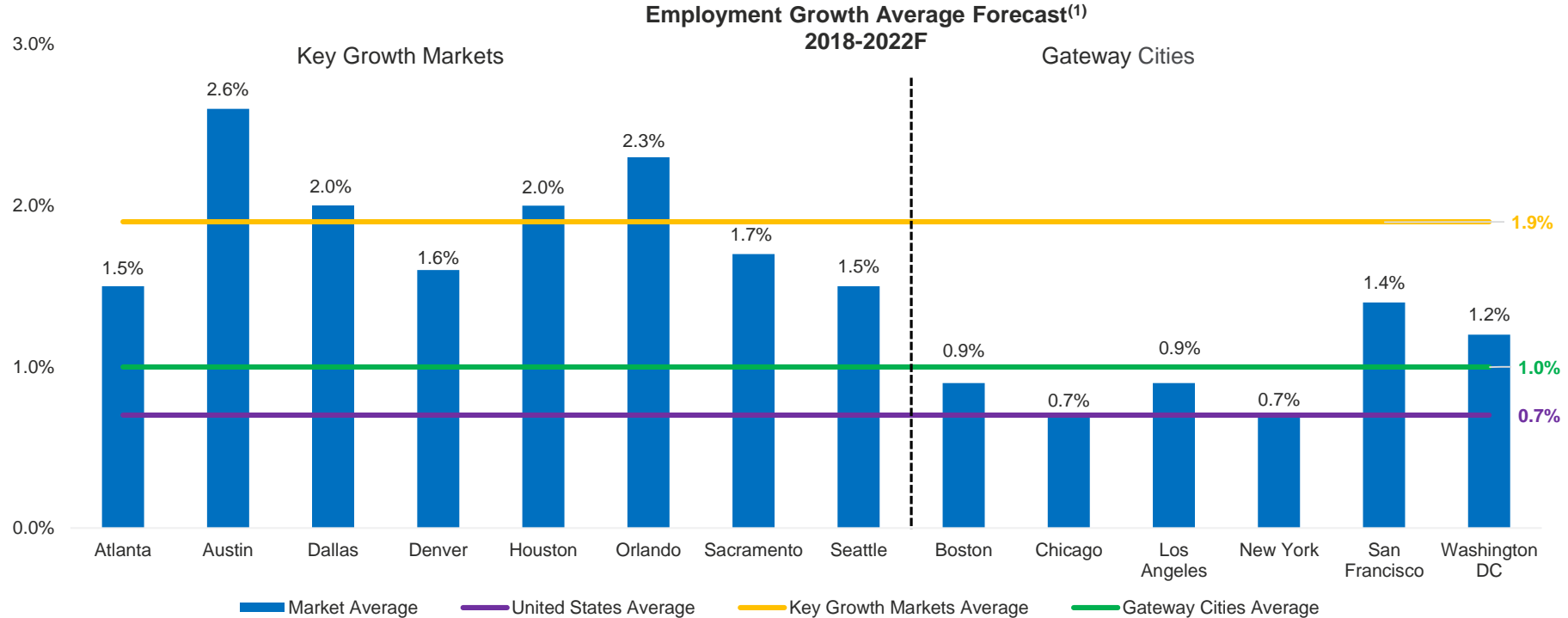
Positive Economic Outlook in KORE's Key Growth Markets

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



Focused on Delivering Stable Distributions and Long Term Value

Portfolio Optimisation

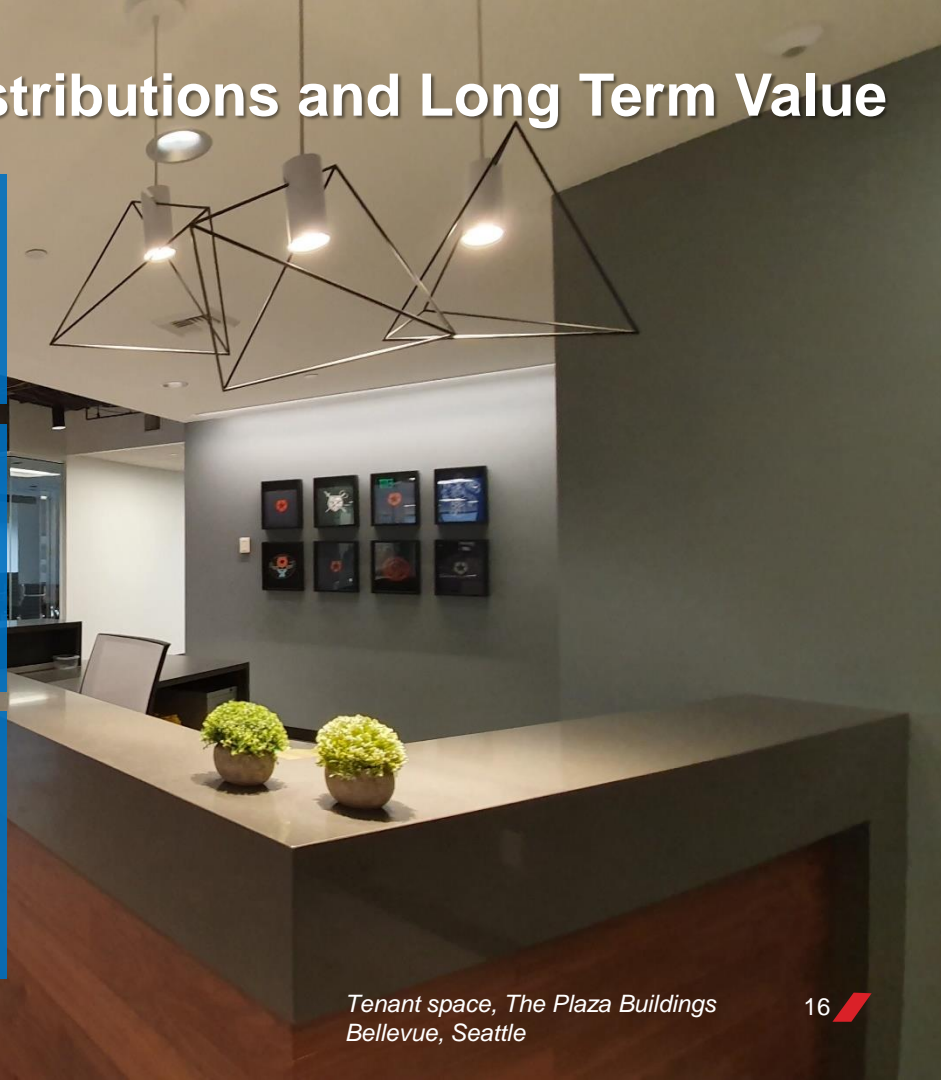
- Focused leasing strategy targeting growth sectors
- Proactive and effective asset management
- Maximise rental rates and capture positive rental reversions

Value Accretive Investments

- Pursue growth opportunities to create long term value
- Target key growth markets with strong office fundamentals
- Focus on first choice submarkets with strong macroeconomic growth indicators that outpace national average

Prudent Capital Management

- Effective hedging to mitigate impact of unfavourable interest rate movements
- Acquire funding at optimal costs
- Fortify balance sheet and maintain an optimal capital structure



Thank You

For more information, please visit

www.koreusreit.com

*Tenant space,
Westmoor Center
Denver, Colorado*

