UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 12, 2018

KBS STRATEGIC OPPORTUNITY REIT, INC.

(Exact name of registrant specified in its charter)

Maryland	**000-54382**	**26-3842535**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

800 Newport Center Drive, Suite 700
Newport Beach, California 92660
(Address of principal executive offices)

Registrant's telephone number, including area code: **(949) 417-6500**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 7.01 REGULATION FD DISCLOSURE

Information for KBS Strategic Opportunity REIT, Inc.'s (the "Company") stockholders regarding its estimated value per share and other distribution information are attached as Exhibit 99.3 and Exhibit 99.4 to this Current Report on Form 8-K.

The information in this Item 7.01 of Form 8-K and the attached Exhibit 99.3 and Exhibit 99.4 are furnished to the Securities and Exchange Commission ("SEC"), and shall not be deemed to be "filed" with the SEC for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

ITEM 8.01 OTHER EVENTS

Estimated Value Per Share

On November 12, 2018, the Company's board of directors approved an estimated value per share of the Company's common stock of $9.91 based on the estimated value of the Company's assets less the estimated value of the Company's liabilities, or net asset value, divided by the number of shares outstanding as of September 30, 2018, with the exception of an adjustment to the Company's net asset value to give effect to the November 12, 2018 authorization of a special dividend of $2.95 per share on the outstanding shares of common stock of the Company to the stockholders of record as of the close of business on November 12, 2018 (the "Special Dividend"). Excluding the Special Dividend, the Company's estimated value per share of common stock would be $12.86. Other than the authorization of the Special Dividend, there have been no material changes between September 30, 2018 and the date of this filing to the net values of the Company's assets and liabilities that impacted the overall estimated value per share. The Company is providing this estimated value per share to assist broker-dealers that participated in the Company's initial public offering in meeting their customer account statement reporting obligations under National Association of Securities Dealers Conduct Rule 2340 as required by the Financial Industry Regulatory Authority ("FINRA"). This valuation was performed in accordance with the provisions of and also to comply with Practice Guideline 2013–01, *Valuations of Publicly Registered Non-Listed REITs,* issued by the Investment Program Association ("IPA") in April 2013.

The Company's conflicts committee, composed of all of the Company's independent directors, is responsible for the oversight of the valuation process, including the review and approval of the valuation process and methodologies used to determine the Company's estimated value per share, the consistency of the valuation and appraisal methodologies with real estate industry standards and practices and the reasonableness of the assumptions used in the valuations and appraisals. The estimated value per share was based upon the recommendation and valuation prepared by KBS Capital Advisors LLC (the "Advisor"), the Company's external advisor. The Advisor's valuation of the Company's consolidated investments in real estate properties and two of its unconsolidated joint venture investments in real estate properties was based on (i) appraisals of such investments performed by third-party valuation firms and (ii) the contractual sale price less estimated selling credits, disposition costs and disposition fees of a portfolio of 21 office/flex/industrial buildings located in Redmond, Washington (the "Westpark Portfolio"), which was under contract as of September 30, 2018. Appraisals on (i) all of the Company's consolidated investments in real properties, excluding investments in undeveloped land and the Westpark Portfolio, and (ii) two of its unconsolidated investments in real estate properties were performed by Duff & Phelps, LLC ("Duff & Phelps"). Appraisals of the Company's investments in undeveloped land were performed by Colliers International Valuation & Advisory Services, LLC ("Colliers"). Duff & Phelps and Colliers, each an independent third-party valuation firm, also prepared appraisal reports, summarizing key inputs and assumptions, for each of the real estate properties they respectively appraised. The Advisor performed valuations with respect to the Company's real estate-related investments, one of its unconsolidated joint ventures, cash, other assets, mortgage debt and other liabilities. The methodologies and assumptions used to determine the estimated value of the Company's assets and the estimated value of the Company's liabilities are described further below.

The Advisor used the appraised values of the Company's real estate properties and, in the case of the Westpark Portfolio, the contractual sale price less estimated selling credits, disposition costs and disposition fees, together with the Advisor's estimated value of each of the Company's other assets and liabilities and adjusted for the impact of the Special Dividend, to calculate and recommend an estimated value per share of the Company's common stock. Upon (i) the conflicts committee's receipt and review of the Advisor's valuation report, including the Advisor's summary of the appraisal reports prepared by Duff & Phelps and Colliers and the Advisor's estimated value of each of the Company's other assets and the Company's liabilities, (ii) the conflicts committee's review of the reasonableness of the Company's estimated value per share resulting from the Advisor's valuation process, (iii) consideration of the Special Dividend and (iv) in light of other factors considered by the conflicts committee and the conflicts committee's own extensive knowledge of the Company's assets and liabilities, the conflicts committee concluded that the estimated value per share proposed by the Advisor was reasonable and recommended to the board of directors that it adopt $9.91 as the estimated value per share of the Company's common stock. At the special meeting of the board of directors, the board of directors unanimously agreed to accept the recommendation of the conflicts committee and approved $9.91 as the estimated value of the Company's common stock, which determination is ultimately and solely the responsibility of the board of directors.

The table below sets forth the calculation of the Company's estimated value per share as of November 12, 2018, as well as the calculation of the Company's prior estimated value per share as of December 7, 2017:

	November 12, 2018 Estimated Value per Share	December 7, 2017 Estimated Value per Share [1]	Change in Estimated Value per Share
Real estate properties [2]	$ 20.57	$ 30.83	$ (10.26)
Real estate equity securities [3]	1.82	0.90	0.92
Real estate debt securities	0.32	0.33	(0.01)
Cash	1.72	0.60	1.12
Investments in unconsolidated joint ventures [4]	3.61	3.26	0.35
Other assets	0.36	0.53	(0.17)
Mortgage debt [5]	(8.98)	(13.96)	4.98
Series A Debentures [6]	(5.00)	(5.54)	0.54
Advisor participation fee potential liability	(0.62)	(0.54)	(0.08)
Other liabilities	(0.57)	(0.71)	0.14
Non-controlling interest	(0.37)	(0.59)	0.22
Special Dividend authorized on December 7, 2017	—	(3.61)	3.61
Estimated value per share prior to November 12, 2018 Special Dividend authorization	$ 12.86	$ 11.50	$ 1.36
Estimated enterprise value premium	None assumed	None assumed	None assumed
Special Dividend authorized on November 12, 2018 [7]	(2.95)	—	(2.95)
Total estimated value per share	$ 9.91	$ 11.50	$ (1.59)

[1] The December 7, 2017 estimated value per share was based upon the recommendation and valuation of the Advisor. The Company engaged Duff & Phelps and Newmark Knight Frank Valuation & Advisory, LLC ("Newmark"), a division of Newmark Knight Frank to provide appraisals of the Company's real estate properties, investments in undeveloped land and two of its unconsolidated investments in real estate properties and the Advisor performed valuations of the Company's real estate-related investments, one of its unconsolidated joint ventures, cash, other assets, mortgage debt and other liabilities. For more information relating to the December 7, 2017 estimated value per share and the assumptions and methodologies used by Duff & Phelps, Newmark and the Advisor, see the Company's Current Report on Form 8-K filed with the SEC on December 13, 2017.

[2] The decrease in the estimated value of real estate properties was due to dispositions of real estate properties, partially offset by acquisitions of real estate and increases in fair values of the Company's real estate properties. The estimated value per share of the Company's real estate properties as of November 12, 2018 includes the Westpark Portfolio, which was under contract to sell as of September 30, 2018.

[3] The increase in the estimated value of real estate equity securities was due to acquisitions of real estate equity securities subsequent to September 30, 2017.

[4] The increase in the estimated value of investments in unconsolidated joint ventures was primarily due to an increase in fair values of the real estate held by the unconsolidated joint ventures, partially offset by a return of capital distribution from one joint venture.

[5] The decrease in mortgage debt was primarily due to repayments upon asset sales, partially offset by borrowings to fund acquisitions of real estate and capital expenditures on real estate. The estimated value per share of the Company's mortgage debt as of November 12, 2018 includes the mortgage debt expected to be repaid in connection with the sale of the Westpark Portfolio.

[6] Amount relates to Series A Debentures issued in Israel on March 8, 2016. The decrease is due to a decrease in fair value of the Series A Debentures, which are publicly traded on the Tel-Aviv Stock Exchange, and the change in foreign exchange rate of the Israeli new Shekel.

[7] On November 12, 2018, the Company's board of directors authorized the Special Dividend, which the Company expects to pay in December 2018. The Special Dividend is expected to paid in a combination of cash and stock with cash funded from the sale of real estate properties.

The increase in the Company's estimated value per share before the impact of the Special Dividend from the previous estimate was primarily due to the items noted below, which reflect the significant contributors to the increase in the estimated value per share from $11.50 to $12.86. The changes are not equal to the change in values of each real each asset and liability group presented in the table above due to real estate property acquisitions, dispositions, debt financings and other factors, which caused the value of certain asset or liability groups to change with no impact to the Company's fair value of equity or the overall estimated value per share.

	Change in Estimated Value per Share	
December 7, 2017 estimated value per share	$	11.50
Changes to estimated value per share		
Investments		
Real estate		1.31
Investments in unconsolidated joint ventures		0.64
Investments in debt and equity securities		(0.04)
Capital expenditures on real estate		(0.66)
Total change related to investments		1.25
Operating cash flows in excess of quarterly distributions declared [(1)]		0.16
Foreign currency gain		0.10
Selling, acquisition and financing costs [(2)]		(0.19)
Advisor disposition and acquisition fees [(3)]		(0.11)
Mortgage debt and Series A debentures		0.14
Self-Tender offer price discount [(4)]		0.10
Advisor Participation fee potential liability		(0.10)
Other		0.01
Total change in estimated value per share prior to November 12, 2018 Special Dividend declaration	$	1.36
Estimated value per share prior to November 12, 2018 Special Dividend declaration	$	12.86
Special Dividend [(5)]		(2.95)
November 12, 2018 estimated value per share	$	9.91

[(1)] Operating cash flow reflects modified funds from operations ("MFFO") adjusted to deduct capitalized interest expense, real estate taxes and insurance and add back the amortization of deferred financing costs. The Company computes MFFO in accordance with the definition included in the practice guideline issued by the IPA in November 2010.

[(2)] Selling, acquisition and financing costs include approximately $3.0 million, or $0.06 per share, for the anticipated Westpark Portfolio sale subsequent to September 30, 2018.

[(3)] Advisor disposition fees include approximately $1.7 million, or $0.03 per share, for the anticipated Westpark Portfolio sale subsequent to September 30, 2018.

[(4)] On June 1, 2018, the Company accepted 9,527,724 shares for a price of $10.93 per share or an aggregate of $104.1 million in connection with a self-tender, the result of which increases the estimated value per share, as the purchase price for shares under the self-tender was less than the estimated value per share.

[(5)] See footnote (7) to the table above.

As with any valuation methodology, the methodologies used are based upon a number of estimates and assumptions that may not be accurate or complete. Different parties using different assumptions and estimates could derive a different estimated value per share, and these differences could be significant. The estimated value per share is not audited and does not represent the fair value of the Company's assets less the fair value of the Company's liabilities according to U.S. generally accepted accounting principles ("GAAP"), nor does it represent a liquidation value of the Company's assets and liabilities or the price at which the Company's shares of common stock would trade at on a national securities exchange. The estimated value per share does not reflect a discount for the fact that the Company is externally managed, nor does it reflect a real estate portfolio premium/discount versus the sum of the individual property values. The estimated value per share also does not take into account estimated disposition costs and fees for real estate properties that are not under contract to sell, debt prepayment penalties that could apply upon the prepayment of certain of the Company's debt obligations or the impact of restrictions on the assumption of debt. The estimated value per share does consider any participation or incentive fees that would be due to the Advisor based on the aggregate net asset value of the Company and that would be payable in a hypothetical liquidation of the Company as of the valuation date in accordance with the terms of the Company's advisory agreement. As of November 12, 2018, the Company had no potentially dilutive securities outstanding that would impact the estimated value per share of the Company's common stock.

Methodology

The Company's goal for the valuation was to arrive at a reasonable and supportable estimated value per share, using a process that was designed to be in compliance with the IPA Valuation Guidelines and using what the Company and the Advisor deemed to be appropriate valuation methodologies and assumptions. The following is a summary of the valuation and appraisal methodologies, assumptions and estimates used to value the Company's assets and liabilities:

Real Estate

Independent Valuation Firm

Duff & Phelps[1] was selected by the Advisor and approved by the Company's conflicts committee to appraise all of the Company's consolidated investments in real estate properties, 110 William Street (defined below) and 353 Sacramento (defined below) but excluding the Company's investments in undeveloped land and the Westpark Portfolio. Colliers[2] was selected by the Advisor and approved by the Company's conflicts committee to appraise the Company's investments in undeveloped land. Duff & Phelps and Colliers are engaged in the business of appraising commercial real estate properties and are not affiliated with the Company or the Advisor. The compensation the Company pays to Duff & Phelps and Colliers is based on the scope of work and not on the appraised values of the Company's real estate properties. The appraisals were performed in accordance with the Code of Ethics and the Uniform Standards of Professional Appraisal Practice, or USPAP, the real estate appraisal industry standards created by The Appraisal Foundation, as well as the requirements of the state where each real property is located. Each appraisal was reviewed, approved and signed by an individual with the professional designation of MAI (Member of the Appraisal Institute). The use of the reports is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. In preparing their appraisal reports, Duff & Phelps and Colliers did not, and were not requested to, solicit third-party indications of interest for the Company's common stock in connection with possible purchases thereof or the acquisition of all or any part of the Company.

Duff & Phelps and Colliers collected all reasonably available material information that each deemed relevant in appraising the Company's real estate properties. Duff & Phelps relied in part on property-level information provided by the Advisor, including (i) property historical and projected operating revenues and expenses; (ii) property lease agreements; and (iii) information regarding recent or planned capital expenditures. Colliers was provided with land surveys and development plans and relied in part on such information.

In conducting their investigation and analyses, Duff & Phelps and Colliers took into account customary and accepted financial and commercial procedures and considerations as they deemed relevant. Although Duff & Phelps and Colliers reviewed information supplied or otherwise made available by the Company or the Advisor for reasonableness, they assumed and relied upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to them by any other party and did not independently verify any such information. With respect to operating or financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Duff & Phelps and Colliers, Duff & Phelps and Colliers assumed that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the Company's management, board of directors and/or the Advisor. Duff & Phelps and Colliers relied on the Company to advise them promptly if any information previously provided became inaccurate or was required to be updated during the period of their review.

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[1] Duff & Phelps is actively engaged in the business of appraising commercial real estate properties similar to those owned by the Company in connection with public securities offerings, private placements, business combinations and similar transactions. The Company engaged Duff & Phelps to deliver an appraisal report relating to all of the Company's consolidated investments in real estate properties, with the exception of the Company's investments in undeveloped land, and Duff & Phelps received fees upon the delivery of such report. In addition, the Company has agreed to indemnify Duff & Phelps against certain liabilities arising out of this engagement. In the five years prior to the date of this filing, Duff & Phelps and its affiliates have provided a number of commercial real estate, appraisal and valuation services for the Company and/or its affiliates and have received fees in connection with such services. Duff & Phelps and its affiliates may from time to time in the future perform other commercial real estate, appraisal and valuation services for the Company and its affiliates in transactions related to the properties that are the subjects of the appraisals, so long as such other services do not adversely affect the independence of the applicable Duff & Phelps appraiser as certified in the applicable appraisal reports.

[2] Colliers is actively engaged in the business of appraising commercial real estate properties similar to those owned by the Company in connection with public securities offerings, private placements, business combinations and similar transactions. The Company engaged Colliers to deliver appraisal reports relating to certain of the Company's investments in undeveloped land and Colliers received fees upon the delivery of such reports. In addition, the Company has agreed to indemnify Colliers against certain liabilities arising out of this engagement. Colliers and its affiliates are engaged in the ordinary course of business in many areas related to commercial real estate and related services. Colliers and its affiliates may from time to time in the future perform other commercial real estate, appraisal, valuation and financial advisory services for the Company and its affiliates in transactions related to the properties that are the subjects of the appraisals, so long as such other services do not adversely affect the independence of the applicable Colliers appraiser as certified in the applicable appraisal reports.

In performing their analyses, Duff & Phelps and Colliers made numerous other assumptions as of various points in time with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond their control and the Company's control, as well as certain factual matters. For example, unless specifically informed to the contrary, Duff & Phelps and Colliers assumed that the Company has clear and marketable title to each real estate property appraised, that no title defects exist, that any improvements were made in accordance with law, that no hazardous materials are present or were present previously, that no deed restrictions exist, and that no changes to zoning ordinances or regulations governing use, density or shape are pending or being considered. Furthermore, Duff & Phelps' and Colliers' analyses, opinions and conclusions were necessarily based upon market, economic, financial and other circumstances and conditions existing as of or prior to the date of the appraisal, and any material change in such circumstances and conditions may affect Duff & Phelps' and Colliers' analyses and conclusions. Duff & Phelps' and Colliers' appraisal reports contain other assumptions, qualifications and limitations that qualify the analyses, opinions and conclusions set forth therein. Furthermore, the prices at which the Company's real estate properties may actually be sold could differ from Duff & Phelps' and Colliers' analyses.

Although Duff & Phelps and Colliers considered any comments received from the Company or the Advisor to their appraisal reports, the final appraised values of the Company's real estate properties, with the exception of the Westpark Portfolio, were determined by Duff & Phelps and Colliers. The appraisal reports for the Company's real estate properties are addressed solely to the Company to assist the Advisor in calculating and recommending an updated estimated value per share of the Company's common stock. The appraisal reports are not addressed to the public and may not be relied upon by any other person to establish an estimated value per share of the Company's common stock and do not constitute a recommendation to any person to purchase or sell any shares of the Company's common stock. In preparing their appraisal reports, Duff & Phelps and Colliers did not solicit third-party indications of interest for the Company's real estate properties. While Duff & Phelps and Colliers are responsible for providing appraisals for the Company, Duff & Phelps and Colliers are not responsible for, did not calculate, and did not participate in the determination of the estimated value per share of the Company's common stock.

The foregoing is a summary of the standard assumptions, qualifications and limitations that generally apply to Duff & Phelps' and Colliers' appraisal reports. All of the Duff & Phelps and Colliers appraisal reports, including the analysis, opinions and conclusions set forth in such reports, are qualified by the assumptions, qualifications and limitations set forth in the respective appraisal reports.

Real Estate Valuation

Duff & Phelps and Colliers (in the case of the Company's ownership of undeveloped land) appraised each of the Company's real estate properties, with the exception of the Westpark Portfolio. Duff & Phelps and Colliers used various methodologies, as appropriate, such as the direct capitalization approach, discounted cash flow analyses and sales comparison approach. Duff & Phelps relied primarily on 10-year discounted cash flow analyses for the final valuations of each of the real estate properties (which exclude undeveloped land) and Colliers relied primarily on the sales comparison approach for the final valuations of the undeveloped land that it appraised. Duff & Phelps calculated the discounted cash flow value of the Company's real estate properties (which exclude undeveloped land) using property-level cash flow estimates, terminal capitalization rates and discount rates that fall within ranges they believe would be used by similar investors to value the properties the Company owns based on recent comparable market transactions adjusted for unique property and market-specific factors. Colliers relied primarily on the sales comparison approach and estimated the value of the undeveloped land based on the most applicable recent comparable market transactions.

As of September 30, 2018, the Company owned 14 real estate assets (consisting of six office properties, one office portfolio consisting of four office buildings and 14 acres of undeveloped land, one office/flex/industrial portfolio consisting of 21 buildings, one retail property, two apartment properties and three investments in undeveloped land with approximately 1,000 developable acres).

The Company obtained appraisals for 13 real estate assets (consisting of six office properties, one office portfolio consisting of four office buildings and 14 acres of undeveloped land, one retail property, two apartment properties and three investments in undeveloped land with approximately 1,000 developable acres). As of September 30, 2018, the total appraised value of the Company's consolidated real estate properties, excluding the Westpark Portfolio, as provided by Duff & Phelps and Colliers using the appraisal methods described above, was $950.2 million. The estimated value of the Westpark Portfolio, based on the contractual sales price less estimated selling credits, was $165.5 million. Based on the appraisal and valuation methodologies described above, the total estimated value of the Company's consolidated real estate properties was $1,115.7 million. The total cost basis of these properties as of September 30, 2018 was $916.4 million. This amount includes the acquisition cost of $799.8 million, $28.0 million for the acquisition of minority interests in joint ventures, $77.0 million in capital expenditures, leasing commissions and tenant improvements since inception and $11.6 million of acquisition fees and expenses as well as foreclosure costs. The total estimated real estate value as of September 30, 2018 compared to the total acquisition cost of the Company's real estate properties plus subsequent capital improvements through September 30, 2018 results in an overall increase in the real estate value of approximately 21.7%.

The following table summarizes the key assumptions that were used in the discounted cash flow models in order to arrive at the appraised real estate property values as well as the sales comparison range of values used to arrive at the appraised values for undeveloped land:

	Range in Values	Weighted-Average Basis
Consolidated Investments in Real Estate Properties (Excluding Undeveloped Land)		
Terminal capitalization rate	4.00% to 7.50%	6.66%
Discount rate	4.75% to 9.50%	7.83%
Net operating income compounded annual growth rate [1]	(2.69%) to 22.68%	5.60%
Undeveloped Land		
Price per acre [2]	$128,000 to $866,000	$139,000

[1] The net operating income compounded annual growth rates ("CAGRs") reflect both the contractual and market rents and reimbursements (in cases where the contractual lease period is less than the valuation period) net of expenses over the valuation period. The range of CAGRs shown is the constant annual rate at which the net operating income is projected to grow to reach the net operating income in the final year of the hold period for each of the properties.

[2] The weighted-average price per acre was primarily driven by the Company's two investments in undeveloped land with approximately 1,424 acres (approximately 1,000 developable acres) located in North Las Vegas, Nevada. The weighted-average price per acre for these two investments in undeveloped land was approximately $128,000.

While the Company believes that Duff & Phelps' and Colliers' assumptions and inputs are reasonable, a change in these assumptions and inputs would significantly impact the calculation of the appraised value of the Company's real estate properties and, thus, its estimated value per share. As of September 30, 2018, certain of the Company's real estate assets have non-stabilized occupancies. Appraisals may provide a sense of the value of the investment, but any appraisal of the property will be based on numerous estimates, judgments and assumptions that significantly affect the appraised value of the underlying property. An appraisal of a non-stabilized property, in particular, involves a high degree of subjectivity due to high vacancy levels and uncertainties with respect to future market rental rates and timing of lease-up and stabilization. Accordingly, different assumptions may materially change the appraised value of the property. The table below illustrates the impact on the estimated value per share if the terminal capitalization rates or discount rates were adjusted by 25 basis points, and assuming all other factors remain unchanged, with respect to the real estate properties referenced in the table above (excluding undeveloped land). Additionally, the table below illustrates the impact on the estimated value per share if the terminal capitalization rates or discount rates were adjusted by 5% in accordance with the IPA guidance:

	Increase (Decrease) on the Estimated Value per Share due to			
	Decrease of 25 basis points	Increase of 25 basis points	Decrease of 5%	Increase of 5%
Terminal capitalization rates	$ 0.29	$ (0.27)	$ 0.37	$ (0.33)
Discount rates	0.22	(0.22)	0.33	(0.32)

The table below illustrates the impact on the estimated value per share if the price per acre of the investments in undeveloped land was adjusted by 5%:

	Increase (Decrease) on the Estimated Value per Share due to	
	Decrease of 5%	Increase of 5%
Price per acre	$ (0.15)	$ 0.15

Investments in Unconsolidated Joint Ventures

As of September 30, 2018, the Company held three investments in unconsolidated joint ventures including 110 William Street, 353 Sacramento and the NIP Joint Venture.

110 William Street is an office property containing 928,157 rentable square feet located in New York, New York and the Company holds a 60% interest in a joint venture that owns 110 William Street. The appraised value of 110 William Street as provided by Duff & Phelps was $519.0 million. The Advisor relied on the appraised value provided by Duff & Phelps along with the fair value of other assets and liabilities as determined by the Advisor, and then calculated the amount that the Company would receive in a hypothetical liquidation of the real estate at the appraised value and the other assets and liabilities at their fair values based on the profit participation thresholds contained in the joint venture agreement. The resulting amount was the fair value assigned to the Company's 60% interest in this unconsolidated joint venture. As of September 30, 2018, the carrying value and estimated fair value of the Company's investment in this unconsolidated joint venture were $2.4 million and $134.8 million, respectively.

Duff & Phelps relied on a 10-year discounted cash flow analyses for the final valuation of 110 William Street. The terminal capitalization rate, discount rate and CAGR used in the discounted cash flow model to arrive at the appraised value were 5.50%, 6.75% and 14.55%, respectively.

353 Sacramento is an office building containing 284,751 rentable square feet located in San Francisco, California and the Company holds a 55% interest in a joint venture that owns 353 Sacramento. The appraised value of 353 Sacramento as provided by Duff & Phelps was $201.8 million. The Advisor relied on the appraised value provided by Duff & Phelps along with the fair value of other assets and liabilities as determined by the Advisor, and then calculated the amount that the Company would receive in a hypothetical liquidation of the real estate at the appraised value and the other assets and liabilities at their fair values based on the profit participation thresholds contained in the joint venture agreement. The resulting amount was the fair value assigned to the Company's 55% interest in this unconsolidated joint venture. As of September 30, 2018, the carrying value and estimated fair value of the Company's investment in this unconsolidated joint venture were $43.4 million and $59.4 million, respectively.

Duff & Phelps relied on a 10-year discounted cash flow analyses for the final valuation of 353 Sacramento. The terminal capitalization rate, discount rate and CAGR used in the discounted cash flow model to arrive at the appraised value were 5.50%, 7.50% and 14.82%, respectively.

The table below illustrates the impact on the estimated value per share if the terminal capitalization rates or discount rates were adjusted by 25 basis points, and assuming all other factors remain unchanged, with respect to 110 William Street and 353 Sacramento. Additionally, the table below illustrates the impact on the estimated value per share if the terminal capitalization rates or discount rates for 110 William Street and 353 Sacramento were adjusted by 5% in accordance with the IPA guidance:

	Increase (Decrease) on the Estimated Value per Share due to			
	Decrease of 25 basis points	Increase of 25 basis points	Decrease of 5%	Increase of 5%
Terminal capitalization rates	$ 0.18	$ (0.16)	$ 0.19	$ (0.18)
Discount rates	0.11	(0.11)	0.16	(0.15)

The Company also holds an interest of less than 5% in a joint venture which has invested in a portfolio of industrial properties (the "NIP Joint Venture"), and was valued by the Advisor using a discounted cash flow analysis of the expected distributions to the Company. The cash flow estimates used in the analysis were based on the Company's participation interest in the estimated cash flows available after paying debt service through ultimate liquidation of the NIP Joint Venture as described in the joint venture agreement. The cash flow estimates of the NIP Joint Venture were reviewed by the Advisor. As of September 30, 2018, the carrying value and estimated fair value of the Company's investment in this unconsolidated joint venture were $1.5 million and $1.7 million, respectively. The estimated value of the Company's investment in this unconsolidated joint venture for purposes of the Company's estimated value per share was calculated by applying an 8.50% discount rate to the estimated cash flows for a total value of $0.03 per share. Assuming all other factors remain unchanged, a decrease or increase in the discount rates of 25 basis points would have no impact on the estimated value per share. Additionally, a 5% decrease or increase in the discount rates would have no impact on the estimated value per share.

Real Estate Equity Securities

As of September 30, 2018, the Company owned three investments in real estate equity securities. The estimated value of the Company's real estate equity securities is equal to the GAAP fair value disclosed in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, which also equals the book value of the real estate equity securities in accordance with GAAP. As of September 30, 2018, the Company owned 3,722,019 shares of Whitestone REIT and 1,576,809 shares of Franklin Street Properties Corp. The fair values of these real estate equity securities were based on quoted prices in an active market on a major stock exchange. As of September 30, 2018, the Company owned 43,999,500 shares of common units of Keppel-KBS US REIT. The fair value measurement on 21,999,750 shares was based on a quoted price in an active market on a major stock exchange. The fair value measurement on the remaining 21,999,750 shares, which the Company agreed not to sell, transfer or assign until November 8, 2018 (the "Unit Lockout Period"), was based on a quoted price in an active market on a major stock exchange, adjusted for the lack of marketability during the Unit Lockout Period. The estimated value of the shares was determined using inputs, including the quoted stock price, risk-free rate and expected volatility. As of September 30, 2018, the fair value and carrying value of the Company's real estate equity securities was $98.7 million.

Real Estate Debt Securities

As of September 30, 2018, the Company owned an investment in real estate debt securities. The estimated value of the Company's real estate debt securities is equal to the GAAP fair value disclosed in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, but does not equal the book value of the real estate debt securities in accordance with GAAP. The estimated value of the Company's real estate debt securities was determined using an internal valuation model that considers the expected cash flows for the loans, underlying collateral values (for collateral dependent loans) and estimated yield requirements of institutional investors for real estate debt securities with similar characteristics, including remaining loan term, loan-to-value, type of collateral and other credit enhancements. As of September 30, 2018, the fair value and carrying value of the Company's real estate debt securities was $17.5 million and $17.9 million, respectively. The discount rate applied to the cash flow from the real estate debt securities, which have a remaining term of 1.1 years, was approximately 13.25%. Similar to the appraisals of the Company's real estate properties, a change in the assumptions and inputs would change the fair value of the Company's real estate debt securities and thus, could change the Company's estimated NAV per share. Assuming all other factors remain unchanged, a decrease or increase in the discount rates of 25 basis points would have no impact on the Company's estimated net asset value per share. Additionally, assuming all other factors remain unchanged, a 5% decrease or increase in the discount rates would have no impact on the Company's estimated net asset value per share.

Notes Payable

The estimated values of the Company's notes payable are equal to the GAAP fair values disclosed in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, but do not equal the book value of the loans in accordance with GAAP. The estimated values of the Company's notes payable were determined using a discounted cash flow analysis. The cash flows were based on the remaining loan terms, including extensions the Company expects to exercise, and on management's estimates of current market interest rates for instruments with similar characteristics, including remaining loan term, loan-to-value ratio and type of collateral.

As of September 30, 2018, the GAAP fair value and carrying value of the Company's notes payable were $487.2 million and $479.3 million, respectively. The weighted-average discount rate applied to the future estimated debt payments, which have a weighted-average remaining term of 2.3 years, was approximately 4.34%. The table below illustrates the impact on the Company's estimated value per share if the discount rates were adjusted by 25 basis points, and assuming all other factors remain unchanged, with respect to the Company's notes payable. Additionally, the table below illustrates the impact on the estimated value per share if the discount rates were adjusted by 5% in accordance with the IPA guidance:

	Increase (Decrease) on the Estimated Value per Share due to			
	Decrease of 25 basis points	Increase of 25 basis points	Decrease of 5%	Increase of 5%
Discount rates	$ (0.04)	$ 0.04	$ (0.04)	$ 0.04

Series A Debentures

The Company's Series A Debentures are publicly traded on the Tel-Aviv Stock Exchange. The estimated value of the Company's Series A Debentures is based on the quoted bond price as of September 30, 2018 on the Tel-Aviv Stock Exchange of 101.7% of face value (excluding accured interest expense) and foreign currency exchange rates as of September 30, 2018. The increase in estimated value per share attributable to the Company's Series A Debentures is due to an decrease in fair value of the Series A Debentures and the change in foreign exchange rate of the Israeli new Shekel. As of September 30, 2018, the fair value and GAAP carrying value of the Company's Series A debentures were $271.4 million and $261.8 million, respectively.

Non-controlling Interest

The Company has an ownership interest in four consolidated joint ventures as of September 30, 2018. As the Company consolidates these joint ventures, the entire amount of the underlying assets and liabilities are reflected at their fair values in the corresponding line items of the estimated value per share calculation. As a result, the Company also must consider the fair value of any non-controlling interest liability as of September 30, 2018. In determining this fair value, the Company considered the various profit participation thresholds in each of the joint ventures that must be measured in determining the fair value of the Company's non-controlling interest liability. The Company used the real estate appraisals provided by Duff & Phelps and Colliers and calculated the amount that the joint venture partners would receive in a hypothetical liquidation of the underlying real estate properties (including all current assets and liabilities) at their current appraised values and the payoff of any related debt at its fair value, based on the profit participation thresholds contained in the joint venture agreements. The estimated payment to the joint venture partners was then reflected as the non-controlling interest liability in the Company's calculation of its estimated value per share.

Participation Fee Potential Liability Calculation

In accordance with the advisory agreement with the Advisor, the Advisor is entitled to receive a participation fee equal to 15.0% of the Company's net cash flows, whether from continuing operations, net sale proceeds or otherwise, after the Company's stockholders have received, together as a collective group, aggregate distributions (including distributions that may constitute a return of capital for federal income tax purposes) sufficient to provide (i) a return of their net invested capital, or the amount calculated by multiplying the total number of shares purchased by stockholders by the issue price, reduced by any amounts to repurchase shares pursuant to the Company's share redemption program, and (ii) a 7.0% per year cumulative, noncompounded return on such net invested capital. Net sales proceeds means the net cash proceeds realized by the Company after deduction of all expenses incurred in connection with a sale, including disposition fees paid to the Advisor. The 7.0% per year cumulative, noncompounded return on net invested capital is calculated on a daily basis. In making this calculation, the net invested capital is reduced to the extent distributions in excess of a cumulative, noncompounded, annual return of 7.0% are paid (from whatever source), except to the extent such distributions would be required to supplement prior distributions paid in order to achieve a cumulative, noncompounded, annual return of 7.0% (invested capital is only reduced as described in this sentence; it is not reduced simply because a distribution constitutes a return of capital for federal income tax purposes). The 7.0% per year cumulative, noncompounded return is not based on the return provided to any individual stockholder. Accordingly, it is not necessary for each of the Company's stockholders to have received any minimum return in order for the Advisor to participate in the Company's net cash flows. In fact, if the Advisor is entitled to participate in the Company's net cash flows, the returns of the Company's stockholders will differ, and some may be less than a 7.0% per year cumulative, noncompounded return. This fee is payable only if the Company is not listed on an exchange. For purposes of determining the estimated value per share, the Advisor calculated the potential liability related to this incentive fee based on a hypothetical liquidation of the assets and liabilities at their estimated fair values, after considering the impact of any potential closing costs and fees related to the disposition of real estate properties. The Advisor estimated the fair value of this liability to be $33.8 million or $0.62 per share as of the valuation date, and included the impact of this liability in its calculation of the Company's estimated value per share.

Other Assets and Liabilities

The carrying values of a majority of the Company's other assets and liabilities are considered to equal their fair value due to their short maturities or liquid nature. Certain balances, such as straight-line rent receivables, lease intangible assets and liabilities, accrued capital expenditures, deferred financing costs, unamortized lease commissions and unamortized lease incentives, have been eliminated for the purpose of the valuation due to the fact that the value of those balances were already considered in the valuation of the related asset or liability. The Advisor has also excluded redeemable common stock as temporary equity does not represent a true liability to the Company and the shares that this amount represents are included in the Company's total outstanding shares of common stock for purposes of calculating the estimated value per share of the Company's common stock.

Different parties using different assumptions and estimates could derive a different estimated value per share, and these differences could be significant. The value of the Company's shares will fluctuate over time in response to developments related to individual assets in the Company's portfolio and the management of those assets and in response to the real estate and finance markets.

Limitations of Estimated Value Per Share

As mentioned above, the Company is providing this estimated value per share to assist broker dealers that participated in the Company's initial public offering in meeting their customer account statement reporting obligations. This valuation was performed in accordance with the provisions of and also to comply with IPA valuation guidelines.The estimated value per share set forth above will first appear on the November 30, 2018 customer account statements that will be mailed in December 2018. As with any valuation methodology, the methodologies used are based upon a number of estimates and assumptions that may not be accurate or complete. Different parties with different assumptions and estimates could derive a different estimated value per share. The estimated value per share is not audited and does not represent the fair value of the Company's assets less the fair value of the Company's liabilities according to GAAP.

Accordingly, with respect to the estimated value per share, the Company can give no assurance that:

- a stockholder would be able to resell his or her shares at this estimated value per share;
- a stockholder would ultimately realize distributions per share equal to the Company's estimated value per share upon liquidation of the Company's assets and settlement of its liabilities or a sale of the Company;
- the Company's shares of common stock would trade at the estimated value per share on a national securities exchange;
- an independent third-party appraiser or other third-party valuation firm would agree with the Company's estimated value per share; or
- the methodology used to calculate the Company's estimated value per share would be acceptable to FINRA or for compliance with ERISA reporting requirements.

Further, the estimated value per share as of November 12, 2018 is based on the estimated value of the Company's assets less the estimated value of the Company's liabilities divided by the number of shares outstanding, all as of September 30, 2018, after giving effect to the Special Dividend. The value of the Company's shares will fluctuate over time in response to developments related to individual assets in the Company's portfolio and the management of those assets and in response to the real estate and finance markets. The estimated value per share does not reflect a discount for the fact that the Company is externally managed, nor does it reflect a real estate portfolio premium/discount versus the sum of the individual property values. The estimated value per share does not take into account estimated disposition costs and fees for real estate properties that are not held for sale or under contract for sale, debt prepayment penalties that could apply upon the prepayment of certain of the Company's debt obligations or the impact of restrictions on the assumption of debt. The estimated value per share does consider any participation or incentive fees that would be due to the Advisor based on the aggregate net asset value of the Company which would be payable in a hypothetical liquidation of the Company as of the valuation date in accordance with the terms of the Company's advisory agreement. The Company currently expects to utilize the Advisor and/or an independent valuation firm to update the estimated value per share no later than December 2019.

Special Dividend

As described above, on November 12, 2018, the Company's board of directors authorized a Special Dividend of $2.95 per share of common stock payable in either shares of common stock of the Company or cash to, and at the election of, the stockholders of record as of November 12, 2018 (the "Record Date"). The Special Dividend will be paid in December 2018 to stockholders of record as of the close of business on the Record Date. If stockholders elect all cash, their election will be subject to adjustment such that the aggregate amount of cash to be distributed by the Company will be a maximum of 20% of the total Special Dividend (the "Maximum Cash Distribution"), with the remainder to be paid in shares of common stock. The aggregate amount of cash paid by the Company pursuant to the Special Dividend and the actual number of shares of common stock issued pursuant to the Special Dividend will depend upon the number of stockholders electing cash or stock and whether the Maximum Cash Distribution is met.

In order to ensure that the Company maintains its status as a real estate investment trust ("REIT"), the Company must distribute at least 90% of its "real estate investment trust taxable income" each year, and distribute all of its "real estate investment trust taxable income" and "net capital gain" in order to avoid corporate level tax. The Special Dividend is being made primarily in connection with a deemed sale of land to a taxable REIT subsidiary, which we expect to trigger a significant amount of capital gain in 2018. The Special Dividend payment, including both cash and stock portions, is expected to generally be taxed as a capital gain distribution to stockholders. The tax due on such dividend may exceed the amount of cash, if any, distributed to stockholders as part of the Special Dividend. Stockholders are advised to consult their tax advisors regarding the tax consequences of the Special Dividend in light of his or her particular investment or tax circumstances.

Stockholders will have the right to elect, on or prior to December 7, 2018 (the "Election Deadline"), to be paid their pro rata portion of the Special Dividend all in common stock (a "Share Election") or all in cash (a "Cash Election"), provided, however, that the total amount of cash payable to all stockholders in the Special Dividend is subject to the Maximum Cash Distribution, as described above, with the balance of the Special Dividend payable in the form of common stock. Stockholders failing to timely return a properly completed election form before the Election Deadline will be deemed to have made a Cash Election ("Default Elections"). If the aggregate amount of stockholder Cash Elections and Default Elections exceeds the Maximum Cash Distribution, then the payment of cash will be made on a pro rata basis to such stockholders such that the aggregate amount paid in cash to all stockholders equals the Maximum Cash Distribution. Because the aggregate amount of cash to be distributed by the Company is 20% of the total Special Dividend, the likely result of a Cash Election or Default Election is the receipt of 20% cash and 80% shares of common stock, unless a significant number of stockholders make the Share Election.

Stockholders making a Share Election will receive the Special Dividend solely in shares of common stock. With respect to any portion of the Special Dividend that is paid to any stockholder in shares of common stock, the number of shares of common stock issued will be equal to the dollar amount of such portion of the Special Dividend divided by the estimated value per share of the Company's common stock determined within two weeks of payment (which the Company expects will be unchanged from the November 12, 2018 estimated value per share disclosed in this Current Report on Form 8-K).

Election forms will be mailed to all stockholders beginning on or shortly after November 19, 2018 and must be returned on or before the Election Deadline to be effective. Election forms are not available for download from our website. A letter to stockholders and short question and answer sheet are being mailed to stockholders with the election forms. The letter to stockholders and question and answer sheet are attached hereto as Exhibit 99.3, and are incorporated herein by reference.

Dividend Reinvestment Plan

In accordance with its dividend reinvestment plan, at such time as the Company announces an updated estimated value per share, participants in the dividend reinvestment plan will acquire shares of common stock under the plan at a price equal to the updated estimated value per share of the Company's common stock. The updated estimated value per share of the Company's common stock is $9.91, and commencing on the next purchase date, which the Company expects to be the first quarter of 2019, participants will acquire shares under the dividend reinvestment plan at $9.91 per share. The Company's board of directors has determined that any portion of the Special Dividend that is paid in cash in December 2018 will not be used to purchase additional shares under the dividend reinvestment plan.

If a participant wishes to terminate participation in the dividend reinvestment plan effective as of the next purchase date, participants must notify the Company in writing of such decision, and the Company must receive the notice at least four business days prior to the last business day prior to the next purchase date.

Notice of termination should be sent by facsimile to (877) 593-1115 or by mail to:

Regular Mail	*Overnight Address*
KBS Strategic Opportunity REIT, Inc. c/o DST Systems, Inc. PO Box 219015 Kansas City, MO 64121-9015	KBS Strategic Opportunity REIT, Inc. c/o DST Systems, Inc. 430 W. 7th Street Kansas City, MO 64105

Share Redemption Program

In accordance with the Company's share redemption program, except for redemptions made upon a stockholder's death, "qualifying disability" or "determination of incompetence" (each as defined in the share redemption program), the price at which the Company will redeem shares is 95% of the Company's most recent estimated value per share as of the applicable redemption date. Upon the death, "qualifying disability" or "determination of incompetence" of a stockholder, the redemption price will continue to be equal to the Company's most recent estimated value per share.

Generally, the Company redeems all shares in connection with a stockholder's death, "qualifying disability" or "determination of incompetence" on the last business day of each month and redeems all other shares on the last business day of the quarter. However, as a result of the pending issuance of shares as a result of the Special Dividend to be paid in December 2018, the Company's board of directors has determined to delay the processing of redemptions that would otherwise occur on the last business day of November 2018 under the share redemption program until the last business day of December 2018. Any submission or withdrawal deadlines associated with such delayed redemptions shall be similarly moved to their corresponding dates in December 2018.

On November 12, 2018, the Company's board of directors approved an estimated value per share of the Company's common stock after the impact of the Special Dividend of $9.91. The redemption prices based on the estimated value per share of $9.91 will be effective for the December 2018 redemption date, which is December 31, 2018. Excluding redemption requests made upon a stockholder's death, "qualifying disability" or "determination of incompetence," the redemption price is $9.41 per share. For a stockholder's shares to be eligible for redemption in a given month or to withdraw a redemption request, the Company must receive a written notice from the stockholder or from an authorized representative of the stockholder in good order and on a form approved by the Company at least five business days before the redemption date, or by December 21, 2018 in the case of the December 31, 2018 redemption date.

Historical Estimated Values per Share

The historical reported estimated values per share of the Company's common stock approved by the board of directors are set forth below:

Estimated Value per Share	Effective Date of Valuation	Filing with the Securities and Exchange Commission
$11.50	December 7, 2017	Current Report on Form 8-K, filed December 13, 2017
$14.81	December 8, 2016	Current Report on Form 8-K, filed December 15, 2016
$13.44	December 8, 2015	Current Report on Form 8-K, filed December 10, 2015
$12.24	December 9, 2014	Current Report on Form 8-K, filed December 11, 2014
$11.27	March 25, 2014	Current Report on Form 8-K, filed March 27, 2014

Forward-Looking Statements

The foregoing includes forward-looking statements within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements regarding the intent, belief or current expectations of the Company and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Further, forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. Actual results may differ materially from those contemplated by such forward-looking statements. The valuation methodology for the Company's real estate properties assumes the properties realize the projected cash flows and expected exit cap rates and that investors would be willing to invest in such properties at yields equal to the expected discount rates. Though the valuation estimates used in calculating the estimated value per share are Duff & Phelps', Colliers' or the Company's and/or the Advisor's best estimates as of November 12, 2018, the Company can give no assurance in this regard. These statements also depend on factors such as: future economic, competitive and market conditions; the Company's ability to maintain occupancy levels and rental rates at its real estate properties; the borrowers under the Company's real estate debt securities investment continuing to make required payments; and other risks identified in Part I, Item IA of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent periodic reports, as filed with the SEC. Actual events may cause the value and returns on the Company's investments to be less than that used for purposes of the Company's estimated value per share.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d)	**Exhibits**
Ex.	**Description**
99.1	Consent of Duff & Phelps, LLC
99.2	Consent of Colliers International
99.3	Letter to Stockholders Regarding Special Dividend, including Questions and Answers
99.4	Presentation to Stockholders

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KBS STRATEGIC OPPORTUNITY REIT, INC.

Dated: November 14, 2018

BY: /s/ Jeffrey K. Waldvogel

Jeffrey K. Waldvogel

Chief Financial Officer, Treasurer and Secretary

Exhibit 99.1

CONSENT OF INDEPENDENT VALUATION EXPERT

We hereby consent to the reference to our name and description of our role in the valuation process of certain commercial real estate assets of KBS Strategic Opportunity REIT, Inc. (the "Company") being included or incorporated by reference into the Company's Registration Statement on Form S-3 (File No. 333-156633) and the related prospectus, included therein, by being filed on a Current Report on Form 8-K, to be filed on the date hereof. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act of 1933, as amended.

November 14, 2018

/s/ Duff & Phelps, LLC

Duff & Phelps, LLC

Exhibit 99.2

CONSENT OF INDEPENDENT VALUATION EXPERT

We hereby consent to the reference to our name and description of our role in the valuation process of certain commercial real estate assets of KBS Strategic Opportunity REIT, Inc. (the "Company") being included or incorporated by reference into the Company's Registration Statement on Form S-3 (File No. 333-156633) and the related prospectus, included therein, by being filed on a Current Report on Form 8-K, to be filed on the date hereof. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act of 1933, as amended.

November 14, 2018

/s/ Colliers International Valuation & Advisory Services, LLC

Colliers International Valuation & Advisory Services, LLC

Exhibit 99.3

November 14, 2018

Dear KBS Strategic Opportunity REIT Stockholder:

You are receiving this letter and the enclosed Questions and Answers ("Q&A") and Election Form in connection with the special dividend declared by the Board of Directors of KBS Strategic Opportunity REIT, Inc. (the "Company") on November 12, 2018, of $2.95 per share of common stock, par value $0.01 per share, of the Company. The special dividend is payable to the Company's stockholders as of the close of business on November 12, 2018 (the "Record Date"). The special dividend is payable in the form of either (1) cash or (2) shares of the Company's common stock, at the election of Company stockholders; provided that the aggregate amount of cash to be distributed by the Company will be limited to a maximum of 20% of the total special dividend (the "Maximum Cash Distribution"), with the remainder to be paid in shares of the Company's common stock.

Specifically, if the total number of shares for which cash elections are made by Company stockholders (including Default Elections (defined below)) are in excess of the Maximum Cash Distribution, the payment of cash will be made on a pro rata basis to those stockholders, such that the aggregate amount paid in cash by the Company equals the Maximum Cash Distribution, and the remaining portion of the special dividend will be paid to these stockholders in the form of Company common stock. Because the aggregate amount of cash to be distributed by the Company is 20% of the total special dividend, the likely result of a cash election is the receipt of 20% cash and 80% shares of common stock, unless a significant number of stockholders elect to receive the special dividend as 100% stock. In no event will any stockholder electing cash receive less than 20% of the stockholder's special dividend in cash.

If you elect to receive 100% of your special dividend in the form of the Company's common stock, you will only receive shares of Company common stock.

If you do not make a timely and proper election, your special dividend election will be set to the default election of cash (the "Default Election") as set by the Company, subject to the Maximum Cash Distribution not having been exceeded. Because the aggregate amount of cash to be distributed by the Company is 20% of the total special dividend, the likely result of the default election is the receipt of 20% cash and 80% shares of common stock, unless a significant number of stockholders elect to receive the special dividend as 100% stock.

The payment of the special dividend will be made in December 2018. The special dividend payment, including both cash and stock portions, is expected to generally be taxed as a capital gain distribution to stockholders. The tax due on such dividend may exceed the amount

of cash, if any, distributed to you as part of the special dividend. Stockholders are advised to consult their tax advisors regarding the tax consequences of the special dividend in light of his or her particular investment or tax circumstances.

The aggregate amount of cash paid by the Company pursuant to the special dividend and the actual number of shares of common stock issued pursuant to the special dividend will depend upon the number of stockholders electing cash or stock and whether the Maximum Cash Distribution is met. The number of shares issued will be calculated based upon the estimated value per share of the Company's common stock determined within two weeks of payment (which the Company expects will be unchanged from that determined by the Board of Directors on November 12, 2018).

You are receiving these materials because you owned shares of common stock of the Company as of the Record Date. This letter, together with the enclosed Q&A, discusses the material elements of the special dividend, including your right to elect to receive your special dividend in the form of cash or stock (subject to the limitations discussed herein, in the Q&A and in the Election Form). Before making your election, you should carefully consider the information herein, as well as the enclosed Q&A. Additionally, you are encouraged to review the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 9, 2018, the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, filed with the SEC on November 9, 2018 and the Form 8-K disclosing the November 12, 2018 estimated value per share and the declaration of the special dividend, filed with the SEC on November 14, 2018.

In order to make your election, please complete the enclosed Election Form or elect by telephone in accordance with the enclosed instructions. The Election Deadline is midnight, Central Time on December 7, 2018. If you do not make an election or if you make an ineffective election for any shares of Company stock held by you, your special dividend election will be set to the Default Election.

You are encouraged to read carefully the enclosed documents, including the Q&A and the Election Form. If after reading these documents, you are uncertain about what to do, you are encouraged to consult with a financial professional to help you make your final decision. In addition, if you have questions about the Election Form or if you need additional copies, please call (800) 605-1324 (from 8am to 6pm ET, Mon-Fri).

On behalf of KBS Strategic Opportunity REIT, Inc.:

/s/ Jeffrey K. Waldvogel

Jeffrey K. Waldvogel

QUESTIONS AND ANSWERS

The following are common questions and answers related to the Special Dividend declared by KBS Strategic Opportunity REIT, Inc.'s (the "Company" or "we" or "us") Board of Directors.

Why is the Special Dividend being made and when will the Special Dividend be paid?

The Special Dividend is being made primarily in connection with a deemed sale of land to a taxable REIT subsidiary, which we expect to trigger a significant amount of capital gain in 2018.

In order to ensure that the Company maintains its status as a real estate investment trust ("REIT"), the Company must distribute at least 90% of its "real estate investment trust taxable income" each year as well as distribute all of its "real estate investment trust taxable income" and "net capital gain" in order to avoid corporate level tax.

The payment of the Special Dividend will be made in December 2018. The Special Dividend payment, including both cash and stock portions, is expected to generally be taxed as a capital gain distribution to stockholders. The tax due on such dividend may exceed the amount of cash, if any, distributed to you as part of the Special Dividend. Stockholders are advised to consult their tax advisors regarding the tax consequences of the Special Dividend in light of his or her particular investment or tax circumstances.

Who is entitled to a Special Dividend?

Owners of shares of Company common stock as of the close of business on November 12, 2018 (the "Record Date") are entitled to receive the Special Dividend.

What election am I being asked to make?

You are being asked to elect to receive your Special Dividend in the form of <u>either</u>: (1) cash or (2) shares of common stock; provided that the aggregate amount of cash to be distributed by the Company will be limited to a maximum of 20% of the total Special Dividend (the "Maximum Cash Distribution"), with the remainder to be paid in shares of the Company's common stock.

What happens if I do not submit the Election Form or elect by telephone by the deadline or I do not fill out the Election Form or other required paperwork properly?

If you do not make a timely and proper election, your Special Dividend election will be set to the default election of cash (the "Default Election") as set by the Company, subject to the Maximum Cash Distribution not having been exceeded. Because the aggregate amount of cash to be distributed by the Company is 20% of the total Special Dividend, the likely result of the Default Election is the receipt of 20% cash and 80% shares of common stock, unless a significant number of stockholders elect to receive the Special Dividend as 100% stock.

What happens if Company stockholders elect to receive a total amount of cash *in excess of* the Maximum Cash Distribution?

If you elect cash: If the total number of shares for which cash elections are made by Company stockholders (including Default Elections) are in excess of the Maximum Cash Distribution, the payment of cash will be made on a pro rata basis to those stockholders, such that the aggregate amount paid in cash by the Company equals the Maximum Cash Distribution, and the remaining portion of the Special Dividend will be paid to these stockholders in the form of Company common stock.

Because the aggregate amount of cash to be distributed by the Company is 20% of the total Special Dividend, the likely result of a cash election is the receipt of 20% cash and 80% shares of common stock, unless a significant number of stockholders elect to receive the Special Dividend as 100% stock. In no event will any stockholder electing cash receive less than 20% of the stockholder's Special Dividend in cash.

If you elect shares: If you elect to receive 100% of your Special Dividend in the form of the Company's common stock, you will only receive shares of Company common stock.

If you fail to make a timely election or if you do not properly follow the instructions for making an effective election: If you do not make a timely and proper election, your Special Dividend election will be set to the Default Election (defined above).

Is there a limit on the number of shares I can receive in the Special Dividend?

Yes. If you are subject to withholding taxes in excess of the cash otherwise distributable to you, your Special Dividend will be adjusted to ensure the applicable withholding tax will be paid.

Who will calculate the number of shares to be distributed in the Special Dividend?

The Election and Disbursing Agent, DST Systems, Inc., will calculate the number of shares to be distributed in the Special Dividend.

How do I make an election with respect to the Special Dividend?

You should refer to the Election Form for a complete set of instructions.

When completed, sign and date the Election Form indicating how you elect to receive your Special Dividend and submit it to the Election and Disbursing Agent (via mail, overnight delivery, fax or email), or you can make an election by telephone. By signing the Election Form or electing by telephone, you confirm that you have complied with all the requirements as stated in the instructions.

What is the deadline for completing the Election Form and submitting it to the Election and Disbursing Agent or making an election by telephone?

An election by telephone or a properly completed and signed Election Form must be returned to the Election and Disbursing Agent by the Election Deadline. The Election Deadline is midnight, Central Time, on December 7, 2018.

Am I guaranteed to receive the form of Special Dividend I ask for?

No. See "What happens if Company stockholders elect to receive a total amount of cash in excess of the Maximum Cash Distribution?" and "Is there a limit on the number of shares I can receive in the Special Dividend?" above.

Can I change my election?

Yes. You may change your election by making a new election by telephone or by delivering a new, properly completed Election Form (via mail, overnight delivery, fax or email) bearing a later date than your previously submitted Election Form to the Election and Disbursing Agent by the Election Deadline.

How and where should I send my Election Form or how do I make an election by telephone?

You are responsible for delivering your Election Form to the Election and Disbursing Agent. The method of delivery is at your option and risk. Delivery will be deemed effective only when received. The Company has provided the following options for you to make your election. Please be sure to allow ample time for delivery for regular mail. If you have any questions regarding the procedure for submitting your Election Form, please call (800) 605-1324 (from 8am to 6pm ET, Mon-Fri).

1. The Election Form may be mailed to the Election and Disbursing Agent:

By Mail:	**By Courier:**
KBS Strategic Opportunity REIT, Inc. c/o DST Systems, Inc. PO Box 219453 Kansas City, MO 64121-9453	KBS Strategic Opportunity REIT, Inc. c/o DST Systems, Inc. 430 W. 7th Street, Suite 219453 Kansas City, MO 64105-1407

2. The Election Form may be faxed to the Election and Disbursing Agent:

By Fax:

(816) 374-7427

3. Stockholders may use the telephone to transmit election instructions to the Election and Disbursing Agent:

   By Telephone:

   (800) 605-1324 (from 8am to 6pm ET, Mon-Fri)

4. The Election Form may be emailed to the Election and Disbursing Agent:

   By Email:

   kbsreitelection@dstsystems.com

What if I have separate accounts?

You will receive and must complete a separate Election Form for each account that you have.

What if my shares are held through a custodial account?

Special Dividend elections by custodial held accounts require the custodian's approval as well as that of the beneficial owner.

Will I receive a physical certificate for any shares of Company common stock issued to me in the Special Dividend?

No. All shares of Company common stock that are issued in the Special Dividend will be issued to stockholders without certificates.

How will any cash due to me in the Special Dividend be delivered to me?

If any cash is due to you, you will receive cash in accordance with your cash distribution payment instructions on file with the Company's transfer agent (which will be your address of record if you are a participant in the dividend reinvestment plan). Notwithstanding the foregoing, for custodial held accounts, cash distributions will be paid directly to the custodian.

Could my election affect my percentage ownership of the Company?

If you elect to receive the Special Dividend in cash, your relative percentage ownership in the Company's outstanding common stock will decrease compared to stockholders who elect to receive the Special Dividend in shares of common stock. Conversely, if you elect to receive the Special Dividend in stock, your relative percentage ownership in the Company's outstanding common stock will increase compared to stockholders who elect to receive the Special Dividend in cash. As a result, the Company cannot determine the extent to which a stockholder's percentage ownership may change in connection with its election.

Will the Company's Dividend Reinvestment Plan apply to the Special Dividend?

No. Our Board of Directors has designated the Special Dividend as ineligible for reinvestment through our Dividend Reinvestment Plan. Consequently, if you seek to receive shares of Company common stock in connection with the Special Dividend, you must make an election to receive shares of Company common stock even if you are a participant in the Company's Dividend Reinvestment Plan.

Unless you change your current Dividend Reinvestment Plan election by completing and submitting an Account Update Form, future distributions will be paid pursuant to your current Dividend Reinvestment Plan election.

What is the impact of the Special Dividend on the regular quarterly dividend to be paid for the fourth quarter of 2018?

The Special Dividend is the only distribution the Company expects to declare in the fourth quarter of 2018.

What are the material U.S. federal income tax consequences of the Special Dividend?

A stockholder receiving the Special Dividend will be treated for U.S. federal income tax purposes as receiving a distribution in an amount equal to the amount of cash that would have been received if the stockholder had elected to receive, and actually did receive, all cash without regard to the Maximum Cash Distribution. The Special Dividend will for federal income tax purposes be made in 2018. A stockholder that receives any shares of common stock pursuant to the Special Dividend will generally have a tax basis in such stock equal to the amount such stockholder is treated as having received in the Special Dividend minus the amount of cash actually received. The holding period in such common stock will begin on the day following the payment date of the Special Dividend.

The amount distributed to a stockholder will be treated as a dividend for U.S. federal income tax purposes to the extent such amount is paid out of our available earnings and profits ("E&P"). It is expected that the Special Dividend will generally be taxed as a capital gain dividend. The tax due on such dividend may exceed the amount of cash, if any, distributed to you as part of the Special Dividend. To the extent the distribution to a stockholder exceeds our available E&P, such excess will generally represent a return of capital and will not be taxable to a stockholder to the extent that it does not exceed the adjusted basis of the stockholder's stock in respect of which the distribution was made, but rather, will reduce the adjusted basis of that stock. To the extent that such excess distribution exceeds the adjusted basis of a stockholder's stock, that excess is treated as capital gain income. The particular U.S. federal income tax treatment of dividends, returns of capital and capital gain income are described in further detail below.

The U.S. federal income tax consequences of the Special Dividend vary depending on whether you are a U.S. Holder or a non-U.S. Holder. Note that this discussion does not describe the tax consequences for all stockholders (including, for example, tax-exempt entities), nor does it address state, local or non-U.S. tax consequences. A U.S. Holder is, unless otherwise provided by an applicable tax treaty, a beneficial owner of our stock that is: (i) a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United

States or meets the substantial presence residency test under the U.S. federal income tax laws; (ii) an entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or, to the extent provided in Treasury regulations, a trust in existence on August 20, 1996 that has elected to be treated as a domestic trust. Conversely, a non-U.S. Holder is a beneficial owner of our stock that is not a U.S. Holder. If any entity treated as a partnership for U.S. federal income tax purposes is a beneficial owner of our stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Any entity or other arrangement treated as a partnership for federal income tax purposes that is a beneficial owner of our stock and the partners in such a partnership (as determined for federal income tax purposes) are urged to consult their own tax advisors about the U.S. federal income tax consequences of the Special Dividend.

U.S. Holders. For noncorporate U.S. Holders, to the extent that their total adjusted income does not exceed certain specified thresholds, the maximum U.S. federal income tax rate for long-term capital gains and most corporate dividends is generally 15%. For those noncorporate U.S. Holders whose total adjusted income exceeds the applicable thresholds, the maximum U.S. federal income tax rate for long-term capital gains and most corporate dividends is generally 20%. However, because we are generally not subject to federal income tax on the portion of our "real estate investment trust taxable income" distributed to our stockholders, dividends on our shares of common shares generally are not eligible for such preferential tax rates. As a result, our ordinary dividends will generally be taxed at the higher federal income tax rates applicable to ordinary income. As the Special Dividend is expected to generally be designated as a capital gain dividend, it is expected to generally be eligible for the preferential tax rates. To summarize, for our 2018 taxable year (including the Special Dividend), the preferential federal income tax rates for long-term capital gains and for qualified dividends generally apply to:

(i) long-term capital gains, if any, recognized on the disposition of our shares of common stock;

(ii) our distributions designated as long-term capital gain dividends (except to the extent attributable to real estate depreciation recapture, in which case the distributions are subject to a maximum 25% federal income tax rate);

(iii) our distributions attributable to dividend income received by us from C corporations such as taxable REIT subsidiaries; and

(iv) our distributions to the extent attributable to income upon which we have paid federal corporate income, net of the corporate taxes thereon.

Distributions in excess of available E&P will not be taxable to a U.S. Holder to the extent that they do not exceed the U.S. Holder's adjusted tax basis in the U.S. Holder's stock, but will reduce the U.S. Holder's basis in its stock. To the extent that these excess distributions exceed a U.S. Holder's adjusted basis in our stock, they will be included in income as long-term capital gain, or short-term capital gain if the stock has been held for one year or less.

For some U.S. Holders, the Special Dividend may be an "extraordinary dividend". An "extraordinary dividend" is generally a dividend on a share of stock that is equal to at least 10% of a stockholder's adjusted basis in that share of stock, or alternatively, if an election is made, is equal to at least 10% of the fair market value of that stock based on the stock's trading price on the day before the ex-dividend date. Some noncorporate U.S. Holders that receive an extraordinary dividend from us that is treated as a "qualified dividend" and later sell their underlying stock at a loss will recognize long-term capital loss, regardless of their holding periods in their stock, to the extent of the extraordinary dividend.

If a stockholder receives from us a distribution designated as long-term capital gain dividends with respect to shares held for 6 months or less, any loss on the sale or exchange of such shares shall, to the extent of such long-term capital gain dividends, be treated as a long-term capital loss.

The Special Dividend will not be eligible for the dividends-received deduction available to U.S. Holders that are domestic corporations.

U.S. Holders who are individuals, estates or trusts are generally required to pay a 3.8% Medicare tax on their net investment income (which shall be calculated by including the Special Dividend), or in the case of estates and trusts on their net investment income that is not distributed, in each case to the extent that their total adjusted income exceeds applicable thresholds.

Unless the applicable withholding agent has received from a U.S. Holder a properly executed IRS Form W-9 or a substantially similar form, 24% of the Special Dividend may be required to be withheld and remitted to the U.S. Internal Revenue Service (the "IRS"). To the extent that the cash portion of the Special Dividend to be received by a U.S. Holder is insufficient to satisfy any required backup withholding, the applicable withholding agent and the Company will collect the amount of U.S. federal income tax required to be withheld by reducing to cash for remittance to the IRS a sufficient portion of the shares of common stock that the U.S. Holder would otherwise receive, and the U.S. Holder may bear certain costs for this withholding procedure.

Foreign account withholding at a rate of 30% may apply to a U.S. Holder that holds our shares of common stock through a non-United States intermediary that does not comply with specified information reporting, certification and other requirements. U.S. Holders that hold our shares of common stock through a non-United States intermediary are encouraged to consult with their own tax advisor regarding foreign account tax compliance.

Non-U.S. Holders. The rules governing the U.S. federal income taxation of non-U.S. Holders are complex, and the following discussion is intended only as a summary of these rules. For example, the following discussion does not address U.S. citizens or residents who have expatriated, non-U.S. Holders who are individuals present in the United States for 183 days or more during the taxable year and have a "tax home" in the United States, and other special classes of non-U.S. Holders. If you are a non-U.S. Holder, we urge you to consult with your own tax advisor to determine the impact of the U.S. federal income tax laws, including any tax return filing and other reporting requirements, with respect to your ownership of shares of common stock and the payment of the Special Dividend.

In general, non-U.S. Holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our shares of common stock. In cases where the dividend income from a non-U.S. Holder's investment in our shares of common stock is a capital gain dividend (as expected with the Special Dividend), or as described below, is deemed to be effectively connected with the non-U.S. Holder's conduct of a U.S. trade or business, the non-U.S. Holder generally will be subject to U.S. federal income tax at graduated rates in the same manner as U.S. Holders are taxed with respect to such dividends, and a corporate non-U.S. Holder may also be subject to the 30% branch profits tax. Such income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. Holder. A 21% withholding rate will generally apply to any capital gain dividend.

The portion of the Special Dividend received by non-U.S. Holders and paid out of our available E&P which is not a capital gain dividend and which is not effectively connected with a U.S. trade or business of the non-U.S. Holder will generally be subject to U.S. withholding tax at a rate of 30%, or lower if reduced by an applicable income tax treaty. If a non-U.S. Holder receives shares of common stock as part of the Special Dividend and the cash portion of the distribution is not sufficient to cover the withholding liability, the applicable withholding agent and the Company will collect the amount required to be withheld by reducing to cash for remittance to the IRS a sufficient portion of the shares of common stock that the non-U.S. Holder would otherwise receive, and the non-U.S. Holder may bear certain costs for this withholding procedure. To the extent the Special Dividend exceeds our available E&P, such excess will generally represent a return of capital and will not be taxable to a non-U.S. Holder to the extent that it does not exceed the adjusted basis of the non-U.S. Holder's shares in respect of which the distributions were made, but rather, will reduce the adjusted basis of those shares. To the extent that distributions in excess of our available E&P exceed the non-U.S. Holder's adjusted basis in our stock, the distributions will give rise to tax liability if the non-U.S. Holder would otherwise be subject to tax on any gain from the sale or exchange of that stock, as discussed below.

If withholding is applied to any portion of the Special Dividend that represents a return of capital, rather than a dividend out of our available E&P, the non-U.S. Holder must nevertheless reduce its tax basis in its shares of stock in us by the amount of returned capital and may file for a refund from the IRS for the amount of withheld tax in excess of its actual tax liability.
If our shares of common stock do not constitute United States real property interests under sections 897 and 1445 of the Internal Revenue Code of 1986, as amended ("USRPIs"), as described below, then distributions by us in excess of the sum of our available E&P plus the non-U.S. Holder's basis in our shares generally will not be subject to United States federal income taxation to non-U.S. Holders, except that a nonresident alien individual who was in the United States for 183 days or more during the taxable year may be subject to a 30% tax on such

amounts. Our shares of common stock will not constitute a USRPI if we are a "domestically controlled REIT." A domestically controlled REIT is a REIT in which at all times during the preceding five-year period less than 50% of the fair market value of the outstanding shares was directly or indirectly held by foreign persons. While we believe we are and have been a domestically controlled REIT, we can provide no assurance that we are or will remain a domestically controlled REIT. If we are not a domestically controlled REIT, a non-U.S. Holder's portion of the Special Dividend in excess of the sum of our available E&P plus the non-U.S. Holder's basis in our shares will generally be subject to United States federal income taxation as a sale of a USRPI (certain narrow classes of non-U.S. investors such as qualified foreign pension funds are generally excluded from the application of these rules). If distributions in excess of the sum of our available E&P plus the non-U.S. Holder's basis in our shares are subject to United States federal income taxation, the non-U.S. Holder will generally be subject to the same treatment as a U.S. Holder with respect to its gain and will be required to file a United States federal income tax return reporting that gain; in addition, a corporate non-U.S. Holder might owe branch profits tax.

Foreign account withholding at a rate of 30% may apply to a non-U.S. Holder that holds our shares of common stock through a non-United States intermediary that does not comply with specified information reporting, certification and other requirements. Non-U.S. Holders are encouraged to consult with their own tax advisor regarding foreign account tax compliance.

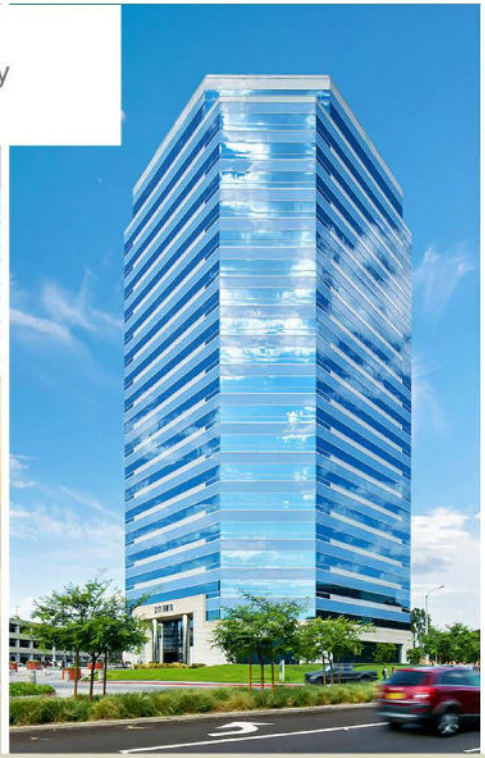
WE ADVISE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE SPECIAL DIVIDEND IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES.

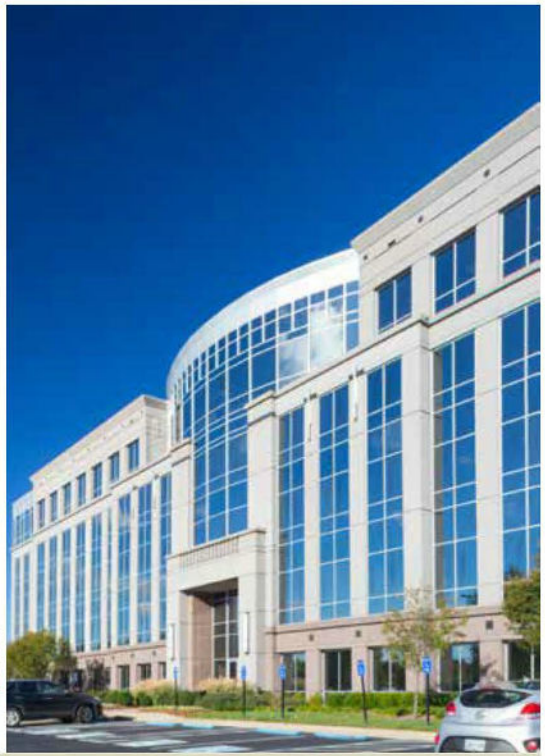
What if I lose my Election Form or need an additional one?

You should call (800) 605-1324 (from 8am to 6pm ET, Mon-Fri) to request a duplicate Election Form. Keep in mind that the Election and Disbursing Agent must receive any Election Form changes by the Election Deadline.

Exhibit 99.4

KBS Strategic Opportunity REIT





KBS Strategic Opportunity REIT

Valuation and Portfolio Update

November 15, 2018

Forward-Looking Statements

KBS Strategic Opportunity REIT

The information contained herein should be read in conjunction with, and is qualified by, the information in the KBS Strategic Opportunity REIT, Inc. ("KBS Strategic Opportunity REIT") Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Securities and Commission Exchange (the "SEC") on March 9, 2018 (the "Annual Report"), and in KBS Strategic Opportunity REIT's Quarterly Report on Form 10-Q for the period ended September 30, 2018, filed with the SEC on November 9, 2018, including the "Risk Factors" contained therein. For a full description of the limitations, methodologies and assumptions used to value KBS Strategic Opportunity REIT's assets and liabilities in connection with the calculation of KBS Strategic Opportunity REIT's estimated value per share, see KBS Strategic Opportunity REIT's Current Report on Form 8-K, filed with the SEC on November 14, 2018.

Forward-Looking Statements

Certain statements contained herein may be deemed to be forward-looking statements within the meaning of the Federal Private Securities Litigation Reform Act of 1995. KBS Strategic Opportunity REIT intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements regarding the intent, belief or current expectations of KBS Strategic Opportunity REIT and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Further, forward-looking statements speak only as of the date they are made, and KBS Strategic Opportunity REIT undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. Actual results may differ materially from those contemplated by such forward-looking statements.

The valuation methodology for certain of KBS Strategic Opportunity REIT's real estate investments assumes that its properties realize the projected cash flows and exit cap rates and that investors would be willing to invest in such properties at cap rates equal to the cap rates used in the valuation. Though the appraisals and valuation estimates used in calculating the estimated value per share are Duff & Phelps, LLC ("Duff & Phelps") and Colliers International Valuation & Advisory Services, LLC's ("Colliers") best estimates as of September 30, 2018, and/or KBS Strategic Opportunity REIT's and KBS Capital Advisors LLC's ("the Advisor") best estimates as of November 12, 2018, KBS Strategic Opportunity REIT can give no assurance that these estimated values will be realized by KBS Strategic Opportunity REIT. These statements also depend on factors such as future economic, competitive and market conditions, KBS Strategic Opportunity REIT's ability to maintain occupancy levels and rental rates at its properties, and other risks identified in Part I, Item IA of KBS Strategic Opportunity REIT's Annual Report on form 10-K for the year ended December 31, 2017, and its subsequent quarterly reports. Actual events may cause the value and returns on KBS Strategic Opportunity REIT's investments to be less than that used for purposes of KBS Strategic Opportunity REIT's estimated value per share.

Portfolio Overview

KBS Strategic Opportunity REIT

Total Acquisitions/Originations[1]:	**$1,872,363,000**
Current Portfolio Cost Basis[2]:	**$1,284,100,000** *19 Equity Assets* *1 Debt Asset*
November 2018 Estimated Value of Portfolio[3]:	**$1,407,745,000**
SOR Equity Raised[4]:	**$ 561,749,000**
Real Estate Leverage[5]:	**58%**
Percent Leased as of 9/30/18[6]:	**84%**
Occupancy at Acquisition[6]:	**78%**

[1] Represents acquisition price (excluding closing costs) of real estate, loans, and debt and equity securities acquired since inception (including investments which have been disposed), adjusted for KBS Strategic Opportunity REIT's share of consolidated and unconsolidated joint ventures. This total is $2,063,360,000 including our partners' shares of consolidated and unconsolidated joint ventures. Subsequent to acquisition, KBS Strategic Opportunity REIT foreclosed on or otherwise received title to the properties securing five of its original debt investments, all of which were non-performing loans at the time of acquisition.

[2] Represents cost basis, which is acquisition price (net of closing credits and excluding closing costs) plus capital expenditures and allocated cost for acquisitions of minority interests in joint ventures, for real estate and debt and equity securities in the portfolio as of September 30, 2018, adjusted for KBS Strategic Opportunity REIT's share of consolidated and unconsolidated joint ventures. This total is $1,495,980,000 including our partners' shares of consolidated and unconsolidated joint ventures.

[3] Value as of September 30, 2018, and is the net total of real estate, debt and equity securities, investments in unconsolidated JVs and minority interest as shown on page 5.

[4] Represents gross offering proceeds from the sale of common stock in the primary portion of KBS Strategic Opportunity REIT's initial public offering.

[5] As of September 30, 2018, KBS Strategic Opportunity REIT's consolidated borrowings, net of unrestricted and restricted cash was approximately 58% of the value of consolidated properties.

[6] Leased percentage, for all consolidated and unconsolidated properties in the portfolio as of September 30, 2018, excluding the National Industrial Portfolio which is an unconsolidated JV investment. Includes future leases that have been executed but had not yet commenced as of September 30, 2018.

Valuation[1]

KBS Strategic Opportunity REIT

- Estimated value per share[2] calculated using information as of September 30, 2018
  - *Net asset value; no enterprise (portfolio) premium or discount applied*
  - *Considered potential participation fee that would be due to the advisor in a hypothetical liquidation if the required shareholder return thresholds are met.*
  - *Adjusted for a special dividend of $2.95 to shareholders of record authorized on November 12, 2018*
- KBS Strategic Opportunity REIT followed the IPA Valuation Guidelines, which included independent third-party appraisals for all of its consolidated properties and two of its unconsolidated joint venture investments in real estate properties. Duff & Phelps and Colliers were engaged to provide appraisals of the estimated market values of real estate assets. Duff & Phelps provided appraisals of all investments in consolidated real estate properties (excluding undeveloped land and 1 property under sale contract as of September 30, 2018[3]), 110 William Street and 353 Sacramento, and Colliers provided appraisals of all investments in undeveloped land. The appraisals were performed in accordance with the Code of Professional Ethics and Standards of Profession Practice set forth by the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP).
  - *The valuation of the Company's real estate properties were based on appraisals of such investments performed by third-party valuation firms, with the exception of the 1 property under sale contract which was valued at contractual sale price less estimated seller concessions.*
- Non-controlling interest liability due to our joint venture partners calculated by assuming a hypothetical liquidation of the underlying real estate properties at their current appraised values and the payoff of any related debt at its fair value, based on the profit participation thresholds contained in the joint venture agreements.

[1] For more information, see KBS Strategic Opportunity REIT's Current Report on Form 8-K filed with the SEC on November 14, 2018.
[2] The estimated value of the REIT's assets less the estimated value of the REIT's liabilities, divided by the number of shares outstanding, all as of September 30, 2018.
[3] Value of the 1 property is equal to the contractual sale price less estimated seller concessions.

Valuation[1]

KBS Strategic Opportunity REIT

Estimated Value of Portfolio

	As of November 2018[1]	*As of December 2017*[2]
Assets:	**$1.508 Billion**	**$1.861 Billion**
Real Estate (i)	$1.116 Billion (74%)	$1.606 Billion (86%)
Investments in Unconsolidated JVs (i)	$195.9 Million (13%)	$169.8 Million (9%)
Investments in Real Estate Debt & Equity Securities (i)	$116.2 Million (8%)	$ 64.4 Million (3%)
Other Assets[3]	$80.7 Million (5%)	$ 21.0 Million (2%)
Liabilities:	**$823.0 Million**	**$1.081 Billion**
Mortgage and Other Debt	$758.6 Million	$1.016 Billion
Advisor Incentive Fee Potential Liability	$ 33.8 Million	$ 28.4 Million
Other Liabilities[4]	$ 30.6 Million	$ 36.3 Million
Minority Interest in Consolidated JVs (i)	$ 20.0 Million	$ 30.6 Million
Net Equity at Estimated Value	$ 665.5 Million	$ 749.8 Million
Estimated Value of Portfolio (before debt) sum of (i)	**$1.408 Billion**	**$1.810 Billion**

1 Based on data as of September 30, 2018, then adjusted to give effect to the November 12, 2018 authorization of a special dividend of $2.95 per share.
2 Based on data as of September 30, 2017, then adjusted to give effect to a self-tender completed in October 2017 and the December 7, 2017 authorization of a special dividend of $3.61 per share.
3 Includes cash and cash equivalents, restricted cash, rents and other receivables, deposits, prepaid expenses and other assets as applicable.
4 Includes accounts payable, accrued liabilities, security deposits, contingent liabilities, prepaid rent and other liabilities.

Valuation[1]

KBS Strategic Opportunity REIT

On November 12, 2018, KBS Strategic Opportunity REIT's Board approved an estimated value per share as follows:[1]

	Change in Estimated Value Per Share
December 2017 estimated value per share	**$11.50**
Investments	
Real Estate	1.31
Investments in Unconsolidated JVs	0.64
Investments in Real Estate Debt & Equity Securities	(0.04)
Capital Expenditures on Real Estate	(0.66)
Subtotal - Investments	*1.25*
Operating Cash Flows in Excess of Distributions Declared [2]	0.16
Foreign Currency Gain	0.10
Selling, Acquisition, and Financing Costs	(0.19)
Advisor Disposition and Acquisition Fees	(0.11)
Mortgage Debt and Series A Debentures [3]	0.14
Self-Tender Offer Price Discount [4]	0.10
Advisor Participation Fee Potential Liability	(0.10)
Other Changes, Net	0.01
Total Change (before Nov. 12, 2018 Special Distribution)	**1.36**
Nov. 2018 Estimated Share Value (before Nov. 12, 2018 Special Distribution)	**$12.86**
Nov. 12, 2018 Special Distribution	(2.95)
Nov. 2018 Estimated Share Value (after Nov. 12, 2018 Special Distribution)	**$9.91**

[1] Based on the estimated value of KBS Strategic Opportunity REIT's assets less the estimated value of its liabilities, divided by the number of shares outstanding, all as of September 30, 2018, with the exception of an adjustment for the November 12, 2018 authorization of a special dividend of $2.95 per share.
[2] Operating cash flow reflects modified funds from operations ("MFFO") adjusted to deduct capitalized interest expense, real estate taxes, and insurance and add back the amortization of deferred financing costs.
[3] Includes an increase of $0.18 per share resulting from the Israeli bond's quoted market price declining 101.7% of par as of Sept. 30, 2018 vs. 105.2% as of Sept. 30, 2017.
[4] On June 1, 2018, the Company accepted 9,527,724 shares for a price of $10.93 per share or an aggregate of $104.1 million in connection with the self-tender, the result of which increased the estimated value per share as the tender price was less than the estimated value per share.

Real Estate Updates

KBS Strategic Opportunity REIT

Park Highlands Land

The appraised value plus the net sale price for two land sales during the 12 months ending September 30, 2018 resulted in an increase of $45.7 million from the prior year appraised value due to the following:

- ► The market has experienced continued improvement throughout 2018 with current base sales prices of a new home up nearly 18% from last year, earning Las Vegas the highest rising home prices in the country and attributing to the steady increase in land values.
- ► Due to the restrictiveness of infill land opportunities, many of the residential land sales throughout the valley are in master-planned communities. Within the submarket there are only two notable master-planned communities, and approximately 90% of the competing community is now sold or under contract to homebuilders.

Westpark Portfolio

The September 30, 2018 valuation[1] increased $22.5 million from the prior year appraised value due to the following:

- ► The market experienced strong rental rate increases and net absorption, and investor demand remained robust in the Seattle market.
- ► A new lease for 98,514 sq. ft., or approximately 12.6% of the rentable sq. ft., was signed for more than 7 years of term.

125 John Carpenter

The appraised value increased $13.2 million from the prior year appraised value due to the following:

- ► Property has leased up faster and at higher rental rates than previously projected.
- ► The greater Urban Center area of Los Colinas has now realized the completion of several supporting and value accretive developments such as retail and entertainment, which improvements were previously somewhat speculative with regards to timing.

110 William Street (Unconsolidated JV)

The appraised value increased $38.5 million from the prior year appraised value due to the following:

- ► Recent comparable sales reflected a continued increase in investor demand for office properties in Manhattan's financial district.
- ► Rental rates on recent leases at 110 William and at competing properties have resulted in an increase in assumed market rental rates.

353 Sacramento (Unconsolidated JV)

The appraised value increased $21.5 million from the prior year appraised value due to the following:

- ► Since this time last year we have signed 121,658 SF of new leases at rates higher than assumed in the prior year appraisal.
- ► Rental rates continue to rise in San Francisco, so the market rental rate for vacant space has improved by approximately $3/sf in the current appraised value vs. the prior year.

[1] Equals contractual sale price less estimated seller concessions.

Dispositions

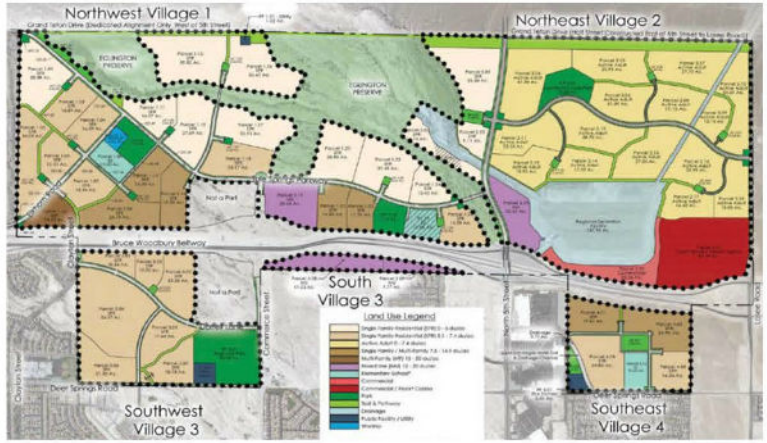
KBS Strategic Opportunity REIT

Central Building (Seattle, WA)

Acquisition Date:	July 10, 2013	
Acquisition Price:	$34.5 Million	
Size:	191,784 SF	
Total Investment[1]:	$39.9 Million	
Sale Date:	July 17, 2018	
Sale Price:	$67.4 Million	
Profit / Equity Multiple:	**$27.5 Million**	**3.2x**

Park Highlands Land (Las Vegas, NV)

Acquisition Date:	December 30, 2011 & December 10, 2013	
Total Acreage Acquired[2]:	1,200 developable	
Acres Sold to Sept. 30, 2018[2]:	200 developable acres	
Allocated Cost Basis of Sales[3]:	$18.1 Million	
Total Sales to Sept. 30, 2018[4]:	$39.2 Million	
Profit / Equity Multiple:	**$21.1 Million**	**2.2x**



[1] Equals purchase price plus capital expenditures and lease commissions after acquisition.
[2] Acreage is approximate and represents only developable land.
[3] Allocation of costs for the acres sold to September 30, 2018, with such allocation equal to (i) the GAAP cost of sales but excluding capitalized interest, property taxes, and insurance plus (ii) an allocation of the cost to buyout the original joint venture partners.
[4] Equals the total of net sale prices.

Dispositions – Under Contract

KBS Strategic Opportunity REIT

Westpark Portfolio (Redmond, WA) - Under Contract

Acquisition Date:	May 10, 2016	
Acquisition Price:	$125.8 Million	
Size:	782,035 SF	
Total Investment[1]:	$144.0 Million	
Sale Date (Estimated):	November 2018	
Sale Price[2]:	$165.5 Million	
Profit / Equity Multiple:	**$21.5 Million**	**1.4x**

[1] Equals purchase price plus capital expenditures and lease commissions after acquisition.
[2] Equals contractual sale price less estimated seller concessions.

Dispositions History

KBS Strategic Opportunity REIT

Following is a summary of the REIT's real estate dispositions from inception through September 30, 2018:

Property	Acquisition Date	Disposition Date	Sq. Ft.	Sale Price (1)	Investment Cost Basis at Sale (2)	Sale Price vs. Investment Cost Basis
Roseville	6/27/11	Multiple	113,341	7,989,000	6,022,930	1,966,070
Richardson Portfolio (Consolidated JV)	Multiple	Multiple	151,937	27,848,197	13,252,350	14,595,846
Powers Ferry Landing (6151 & 6201 Bldgs)	9/24/12	10/31/13	246,475	18,540,128	11,856,283	6,683,845
Village Overlook	8/2/10	8/29/14	34,830	1,485,000	2,536,236	(1,051,236)
1635 N. Cahuenga (Consolidated JV)	8/3/11	3/11/15	34,666	16,389,000	8,857,643	7,531,357
Academy Point	11/3/10	9/10/15	92,099	3,500,000	4,599,826	(1,099,826)
Park Highlands	Multiple	Multiple	N/A	39,191,289	18,112,391	21,078,899
50 Congress Street	7/11/13	5/15/17	179,872	78,784,521	55,181,314	23,603,206
SREIT (11 Properties) [3]	Multiple	11/8/17	3,103,313	795,385,695	670,876,898	124,508,797
Central Building	7/10/13	7/17/18	193,968	67,351,484	39,873,064	27,478,420
Total			**4,150,501**	**1,056,464,313**	**831,168,937**	**225,295,377**

[1] Equals the sale price, net of seller concessions, without adjustment for joint venture partners' share of consolidated joint ventures. Excludes selling costs and fees.
[2] Equals the acquisition price (excluding acquisition costs and fees) plus capital expenditures and allocated cost for acquisitions of minority interests in joint ventures, without adjustment for joint venture partners' share of consolidated joint ventures. Excludes selling costs and fees.
[3] Reflects sale of 11 properties to subsidiaries of Keppel-KBS US REIT, a then newly formed Singapore real estate investment trust (the "SREIT") which was listed on the Singapore Stock Exchange. For further information, please see KBS Strategic Opportunity REIT's Current Report on Form 8-K filed with the SEC on November 9, 2017.

Recent Acquisition

KBS Strategic Opportunity REIT

Marquette Plaza

Location:	Minneapolis, MN
Acquisition date:	March 1, 2018
Purchase price:	$88.3 Million
Price per square foot:	$169
Buildings:	1
Floors:	15
Size:	522,656 SF
Year built/renovated:	1972 / 2002
% Leased at acquisition:	70%
% Leased at Sept. 30, 2018:	76%
Avg. below market rental rate at acquisition	13%

- Architectural landmark with a building facade of a unique arch design with an aluminum and glass curtain wall featuring granite cladding
- Located on 2.5 acres of land that includes an expansive 1.5 acre park, the largest green space in the Minneapolis CBD submarket
- 232-stall underground parking garage
- Direct connection to the Skyway, an enclosed sidewalk covering 9.5 miles in downtown Minneapolis

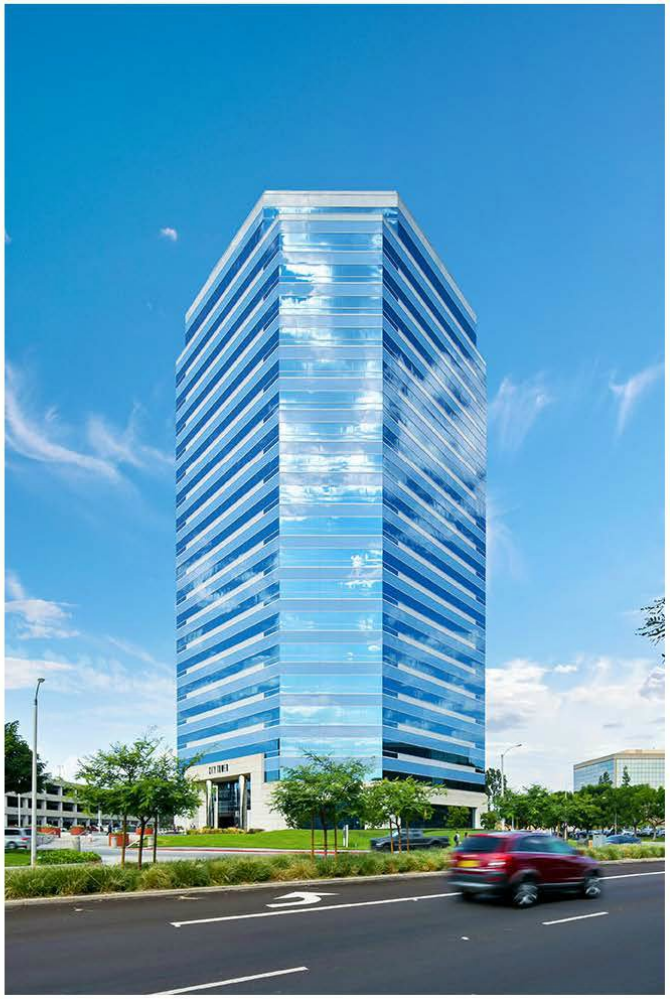
Recent Acquisition

KBS Strategic Opportunity REIT

City Tower

Location:	Orange, CA
Acquisition date:	March 6, 2018
Purchase price:	$147.1 Million
Price per square foot:	$341
Buildings:	1
Floors:	21
Size:	431,007 SF
Year built:	1988 / 2015
% Leased at acquisition:	76%
% Leased at Sept. 30, 2018:	81%
Avg. below market rental rate at acquisition	10%

- Current amenities include a cafe and a Zagster bike sharing service
- Developed in 1988 and partially renovated in 2015
- Tallest building in the Central Orange County submarket and the third tallest in Orange County
- Provides tenants with convenient access to freeways, housing and walkable retail and entertainment amenities



Recent Acquisition

KBS Strategic Opportunity REIT

Eight & Nine Corporate Center

Location:	Franklin, TN
Acquisition date:	June 8, 2018
Purchase price:	$73.0 Million
Price per square foot:	$234
Buildings:	2
Floors:	5 / 5
Size:	311,864 SF
Year built:	2007
% Leased at acquisition:	82%
% Leased at Sept. 30, 2018:	71%
Avg. below market rental rate at acquisition	12%

- Located within the prominent 1 million square foot Corporate Center master-planned office park in Nashville submarket
- Opportunity to lease up current vacant space, and roll rents up to market. Underwriting projected the occupancy declining to current level, following known vacates
- Competes well in a tight, growing market
- Quality rent roll

Portfolio Summary

KBS Strategic Opportunity REIT

Following is a summary of the REIT's investment portfolio at September 30, 2018:

Property	Type	Location	Acq. Date	Sq. Ft.	% Ownership	Sept. 2018 Cost Basis (1)	Sept. 2018 Leased Occupancy (2)	Acquisition Leased Occupancy (2)	Change in Economic Occupancy
Wholly-Owned Properties:									
Park Highlands	Land	Las Vegas, NV	Dec-11	N/A	100.0%	68,652,489	N/A	N/A	N/A
1180 Raymond	Apartment	Newark, NJ	Mar-12	268,688	100.0%	36,835,397	95.3%	72.0%	23.3%
Austin's Park Centre	Office	Austin, TX	Mar-13	203,193	100.0%	36,309,875	52.6%	75.0%	-22.4%
Westpark Portfolio	Office	Redmond, WA	May-16	778,472	100.0%	143,966,706	96.1%	82.0%	14.1%
Crown Pointe	Office	Dunwoody, GA	Feb-17	509,792	100.0%	93,493,159	76.1%	72.0%	4.1%
125 E John Carpenter	Office	Dallas, TX	Sep-17	445,317	100.0%	87,060,700	86.1%	84.0%	2.1%
City Tower	Office	Orange, CA	Mar-18	435,177	100.0%	151,121,086	81.0%	76.0%	5.0%
Marquette Plaza	Office	Minneapolis, MN	Mar-18	522,656	100.0%	91,008,943	75.8%	70.0%	5.8%
8 & 9 Corporate Centre	Office	Franklin, TN	Jun-18	311,864	100.0%	74,459,155	71.4%	82.0%	-10.6%
Consolidated JV Properties:									
Richardson Portfolio	Office	Richardson, TX	Multiple	569,980	90.0%	61,666,438	77.0%	49.0%	28.0%
The Burbank Collection	Retail	Burbank, CA	Dec-12	39,035	90.0%	18,806,736	89.5%	57.0%	32.5%
424 Bedford	Apartment	Brooklyn, NY	Jan-14	49,220	90.0%	41,392,084	92.4%	97.0%	-4.6%
Unconsolidated JV Properties:									
353 Sacramento	Office	San Francisco, CA	Jul-16	284,751	55.0%	189,521,372	81.2%	85.0%	-3.8%
110 William JV	Office	New York, NY	May-14	928,157	60.0%	286,022,548	97.8%	97.0%	0.8%
NIP JV (3)	Industrial	Multiple	May-12	N/A	N/A	1,476,071	N/A	N/A	N/A
Total - Real Estate Including Partners' Shares of Joint Ventures				**5,346,302**		**1,381,792,760**	**84.4%**	**78.0%**	**6.4%**
Real Estate Debt & Equity Securities:									
Real Estate Debt Securities						17,500,000			
Real Estate Equity Securities						96,687,483			
Total - Debt & Equity Securities						**114,187,483**			
Total - Investment Portfolio Including Partners' Shares of Joint Ventures						**1,495,980,243**			
Less: Partners' Shares of Joint Ventures						**(211,880,162)**			
Total - Investment Portfolio Excluding Partners' Shares of Joint Ventures						**1,284,100,080**			

[1] Represents cost basis, which is acquisition price (excluding acquisition costs and fees) plus capital expenditures and allocated cost for acquisitions of minority interests in joint ventures, without adjustment for joint venture partners' share of consolidated and unconsolidated joint ventures.
[2] Includes future leases that had been executed but not yet commenced as of September 30, 2018.
[3] Represents a minority interest in the National Industrial Portfolio joint venture which originally owned 23 industrial properties and a master lease with respect to another industrial property encompassing 11.4 million square feet. Since the investment is a minority interest, and the joint venture's square footage and occupancy would skew KBS Strategic Opportunity REIT's portfolio totals and weighted-averages, this joint venture's square footage and occupancy is excluded.

May 2018 Self-Tender Offer

KBS Strategic Opportunity REIT

- Self-tender offer was originally for up to 8,234,217 shares of the Company's outstanding common stock, or approximately $90 million
- Due to demand, additional funds were made available and the final self-tender amount was approximately $104.1 million excluding fees and expenses related to the tender offer
- 96.2% of the requests were fulfilled
- Purchase price of $10.93 per share
- Self-tender offer expired on May 18, 2018
- Self-tender resulted in an overall increase in estimated value per share to existing shareholders of $0.10, as shares were purchased from the shareholders at a discount to the then current estimated value per share of $11.50

Redemption Liquidity Provided

KBS Strategic Opportunity REIT

	Limit Based on Prior Year DRP	Redemptions Requested	Requests Fulfilled	Percentage Fulfilled
Recent Liquidity ($ in millions)				
September 2015 (12 mo. Ended):	$9.9	$25.6	$25.6	100%
September 2016 (12 mo. Ended):	$13.5	$37.5	$37.5	100%
October 2017[1, 2] (13 mo. Ended):	$12.6	$94.9	$81.0	85%
September 2018[1] (11 mo. Ended):	$8.7	$135.0	$121.0	90%

Total Redemptions ($):	$272.3 million
Original Equity Invested ($):	$637.2 million[3]
Percent of Original Equity Redeemed ($):	42.7%
Percent of Shares Redeemed:	35.5%

[1] Includes redemptions under the share redemption program and redemptions processed under the self-tender offers.
[2] Excludes share redemption requests which were unredeemed as of the tender offer date as those shareholders were able to submit their request in the tender offer process. Includes the full $80 million of tender offer requests received and the $66 million fulfilled.
[3] Through September 30, 2018 and including dividend reinvestment proceeds.

Distribution History[1]

KBS Strategic Opportunity REIT

Record Dates	Amount/Share	Reason
2011 Total	$0.30000000	Estimated increase in portfolio value
2012 Total	$0.40000000	(i) Estimated increase in portfolio value as supported by BOVs, (ii) gain on sales of Roseville properties, and (iii) gain from paying off a loan at a discount
2013 Total	$0.44153498	100% of forecasted taxable income, including a gain on a property sale, for 2013
2014 Total	$0.26294507	Based on Board's determination of available cash flow; 2.625% Annualized [2]
2015 Total	$0.37500000	Based on Board's determination of available cash flow; 3.75% Annualized [2]
2016 Total	$0.37500000	Based on Board's determination of available cash flow; 3.75% Annualized [2]
2017 Total	$0.28047945	Based on Board's determination of available cash flow; 3.75% Annualized [2]
2018 Total	$0.04792500	Based on Board's determination of available cash flow; 1.00% Annualized [2]
SUBTOTAL [3]	**$2.48**	

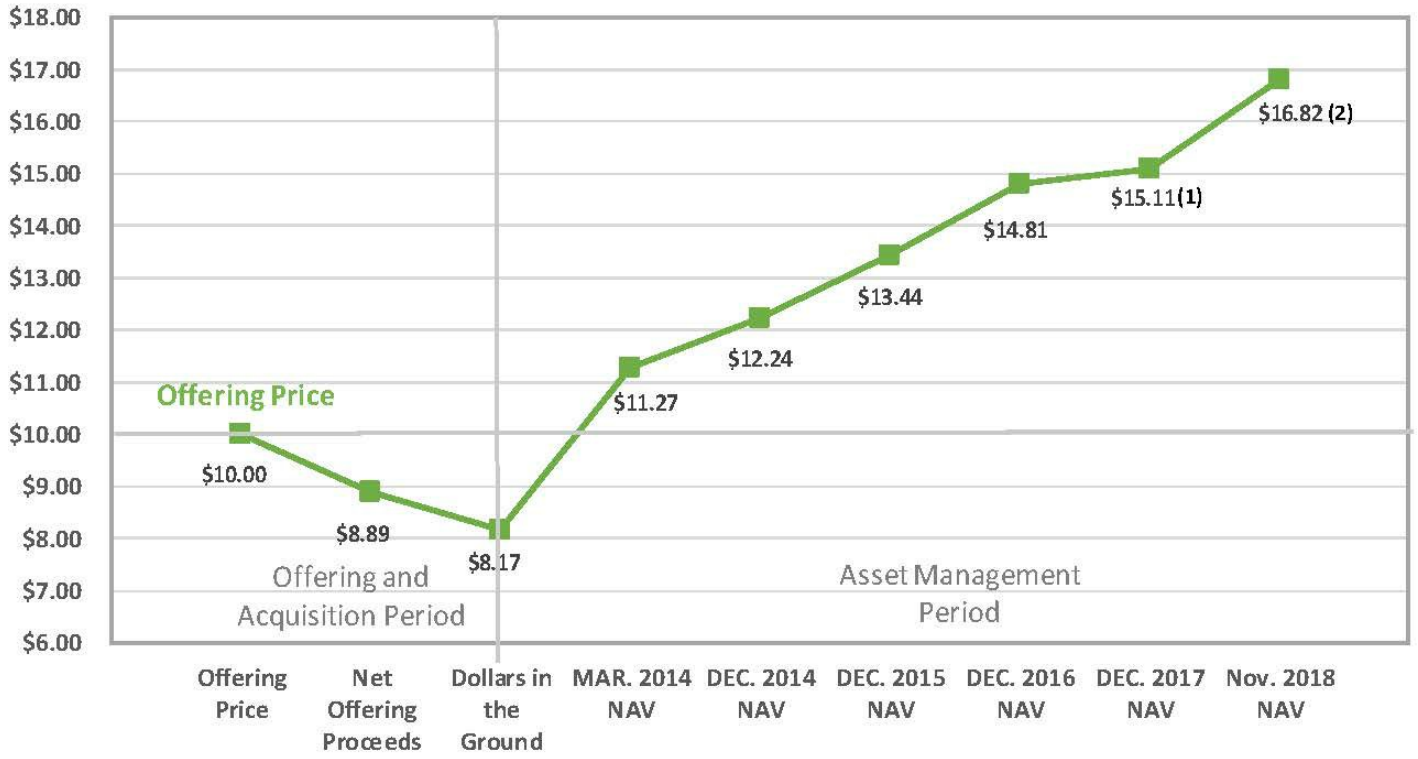
2017 & 2018 Special Distributions

12/7/2017	$3.61	Gain on sale of the Singapore Portfolio (20% paid in cash, 80% paid in stock)
11/12/2018	$2.95	Gain on sale and transfer of properties (20% paid in cash, 80% paid in stock)
TOTAL DISTRIBUTIONS	**$9.04**	

[1] Based on all distributions authorized as of November 12, 2018.
[2] Annualized rate based on the $10.00 per share initial public offering price less special distributions. Not based on the current or historical estimated values per share.
[3] Subtotal excludes the special distributions authorized on December 7, 2017 and November 12, 2018.

Estimated Value Changes, Since Inception, Excluding 2017 & 2018 Special Dividends

KBS Strategic Opportunity REIT



[1] Equals the December 7, 2017 estimated value per share, before adjustment for the special distribution authorized on that date.

[2] Represents the November 12, 2018 estimated value per share adjusted to exclude the impact of the December 7, 2017 and November 12, 2018 special dividends. The calculation of value as of November 12, 2018 assumes a cash investor held 1 share on December 6, 2017 and elected 20% cash and 80% stock for each of the December 7, 2017 and November 12, 2018 special dividends, which stock dividends would be at a rate of 0.2509 and 0.2381 shares per share of common stock outstanding for these two special dividends, respectively, for a cumulative total of 0.5488 additional shares after compounding as of November 12, 2018. Thus, the November 12, 2018 estimated value per share of $9.91 times 1.5488 shares plus $1.47 of cash dividends related to the December 7, 2017 and November 12, 2018 special dividends equals the $16.82 shown above.

Stockholder Performance

KBS Strategic Opportunity REIT

KBS Strategic Opportunity REIT is providing this estimated value per share to assist broker dealers that participated in its initial public offering in meeting their customer account statement reporting obligations. As with any valuation methodology, the methodologies used are based upon a number of estimates and assumptions that may not be accurate or complete. Different parties with different assumptions and estimates could derive a different estimated value per share. KBS Strategic Opportunity REIT can give no assurance that:

- a stockholder would be able to resell his or her shares at this estimated value per share;
- a stockholder would ultimately realize distributions per share equal to KBS Strategic Opportunity REIT's estimated value per share upon liquidation or sale of KBS Strategic Opportunity REIT;
- KBS Strategic Opportunity REIT's shares of common stock would trade at the estimated value per share on a national securities exchange;
- an independent third-party appraiser or other third-party valuation firm would agree with KBS Strategic Opportunity REIT's estimated value per share; or
- the methodology used to estimate KBS Strategic Opportunity REIT's value per share would be acceptable to FINRA or for compliance with ERISA reporting requirements.

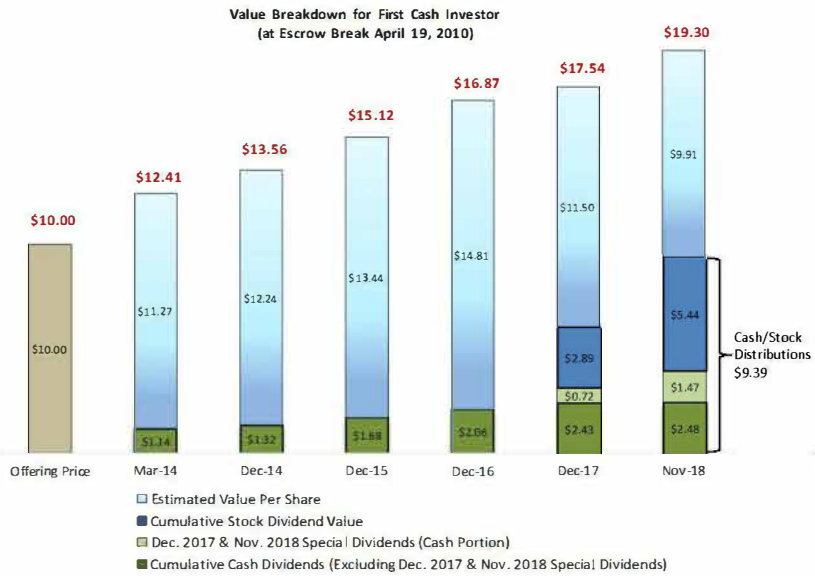
Further, the estimated value per share as of November 12, 2018 is based on the estimated value of KBS Strategic Opportunity REIT's assets less the estimated value of KBS Strategic Opportunity REIT's liabilities, or net asset value, divided by the number of shares outstanding as of September 30, 2018, with the exception of an adjustment for the November 12, 2018 authorization of a special distribution of $2.95 per share. The estimated value per share is $9.91 per share after adjusting for the November 12, 2018 authorization of a special dividend of $2.95 per share, for a total value of $12.86 per share.

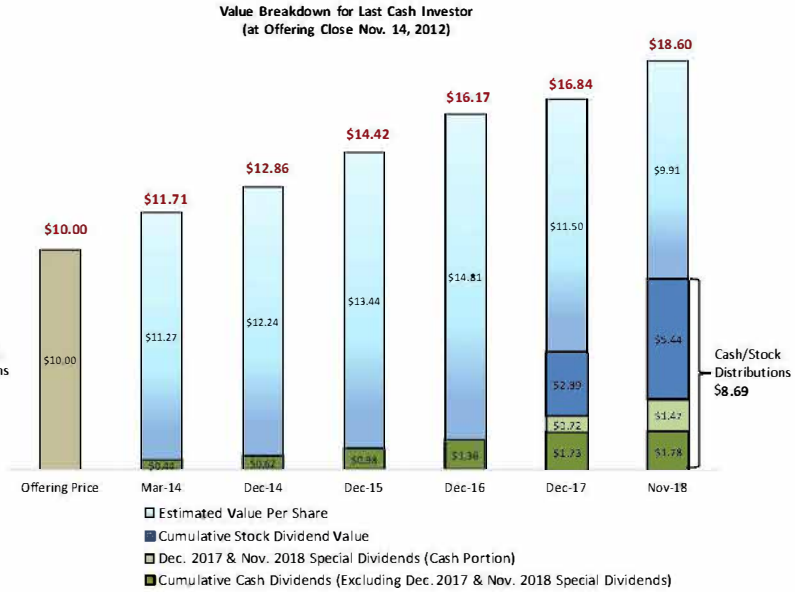
Stockholder Performance

KBS Strategic Opportunity REIT

Hypothetical Performance of First and Last Investors

$10.00 Offering Price





"Valuation Information" for a first cash investor assumes all distributions received in cash and no share redemptions and reflect the cash payment amounts (all distributions paid since inception) per share for a hypothetical investor who invested on or before escrow break and consequently has received all distributions paid by the REIT. "Cumulative distributions" for a first cash investor and a last cash investor assumes all distributions received in cash (except for stock portion of special distributions) and no share redemptions, and reflect the cash payment amounts (all distributions paid or declared since investment) per share for a hypothetical investor who invested on April 19, 2010, and November 14, 2012, respectively. The "offering price" of $10.00 reflects the maximum per share purchase price in the primary initial public offering.

Nov. 12, 2018 Special Dividend

KBS Strategic Opportunity REIT

The November 12, 2018 authorization of a special dividend was a result of the REIT's estimates for a significant amount of taxable capital gains from property sales expected to close during 2018 and a transfer of a significant amount of Park Highlands land acreage into a taxable REIT subsidiary (a taxable event) in anticipation of future sales to third parties. As a result of the taxable capital gains, the REIT has authorized to pay a special dividend to stockholders.

- Special dividend of $2.95 per share payable to stockholders of record as of November 12, 2018
- Special dividend will be paid in December 2018
- Stockholders can elect 100% Stock or 100% Cash; the Default election will be 100% Cash
- Because the aggregate amount of cash to be distributed by the REIT cannot exceed 20% of the total special dividend, the likely result of a cash election or default election is the receipt of approximately 20% cash and 80% shares of common stock, unless a significant number of stockholders elect to receive 100% stock.
- Stockholders will receive election forms in November 2018 and must return them to the REIT's transfer agent by midnight CST on December 7, 2018, if they elect for a 100% stock distribution.
- The special dividend is ineligible for reinvestment through the Dividend Reinvestment Plan.
- Elections for 100% stock for custodial held accounts require the custodian's approval
- The special dividend payment, including both cash and stock, will generally be taxed as a capital gain distribution. The tax due may exceed the amount of cash, if any, distributed to each stockholder as part of the special dividend. Stockholders are advised to consult their tax advisors regarding the tax consequences of the special dividend.

Nov. 12, 2018 Special Dividend

KBS Strategic Opportunity REIT

Client account statements will reflect a value of $9.91 as of November 30, 2018, which is the November 2018 estimated value per share after the November 12, 2018 special dividend of $2.95 per share.

Only the cash portion of the special dividend ultimately impacts the value of shares held in a client's account, as the stock distribution increases the number of shares owned and decreases the value of each share but does not impact the total account value. The following illustrates the approximate pre- and post-special dividend value of an account originally holding 1 share for which a cash election is made for the special dividend.[1]

	Estimated Value Per Share	Total Shares	Total Share Value	Cash Dividends	Total Account Value
November 12, 2018 Before Special Dividend	**$12.86**	**1.0000**	**$12.86**		**$12.86**
November 12, 2018 Special Dividend [1]					
Cash Dividend	($0.59)		($0.59)	$0.59	
Stock Dividend Value [2]	($2.36)	0.2381	$0.00		
November 12, 2018 After Special Dividend	**$9.91**	**1.2381**	**$12.27**	**$0.59**	**$12.86**

1 Assumes the shareholder receives 20% of the special dividend in cash and 80% in stock. If a significant number of investors elect all stock, a cash electing investor may receive more than 20% of the special dividend in cash.
2 Assumes 0.2381 shares received in the special stock dividend per share of common stock outstanding.

Stockholder Performance Illustration

KBS Strategic Opportunity REIT

Since special dividends were declared on December 7, 2017 and November 12, 2018, a comparison of the estimated value per share over time is no longer a fair reflection of stockholder performance.

The following illustration shows the performance of the first cash investor who bought 1 share, who received 20% of the special dividends on December 7, 2017 and November 12, 2018 in cash and 80% in stock, to focus on the performance of both the share and account value.

	Estimated Value Per Share	Total Shares	Total Share Value	Cash Dividends	Total Account Value
Offering Price	**$10.00**	**1.0000**	**$10.00**		**$10.00**
Estimated Value Per Share Increase	$5.11		$5.11		$5.11
Cash Dividends to December 7, 2017				$2.43	$2.43
December 7, 2017 Before Special Dividend	**$15.11**	**1.0000**	**$15.11**	**$2.43**	**$17.54**
December 2017 Special Dividend (1)					
Cash Dividend	($0.72)		($0.72)	$0.72	$0.00
Stock Dividend Value (2)	($2.89)	0.2509	$0.00		$0.00
December 7, 2017 After Special Dividend	**$11.50**	**1.2509**	**$14.39**	**$3.15**	**$17.54**
Estimated Value Per Share Increase	$1.36		$1.71		$1.71
Cash Dividends to November 12, 2018				$0.05	$0.05
November 12, 2018 Special Dividend (1)					
Cash Dividend	($0.59)		($0.75)	$0.75	$0.00
Stock Dividend Value (2)	($2.36)	0.2979	$0.00		$0.00
November 12, 2018 After Special Dividend (2)	**$9.91**	**1.5488**	**$15.35**	**$3.95**	**$19.30**

1 Assumes the shareholder receives 20% of the special dividend in cash and 80% in stock. If a significant number of investors elect all stock, a cash electing investor may receive more than 20% of the special dividend in cash.
2 Assumes a stock dividend rate of 0.2509 and 0.2381 shares per share of common stock outstanding, for the December 7, 2017 and November 12, 2018 special dividends, respectively, for a cumulative of 0.5488 additional shares after compounding as of November 12, 2018.

2019 Goals & Objectives

KBS Strategic Opportunity REIT

- ✓ Potential Enhanced Liquidity
- ✓ Additional Lease Up of the Portfolio
- ✓ Additional Acquisitions
- ✓ Strategic Dispositions
- ✓ Conversion to Daily NAV REIT

KBS Strategic Opportunity REIT

Thank you!

For more information, please contact your financial advisor or KBS Capital Markets Group at (866) 527-4264.

KBS Capital Markets Group
Member FINRA & SIPC

800 Newport Center Drive, Suite 700
Newport Beach, CA 92660
www.kbs-cmg.com