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KBS Strategic Opportunity REIT Increases Valuation of its Common Stock

NEWPORT BEACH, Calif., (December 19, 2018) – **KBS Strategic Opportunity REIT, Inc.**, a public non-traded real estate investment trust based in Newport Beach, Calif., announced that its board of directors has approved an estimated net asset value (“NAV”) per share of its common stock of \$9.91 as of November 12, 2018. This estimated value per share is based on the estimated value of the REIT’s assets less the estimated value of the REIT’s liabilities, or NAV, divided by the number of shares outstanding as of September 30, 2018 less a special dividend of \$2.95 per share to stockholders of record as of the close of business on November 12, 2018.

“The excellent performance of this portfolio has enabled KBS to return value to stockholders in the form of special dividends and growth,” said Keith Hall, Chief Executive Officer and Director of KBS Strategic Opportunity REIT. “We continue to see opportunities in creating value for our shareholders with our current strategy.”

The Company’s conflicts committee, composed solely of its independent directors, engaged Duff & Phelps, LLC (“Duff & Phelps”), an independent third-party real estate valuation firm, and Colliers International Valuation & Advisory Services, LLC (“Colliers”) to provide appraisals for the REIT’s real estate properties and land assets respectively, in order to provide a calculation of the range in estimated value per share of the REIT’s common stock. KBS Capital Advisors LLC, the REIT’s external advisor, performed valuations of the REIT’s other assets and liabilities. Upon the committee’s receipt and review of Duff & Phelps’ and Colliers’ valuation reports and consideration of the material assumptions and valuation methodologies applied and described therein, the committee recommended to the board of directors that it adopt \$9.91 as the estimated per share of the REIT’s common stock.

The valuation was performed in accordance with the methodology provided in the Institute for Portfolio Alternatives’ (f/k/a the Investment Program Association) practice guideline regarding valuations of publicly registered non-listed REITs. The estimated NAV does not reflect any “portfolio premium”, nor does it reflect an enterprise value for the Company.

For a full description of the limitations, methodologies and assumptions used to value the REIT’s assets and liabilities in connection with the calculation of the REIT’s estimated value per share, see the REIT’s Current Report on Form 8-K, filed with the Securities and Exchange Commission (“SEC”) on November 15, 2018.

About KBS

[KBS](#) is a private equity real estate company and an SEC-registered investment adviser. Founded in 1992 by Peter Bren and Chuck Schreiber, it is recognized as one of the largest commercial office owners globally. Since inception, KBS-affiliated companies have completed transactional activity in excess of \$38 billion via 16 separate accounts and six commingled funds for government and corporate pension funds. Additionally, KBS has sponsored five sovereign wealth funds and seven SEC-registered, non-traded REITs. For information, visit www.kbs.com.

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 REIT makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements. These statements are based on a number of assumptions involving the judgment of management.

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 1A 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.

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