KBS | Growth & Income REIT

December 31, 2019

Dear KBS Growth & Income REIT Stockholder:

On December 4, 2019, KBS Growth & Income REIT, Inc.'s (the "REIT") board of directors approved an updated estimated value per share of the REIT's common stock of $8.43. 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 net asset value, divided by the number of shares outstanding, all as of September 30, 2019 and as disclosed in the REIT's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on December 12, 2019 ("the Valuation 8- K").[1] The $8.43 estimated value per share approximates the mid-range value of the range in the estimated value per share calculated by Duff & Phelps an independent, non-affiliated appraiser, and was recommended by KBS Capital Advisors LLC, the REIT's external advisor (the "Advisor") and engaged by the REIT's conflicts committee. Both the range in estimated value per share and the estimated value per share were based on Duff & Phelps' appraisals and the Advisor's valuations.

The range in estimated value per share and the estimated value per share were based on appraisals of all four of the REIT's real estate properties owned and one investment in an unconsolidated joint venture as of September 30, 2019 and valuations performed by the Advisor of the REIT's cash, other assets, mortgage debt and other liabilities. The estimated values of the notes payable and interest rate swap instruments are based on the GAAP fair values as disclosed in the Quarterly Report, and the estimated values of cash and a majority of other assets and other liabilities are equal to their carrying values. The estimated value per share did not include an enterprise (portfolio) premium or discount.

The decrease in the Company's estimated value per share from the previous estimate of $9.20 to the current estimate of $8.43 was primarily due to the following factors:

Interest Rate Swap Liability

The REIT enters into derivative instruments for risk management purposes to hedge its exposure to cash flow variability caused by changing interest rates. As of September 30, 2019, the REIT had entered into two interest rate swap agreements to mitigate its exposure to rising interest rates. Since the REITs fair value declaration on September 30, 2018, the fair value of interest rate swaps decreased by $3.2 million, which decreased the REIT's estimated value by $0.31 per share. The value of interest rate swaps is primarily impacted by interest rates, market expectations about interest rates and the remaining life of the instrument. This decrease reflects the interest rate environment and the decrease in interest rates year-over-year.

Distributions and Deferral of Asset Management Fee Liability

Throughout 2019, the REIT has been declaring and paying distributions based on a 6% annualized rate. During this time, the Advisor has deferred the payment of asset management fees, which allows the REIT to support a higher distribution out of cash flows, but it is a liability on the books that reduces the estimated value per share. The distribution declared for the period from September 30, 2018 to September 30, 2019 was $0.54/share compared to operating cash flow[2] before the deferral of asset management fee of $0.24/share, resulting in a decrease in the estimated value per share of $0.30/share.

[1] For more information on the estimated value per share, including a full description of the limitations, methodologies and assumptions used to value the REIT's assets and liabilities, and used in the calculation of the estimated value per share, see the Valuation 8-K. In addition, you can view the Valuation Update Presentation online at kbs-cmg.com, by clicking on "View Offering" under "KBS Growth & Income REIT."

[2] Operating cash flows reflects modified funds from operations ("MFFO") adjusted to add back the amortization of deferred financing costs and deferral of asset management fee. The Company computes MFFO in accordance with the definition included in the practice guideline issued by the IPA in November 2010.

Changes in the Value of the REIT's Real Estate Assets

The decrease in the REIT's value per share was also impacted by the appraised value of the REIT's real estate properties versus a year earlier resulting in a net decrease of $0.15 per share as follows:

The Offices at Greenhouse, Houston, Texas - The appraised value increased $3.0 million, or 5.5%, compared to prior year appraised value plus capital expenditures due to the following:

- 100% leased and occupied with no major projected capital expenditures for the near future.
- An increase in net operating income due to full occupancy, contractual rent steps over 2019 levels, and no remaining contractual free rent periods.
- Improvement in Houston's capital markets activity between appraisal dates including the recent sales of City Center V and Westway Plaza in West Houston which support the increased valuation for Greenhouse. Such investment activity is indicative of a generally accepted sentiment that the worst of the energy-pricing related downturn in Houston is behind us, the related recovery being consistent with and part of our original investment plan at acquisition.

Commonwealth Building, Portland, Oregon - The appraised value increased $1.7 million, or 2.0%, compared to prior year appraised value plus capital expenditures due to the following:

- An increase in net operating income due to stabilized occupancy, contractual rent steps over 2019 levels, and rolling expiring leases to market. The average in-place rental rate increased from $27.49 psf from prior year to $29.19 psf in the current year. The property is 96.5% leased with many tenants paying below-market rent, which creates opportunities for future growth as leases roll to market.
- Large technology companies such as Google and Amazon continue to expand their footprint in the Portland CBD.

213 West Institute, Chicago, Illinois - The appraised value decreased $3.4 million, or 7.4%, compared to prior year appraised value plus capital expenditures due to the following:

- Dogwhistle, a tenant who occupied 13,822 SF was evicted in September 2018. As of current, 3,477 SF will have been re-leased. The downtime to lease the balance of the space, along with the cost, has caused a drag to value.
- The additional vacancy caused by Dogwhistle was further exacerbated by the lack of retention of leases expiring in 2019. Out of the nine tenants who had expiring leases in 2019, only two chose to renew, both of which were at rates below market. This resulted in a renewal percentage of just 22% based on square footage.
- According to Cushman and Wakefield Research, year-over-year asking office rents in River North have declined 3% from Q3 2018 to Q3 2019.

Von Karman Tech Center, Irvine, California - The appraised value decreased $2.9 million, or 10.2%, compared to prior year appraised value plus capital expenditures due to the following:

- The major tenant, Hosting.com (44,892 SF), recently merged with Ntirety, and as a part of the merger, Ntirety engaged Cushman & Wakefield to market a portfolio sale of seven data centers, including the one at Von Karman Tech. This raises the concern that Hosting.com will not renew its lease at expiration on 6/30/23. Furthermore, data center tenants' have a strong preference to be in standalone buildings which Von Karman Tech is not able to offer and the Orange County Data Center market is currently 20% over capacity. We are increasing our capital projection to re-tenant the space in case Hosting.com vacates.
- Combatant Gentlemen, a tenant who leased 9,313 SF went out of business and vacated Suite 450 earlier than expected.
- On November 25, 2019, KBS G&I REIT entered into an agreement to sell Von Karman Tech Center to an unaffiliated third party.

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Final Remarks

KBS Growth & Income REIT has been unable to raise substantial funds in its offering and the REIT has not acquired a diverse portfolio of real estate investments. Due to the lack of size, the cost of operating the REIT constitutes a greater percentage of its net operating income and the estimated value per share has and will vary more widely with the performance of specific assets. Accordingly, the Board has formed a special committee to evaluate strategic alternatives for the REIT and has currently decided on the following:

- Temporarily suspend the primary portion of its ongoing offering while evaluating strategic alternatives; although the REIT will continue to accept shares under the dividend reinvestment plan.
- Distributions paid through December 2019 has been funded in part with debt financing and the deferral of asset management fees, which is dilutive to the estimated value per share. Moving forward, the Board will reassess and likely decrease the amount of ongoing distributions in 2020.
- Engage a financial advisor to assist with the evaluation of strategic alternatives.

Thank you for your continued confidence and support of KBS Growth & Income REIT. I look forward to providing you with future updates on the review and evaluation of strategic alternatives for the REIT.

Sincerely,

Charles J. Schreiber, Jr.
Chief Executive Officer

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IMPORTANT INFORMATION FOR STOCKHOLDERS ADDITIONAL INFORMATION AND WHERE TO FIND IT

The information contained herein should be read in conjunction with, and is qualified by, the information in the REIT's Annual Report on Form 10-K for the year ended December 31, 2018 (the "Annual Report") and Quarterly Report on Form 10-Q for the period ended September 30, 2019 (the "Quarterly Reports"), including the "Risk Factors" contained therein.

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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. 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. Such statements are subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those contemplated by such forward-looking statements. The Company 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 appraisal methodology for the Appraised Properties assumes the properties realize the projected net operating income 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 appraisals of the Appraised Properties, with respect to Duff & Phelps, and the valuation estimates used in calculating the estimated value per share, with respect to Duff & Phelps, the Advisor and the Company, are the respective party's best estimates as of September 30, 2019, the Company can give no assurance in this regard. Even small changes to these assumptions could result in significant differences in the appraised values of the Appraised Properties and the estimated value per share. 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; 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, 2018, and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2019, each 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 NAV per share.