



KBS

Growth & Income
Real Estate
Investment Trust

Portfolio Update Meeting
March 11, 2020

Important Disclosures

The information contained herein should be read in conjunction with, and is qualified by, the information in KBS Growth & Income Real Estate Investment Trust's (the "Company or KBS Growth & Income REIT or KBS G&I REIT") Annual Report on Form 10-K for the year ended December 31, 2019 (the "Annual Report"), including the "Risk Factors" contained therein.

For a full description of the limitations, methodologies and assumptions used to value KBS G&I REIT's assets and liabilities in connection with the calculation of KBS G&I REIT's estimated value per share, see KBS G&I REIT's Current Report on Form 8-K dated December 4, 2019 (the "Valuation 8-K").

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. 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 Company may fund distributions from any source including, without limitation, from offering proceeds or borrowings. Distributions paid through December 31, 2019 have been funded in part with cash flow from operating activities and in part with debt financing, including advances from the Company's advisor. In addition, distributions have been funded with cash resulting from the advisor's waiver and deferral of its asset management fee. There are no guarantees that the Company will continue to pay distributions or that distributions at the current rate are sustainable. 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. With respect to the NAV per share, the appraisal methodology used 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 Company's 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 herein 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.

About KBS

Formed by Peter Bren and Chuck Schreiber in 1992.

Over 26 years of investment and management experience with extensive long-term investor relationships.



Transactional volume in excess of \$41.8 billion¹, AUM of \$8.2 billion¹ and 24.6 million square feet under management¹.



Buyer and seller of well-located, yield-generating office and industrial properties.



Advisor to public and private pension plans, endowments, foundations, sovereign wealth funds and publicly registered non-traded REITs.



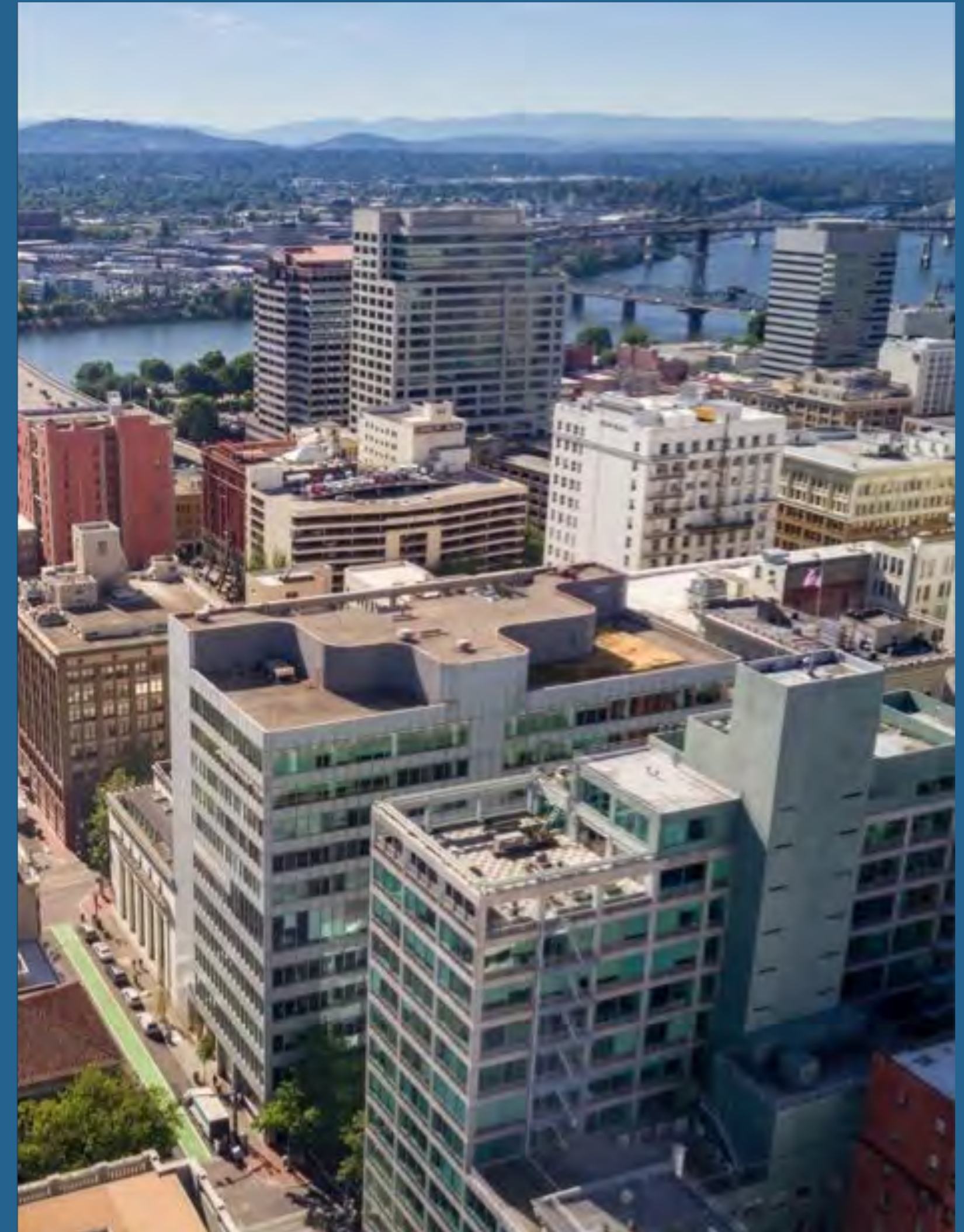
A trusted landlord to thousands of office and industrial tenants nationwide.



A preferred partner with the nation's largest lenders.

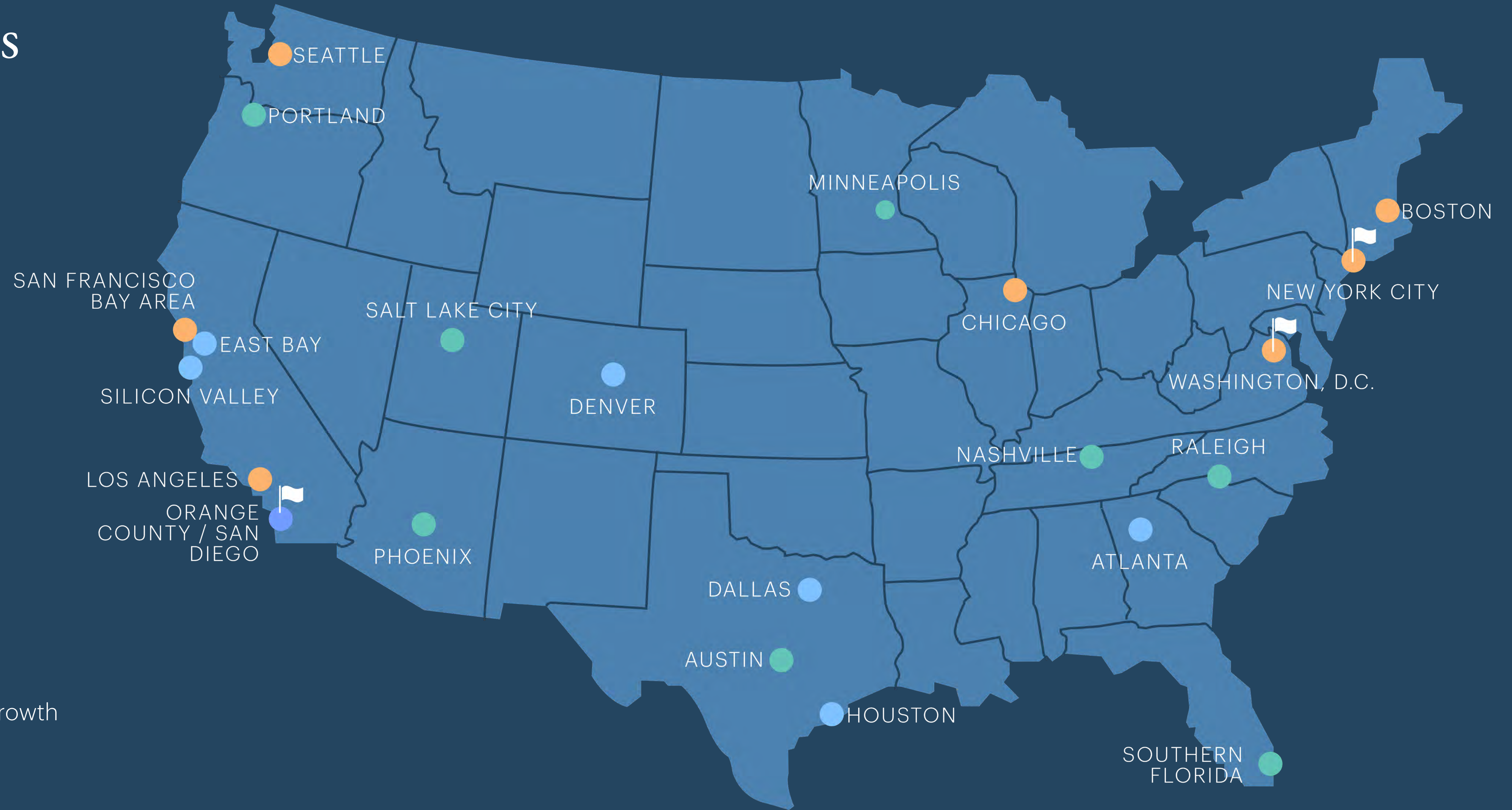


A development partner for office, mixed-use and multi-family developments.



¹ As of December 31, 2019.

Regional Focus Map



Investment Objectives

- ✓ Achieve long-term growth in the value of the portfolio
- ✓ Build a diverse portfolio of core real estate properties
- ✓ Preserve and return stockholders' capital contributions
- ✓ Provide investors with attractive and stable cash distributions



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KBS Growth & Income REIT 4th Quarter Portfolio Highlights



Fund and Portfolio Overview

As of December 31, 2019, unless otherwise noted;

1 With the exception of total leverage, portfolio overview information reflects information as of December 31, 2019 for the current portfolio of consolidated real estate properties following the sale of Von Karman Tech Center on January 17, 2020.

2 Represents aggregate acquisition price (excluding closing costs) of the current consolidated real estate portfolio and any subsequent capital expenditures.

3 Represents cost basis, which is acquisition price (excluding closing costs) plus subsequent capital expenditures for the current consolidated real estate portfolio.

4 Based solely on the appraised values as of September 30, 2019 as reflected in the December 2019 estimated share value for the current portfolio of consolidated real estate properties following the sale of Von Karman Tech Center. The appraised value of Von Karman Tech Center did not take into account estimated disposition costs and fees.

5 The Second Private Offering is currently suspended. See the Annual Report on Form-10K for more information.

6 Data as of September 30, 2019. See the Current Report on Form 8-K dated December 4, 2019.

7 Includes proceeds from distribution reinvestment plan.

8 Includes future leases of current consolidated real estate portfolio that had been executed but had not yet commenced as of December 31, 2019.

9 Distributions are not guaranteed. Reflects the most recently declared distribution rate for the months of January through April 2020.

10 Calculated as total debt on consolidated real estate properties of \$118.5 million divided by December 2019 estimated value of all consolidated properties of \$208.7 million.

FUND OVERVIEW

Initial Private Offering

June 2015 – April 2016

Public Offering

April 2016 – June 2017

Second Private Offering

October 2017 – Current⁵

Current NAV (Dec. 2019)⁶

\$8.43 per share

Total Equity Raised⁷

\$94.3 million

Current Distribution Rate⁹

3.00% based on NAV

PORTFOLIO OVERVIEW¹

Total Acquisitions²

\$158.2 million

Cost Basis of Current Portfolio of Consolidated Properties³

\$169.5million

Dec. 2019 Estimated Value of Current Portfolio of Consolidated Properties⁴

\$183.5 million

Rentable Sq. Ft.

582,791

Total Leased⁸

97.8%

Total Leverage¹⁰

56.8%

Portfolio Highlights

As of December 31, 2019

PROPERTY NAME CITY, STATE	PROPERTY TYPE / NO. OF BUILDINGS	ACQUISITION DATE	SIZE (SF)	PURCHASE PRICE ¹	OCCUPANCY % AT ACQUISITION	LEASED % AS OF 12/31/19 ²
Commonwealth Building Portland, OR	Office 1 Building	6/30/2016	224,122	68,545,000	96%	100%
The Offices at Greenhouse Houston, TX	Office 1 Building	11/14/2016	203,284	46,489,000	95%	100%
213 West Institute Place Chicago, IL	Office 1 Building	11/9/2017	155,385	43,155,000	92%	91%
TOTAL / WEIGHTED AVG.			582,791	\$158,189,000	95%	98%

¹ Purchase price reflects contractual purchase price, net of closing credits, and excludes acquisition fees and expenses.

² Total leased percentage includes future leases that have been executed but have not yet commenced as of December 31, 2019.

Capital Management

As of December 31, 2019

Total Debt **\$118.5 million**

Loan-to-Value¹ **56.8%**

Average cost of debt² **4.1% per annum**

Average term to initial maturity **1.72 years**

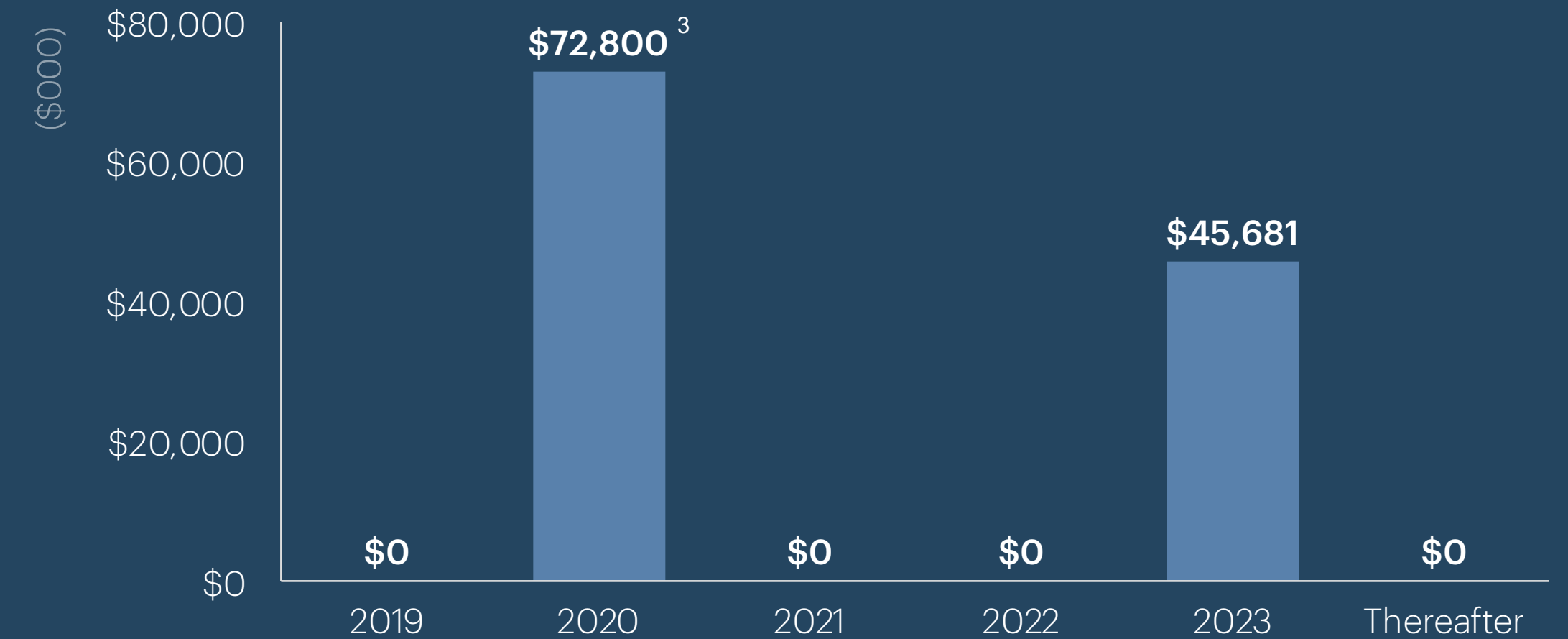
Average term to fully extended maturity **3.72 years**

¹ Calculated as total debt on properties of \$118.5 million divided by December 2019 estimated value of consolidated properties of \$208.7 million.

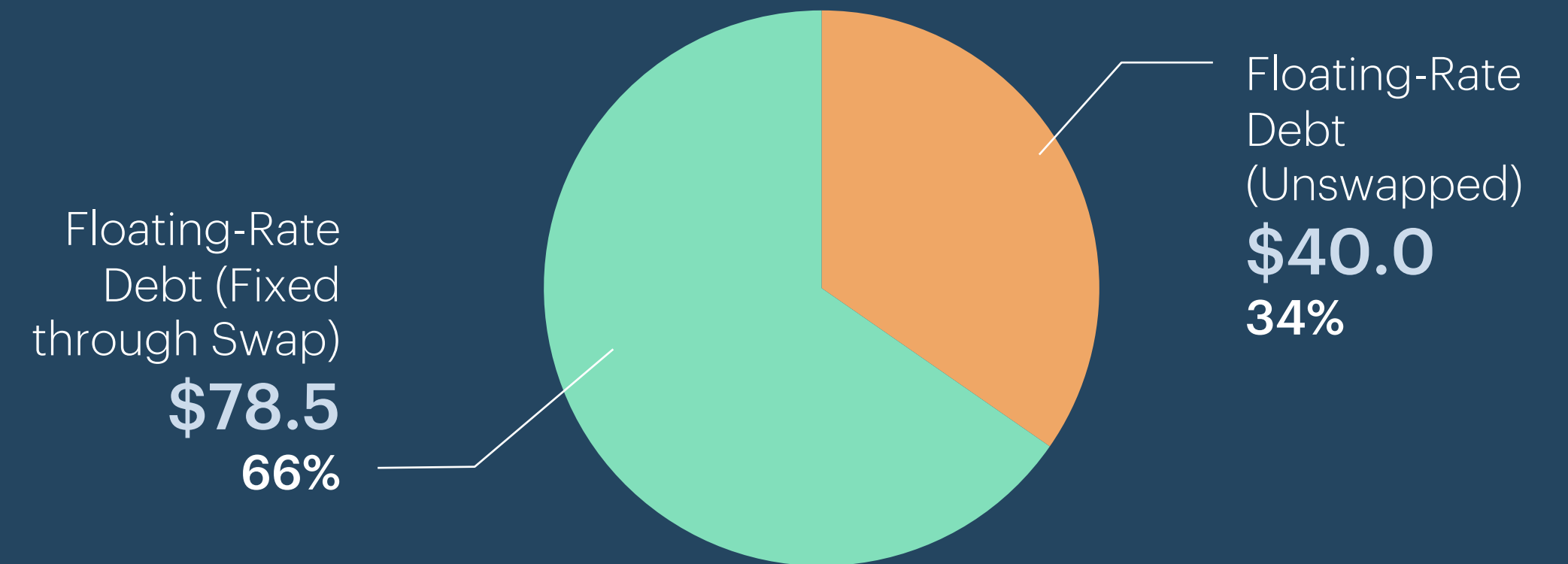
² Average cost of debt as of December 31, 2019.

³ As of December 31, 2019, \$72.8 million of debt maturing in 2020 has the option to extend to 2022.

Initial Debt Maturities



Interest Rate Exposure (\$ in millions)



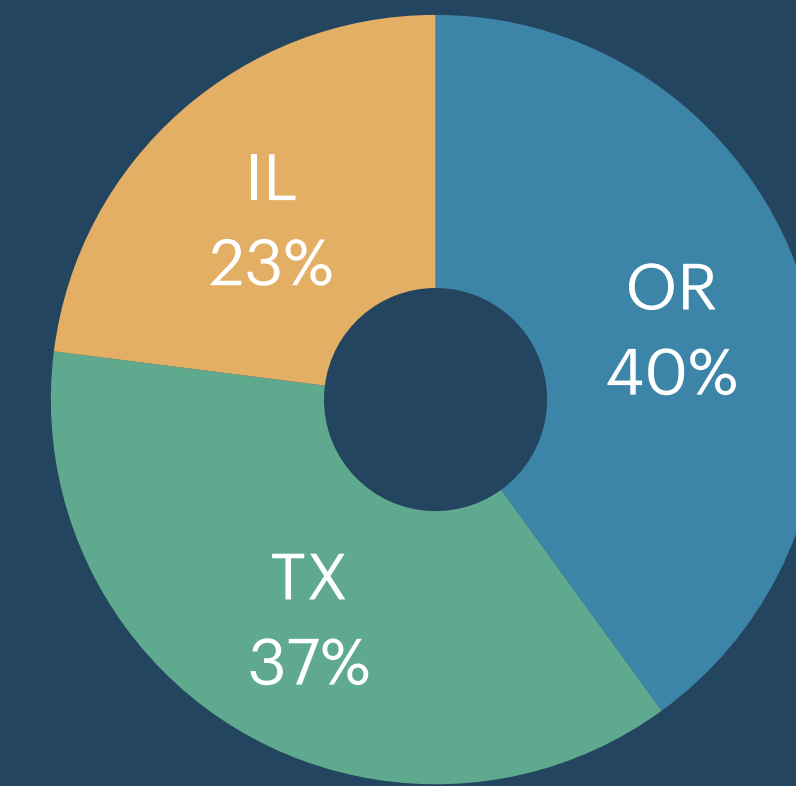
Portfolio Overview¹

As of December 31, 2019

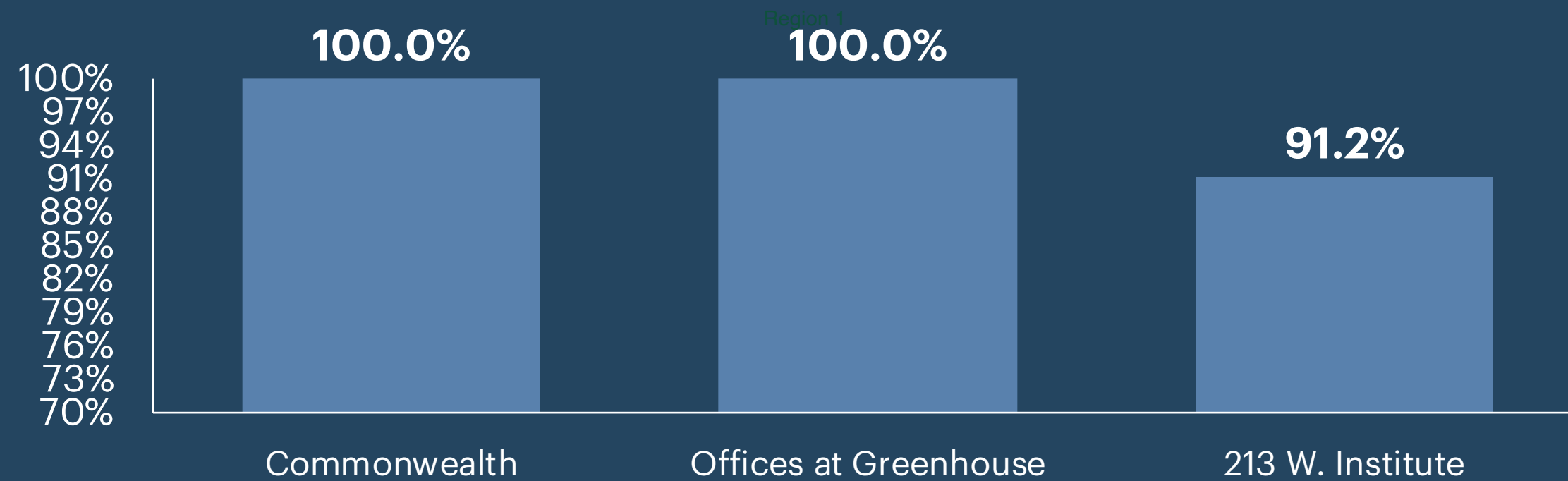
Key Statistics

No. of Consolidated Held for Investment Assets	3
Total Rentable Sq. Ft.	582,791
Wtd Avg Lease Term	3.6 years
Economic Occupancy	95.7%
Leased Occupancy ²	97.8%
No. of Tenants	64

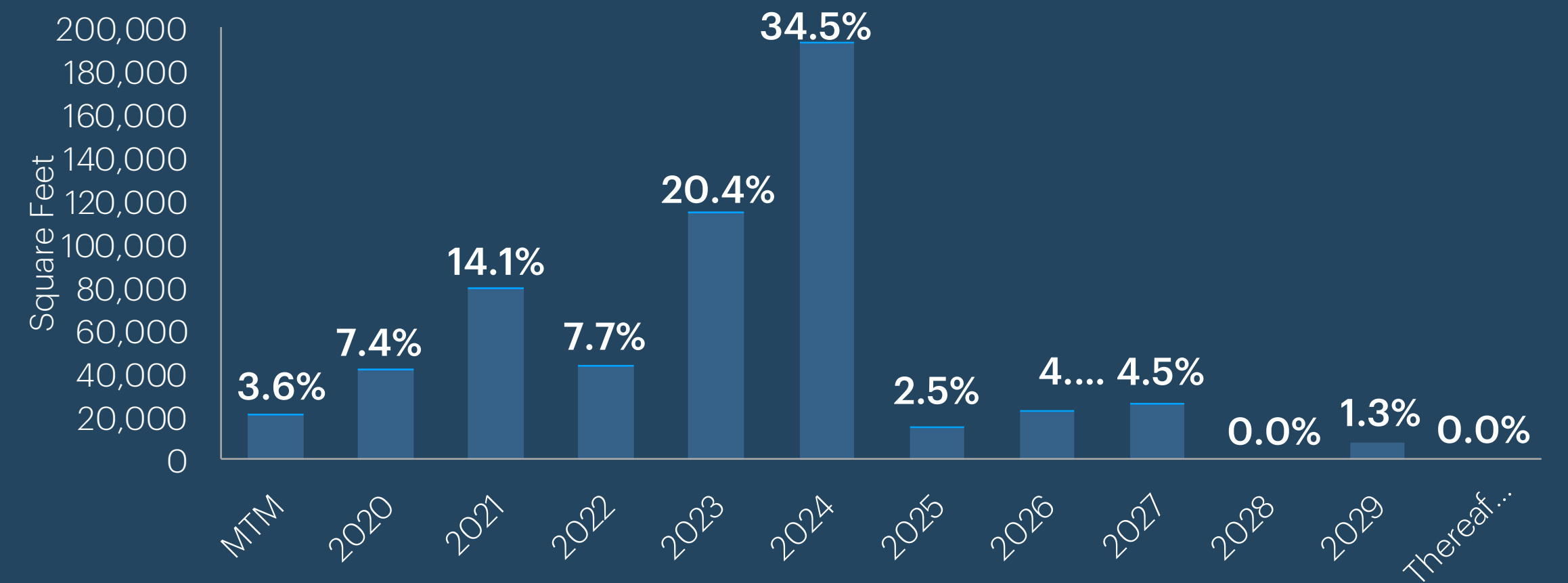
Geographic Diversification³



Leased Occupancy²



Occupied SF Expirations as of December 31, 2019



¹ All information in the portfolio overview excludes held for sale asset and investment in unconsolidated JV.
² Leased % includes future leases that had been executed but had not yet commenced as of December 31, 2019.
³ Based on occupied square feet as of December 31, 2019.

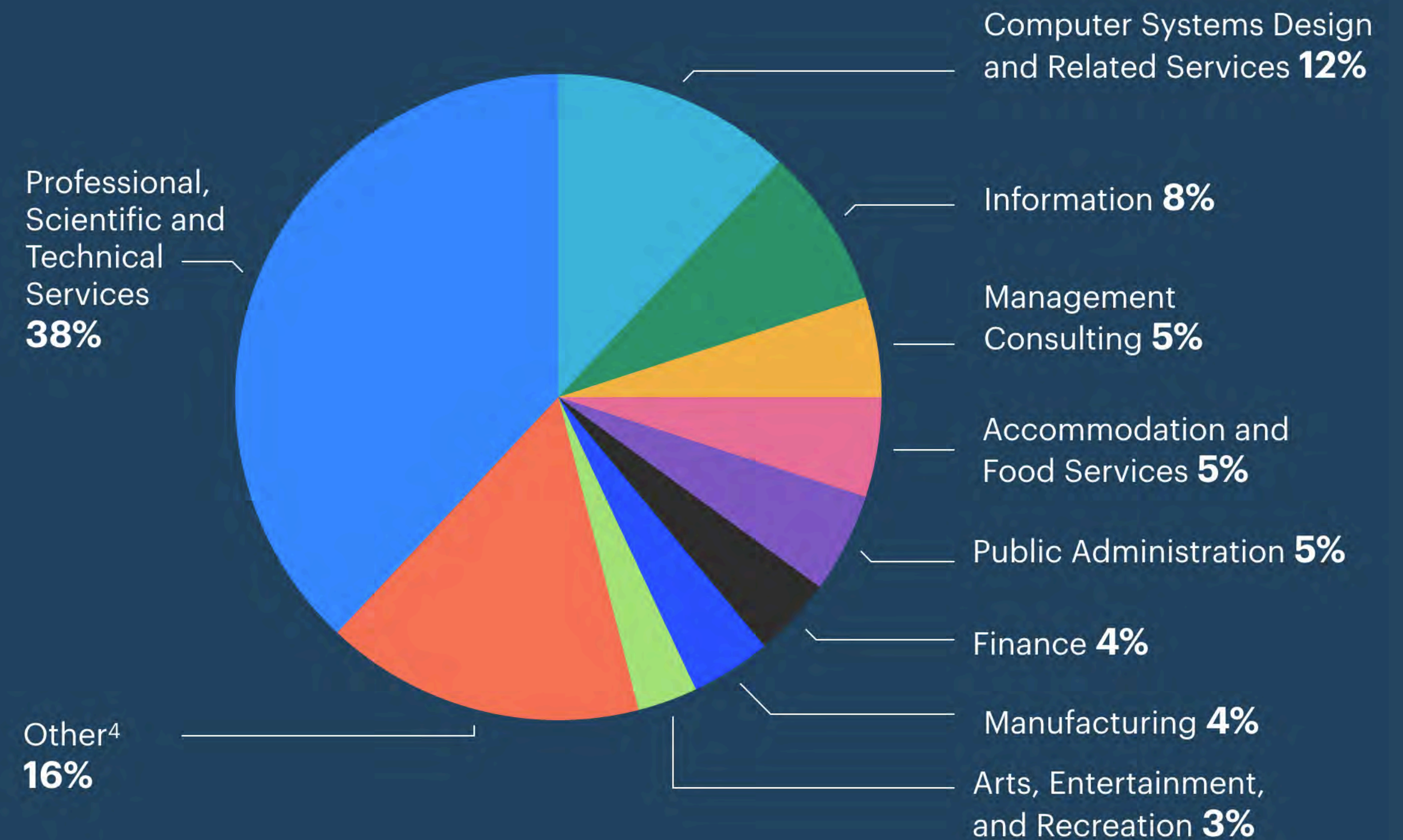
Tenancy Overview¹

Top 10 Tenants	Industry	Property	% of Portfolio ²
AECOM	Professional, Scientific and Technical	Offices at Greenhouse	24.3%
J. Connor Consulting, Inc.	Management Consulting	Offices at Greenhouse	5.8%
Galois, Inc	Computer Systems Design & Programming	Commonwealth	5.6%
Quantum Spatial	Professional, Scientific and Legal	Commonwealth	4.4%
City of Portland	Public Administration (Government)	Commonwealth	3.7%
NEEA	Educational Services	Commonwealth	3.6%
Cushing and Company	Other	213 W. Institute	3.4%
Downtown Entertainment LLC	Accommodation and Food Services	213 W. Institute	3.1%
Infogroup, Inc.	Information	Commonwealth	2.5%
Kennedy Jenks Consult, Inc	Professional, Scientific and Legal	Commonwealth	2.3%
TOTAL (based on total occupied square feet)			56.3%
Weighted Average Lease Term (Top 10 Tenants)			4.04 years

1 All information in the tenancy overview excludes investment in held for sale asset and unconsolidated JV.
 2 Based on occupied square feet as of December 31, 2019.
 3 Annualized base rent represents annualized contractual base rental income as of December 31, 2019, adjusted to straight-line any contractual tenant concessions (including free rent), rent increases and rent decreases from the lease's inception through the balance of the lease term. Percent of annualized base rent is based on total annualized base rent of the current portfolio.
 4 "Other" is comprised of various industries with less than 3% of total annualized base rent.

As of December 31, 2019

Industry Diversification³



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Property Updates



Von Karman Tech Center Sale

On January 17, 2020, Von Karman Tech (101,161 RSF) located in Irvine, CA, was sold for a gross sale price of \$25.4 million. The sale price was slightly above the most recent appraised value of the property as of September 30, 2019 as reflected in the December 2019 estimated value per share. The appraised value of Von Karman Tech Center did not take into account estimated disposition costs and fees.



The Offices at Greenhouse Houston, TX



Investment at a Glance

Location	Houston, TX
Property Type	Class A Office
Acquisition Date	November 14, 2016
Purchase Price	\$46,489,0000
No. of Buildings	1
Stories	5
Total Rentable Square Feet	203,284 SF
Site Size	4.6 Acres
Year Built / Renovated	2014
Leased % at Acquisition	95.2%
Current Leased Occupancy 12/31/19	100%
Avg. Rental Rate at Acquisition	\$19.40 / SF
Avg. 2019 In-Place Rental Rate	\$21.09 / SF
Current Market Rental Rate	\$23.00 / SF
2019 NOI Yield ¹	8.72%
Submarket	Energy Corridor
Key Tenants	<u>% of Bldg.</u>
• AECOM	66.8%
• J. Connor Consulting	15.8%
• World Fuel Services	4.5%

¹ 2019 NOI yield is calculated by taking the 2019 total NOI divided by the property's average cost basis

Commonwealth Building

Portland, OR

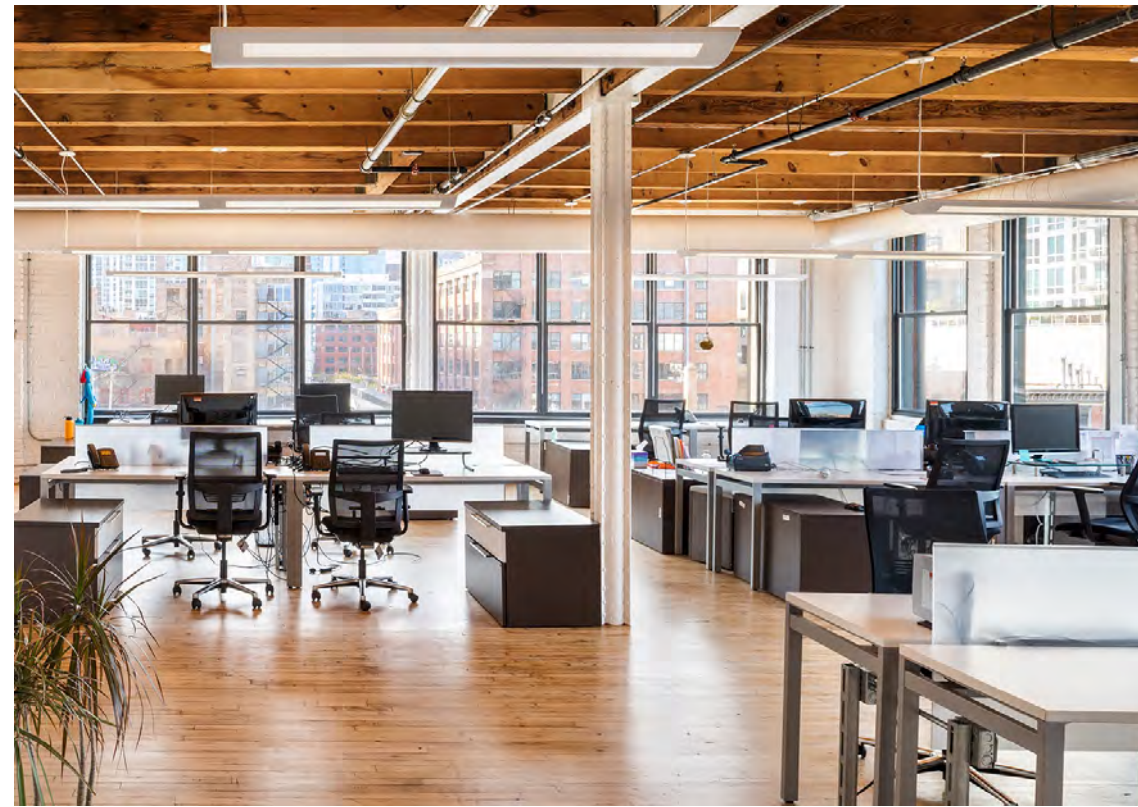


Investment at a Glance

Location	Portland, OR
Property Type	Class A Office
Acquisition Date	June 30, 2016
Purchase Price	\$68,545,000
No. of Buildings	1
Stories	14
Total Rentable Square Feet	224,122 SF
Site Size	0.46 Acres
Year Built / Renovated	1948 / 2013-2015 / 2017
Leased % at Acquisition	96.2%
Current Leased Occupancy 12/31/19	100.0%
Avg. Rental Rate at Acquisition	\$23.14 / SF
Avg. 2019 In-Place Rental Rate	\$28.83 / SF
Current Market Rental Rate	\$38.00 / SF
2019 NOI Yield ¹	5.06%
Submarket	CBD
Key Tenants	<u>% of Bldg.</u>
• Galois, Inc.	13.9%
• Quantum Spatial	10.9%
• City of Portland	9.2%

¹ 2019 NOI yield is calculated by taking the 2019 total NOI divided by the property's average cost basis

213 West Institute Chicago, IL

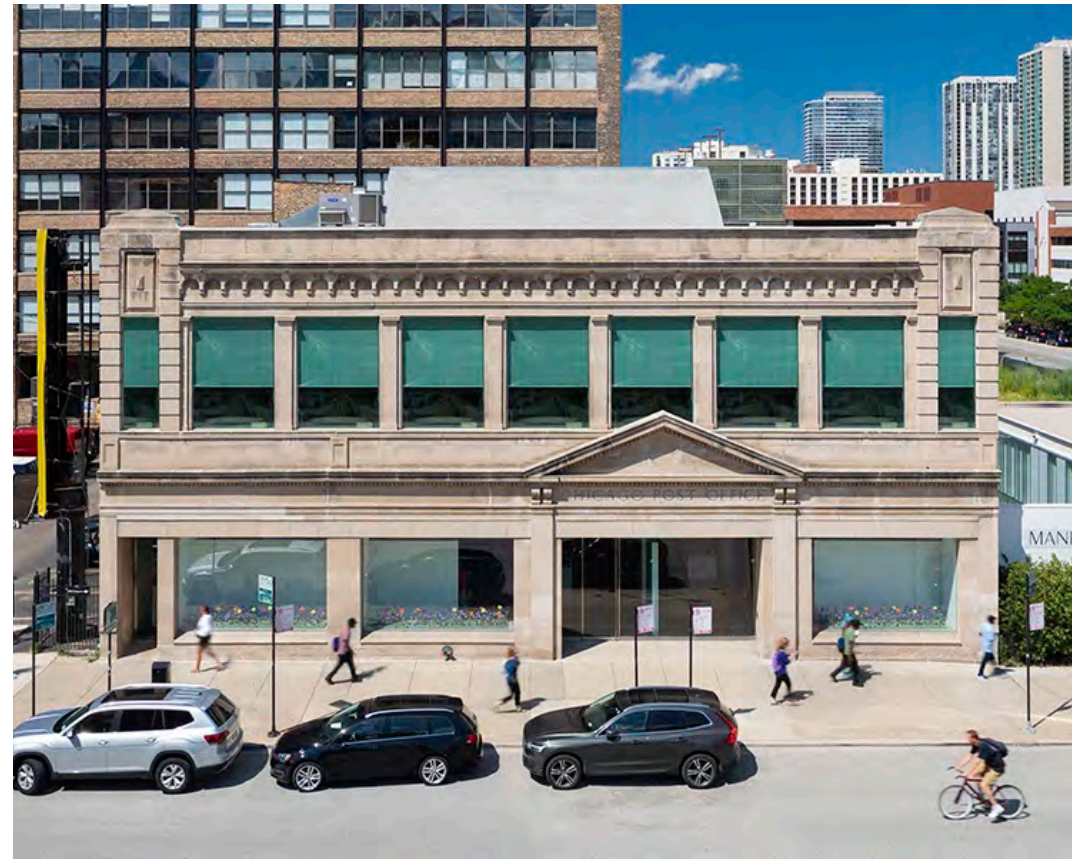


Investment at a Glance

Location	Chicago, IL
Property Type	Class B Office
Acquisition Date	November 9, 2017
Purchase Price	\$43,155,000
No. of Buildings	1
Stories	7
Total Rentable Square Feet	155,385 SF
Site Size	0.67 Acres
Year Built / Renovated	1908 / 2017
Leased % at Acquisition	92.4%
Current Leased Occupancy 12/31/19	91.2%
Avg. Rental Rate at Acquisition	\$24.16 / SF
Avg. 2019 In-Place Rental Rate	\$24.00 / SF
Current Market Rental Rate	\$33.50 / SF
2019 NOI Yield ¹	3.72%
Submarket	River North
Key Tenants	<u>% of Bldg.</u>
• Cushing and Company	12.2%
• Downtown Entertainment	11.1%
• Condingdojo	5.6%

¹ 2019 NOI yield is calculated by taking the 2019 total NOI divided by the property's average cost basis

210 W. Chicago (Unconsolidated Joint Venture) Chicago, IL



Investment at a Glance

Location	Chicago, IL
Property Type	Two-story office/retail building
Acquisition Date	June 28, 2019
Deal Structure	JV with FGPH 210 W Chicago LLC
JV Ownership	50%
No. of Buildings	1
Stories	2
Total Rentable Square Feet	16,239 SF
Site Size	0.19 Acres
Year Built / Renovated	1913 / 2000
Leased % at Acquisition	100%
Current Leased Occupancy 12/31/19	100%
Avg. Rental Rate at Acquisition	\$33.05 / SF
Avg. 2019 In-Place Rental Rate	\$24.00 / SF
Current Market Rental Rate	\$34.00 / SF
2019 NOI Yield ¹	8.68%
Submarket	River North
Key Tenants	<u>% of Bldg.</u>
• Blake	45.1%
• Life Spice	31.6%
• JNL Graphics Design	11.9%

¹ 2019 NOI yield is calculated by taking the 2019 total NOI divided by the property's average cost basis

Fund Raising and Status of the REIT

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 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 distribution reinvestment plan.
- Engage a financial advisor to assist with the evaluation of strategic alternatives.
- Distributions paid through December 2019 have been funded in part with debt financing and the deferral of asset management fees, which is dilutive to the estimated value per share. Therefore, as of January 2020, the Board decreased the distribution rate from 6.00% annualized rate to a 3.00% annualized rate.

2020 Goals

- ✓ Evaluate and finalize strategic alternatives assessment
- ✓ Improve property cash flow through strategic leasing renewals with existing tenants and new leases for current vacant space
- ✓ Continue value enhancing capital projects to maintain the high level of occupancy



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Q&A

For additional questions,
contact

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