

Nontraded REIT Industry Review: Third Quarter 2014



KBS Legacy Partners Apartment REIT, Inc.

Total Assets.....	\$423.8 Million
Real Estate Assets	\$387.8 Million
Cash	\$24.5 Million
Securities	\$0.0 Million
Other	\$11.5 Million



Cash to Total Assets Ratio:	5.8%
Asset Type:	Multifamily
Number of Properties:	11
Square Feet / Units / Rooms / Acres:	3,039 Units
Percent Leased:	93.0%
Weighted Average Lease Term Remaining:	Not Available
LifeStage:	Maturing
Investment Style:	Core
Weighted Average Shares Outstanding:	19,953,306

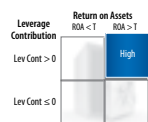
Initial Offering Date:	March 12, 2010
Anticipated Offering Close Date:	March 31, 2014
Current Price per Share:	\$10.96
Reinvestment Price per Share:	\$10.41
Cumulative Capital Raised during Offering (including DRP):	\$200.2 Million

Historical Price



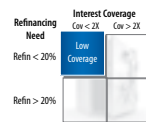
Performance Profiles

Operating Performance



The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



The REIT's interest coverage ratio is below the 2.0X benchmark but the REIT does not have over 20% of debt maturing within 2 years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, but may need to increase earnings to provide lenders with sufficient interest coverage.

Cumulative MFFO Payout



The REIT has not yet reached full coverage of cash distributions with an MFFO payout ratio below 100% since inception, but the last 12 months shows full coverage of distributions, a positive trend. If the 12-month trend continues, the distribution rate can be maintained.

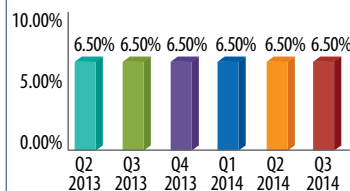
Summary

The REIT's return on assets over the last four quarters was 5.76%, well above the yield on 10-Year Treasuries of 2.64%, providing additional return to shareholders. It had a positive leverage contribution due to its average cost of debt of 3.30% and 69% debt ratio. Only 2.3% of the REIT's debt must be repaid within two years and none is at unhedged variable rates, indicating minimal refinancing need and no interest rate risk. Its interest coverage ratio over the last four quarters at 1.98X was just below the 2.0X benchmark. Since inception the REIT has paid out 101% of MFFO in cash distributions, excluding DRIP, and this rate was 75% over the last 12 months, showing a trend toward sustainability.

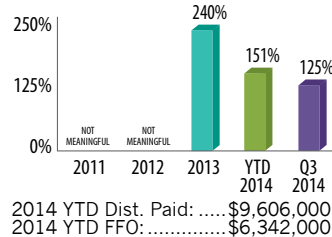
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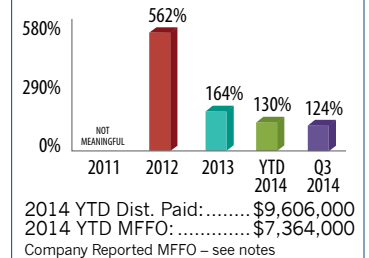
Historical Distribution



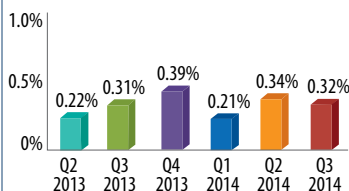
Historical FFO Payout Ratio



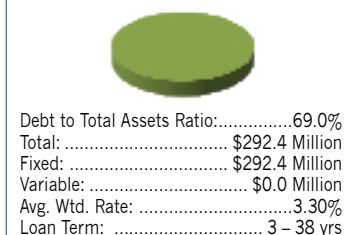
Historical MFFO Payout Ratio



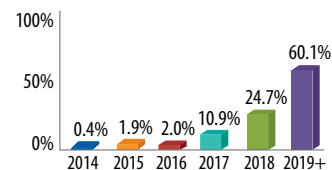
Redemptions



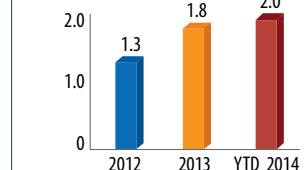
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- During 3Q 2014 the Company did not acquire or sell any properties.
- On October 1, 2014, the Company paid distributions of \$1.1 million, which related to distributions declared for daily record dates for each day in the period from September 1, 2014 through September 30, 2014. On November 3, 2014, the Company paid distributions of \$1.1 million, which related to distributions declared for daily record dates for each day in the period from October 1, 2014 through October 31, 2014.
- The primary offering price of \$10.96 per share of common stock was established by the board of directors on March 6, 2014, and effective on March 11, 2014. The \$10.96 primary offering price was determined based on the estimated value of assets less the estimated value of liabilities, or net asset value, divided by the number of shares outstanding, all as of December 31, 2013, with the exception of real estate properties, which were appraised as of January 31, 2014, and the adjustment for acquisition fees and closing costs incurred in connection with the acquisition of two real estate properties subsequent to December 31, 2013, which were included as a reduction to the net asset value.
- In August 2014, the Company had exhausted \$1.5 million of funds available for redemptions. For the remainder of 2014, the Company will only be able to process Special Redemptions.
- The REIT's Cash to Total Assets ratio decreased to 5.8% as of 3Q 2014 compared to 9.3% as of 3Q 2013.
- The REIT's Debt to Total Assets ratio increased to 69.0% as of 3Q 2014 compared to 64.9% as of 3Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the nine months ended September 30, 2014, the Company paid aggregate distributions of \$9.606 million, including \$5.426 million of distributions paid in cash and \$4.180 million of distributions reinvested through the dividend reinvestment plan. Cash flow from operating activities totaled \$8.473 million for the nine months ended September 30, 2014.