

# Nontraded REIT Industry Review: First Quarter 2015

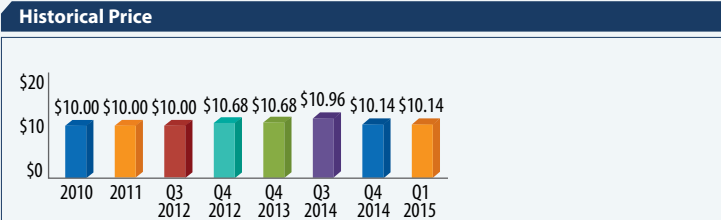
## KBS Legacy Partners Apartment REIT, Inc.

Total Assets.....	\$415.8 Million
Real Estate Assets .....	\$383.3 Million
Cash .....	\$22.0 Million
Securities .....	\$0.0 Million
Other .....	\$10.5 Million



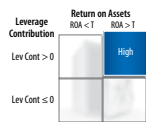
Initial Offering Date: .....	March 12, 2010
Offering Close Date: .....	March 31, 2014
Current Price per Share: .....	\$10.14
Reinvestment Price per Share: .....	\$9.64
Cumulative Capital Raised during Offering (including DRP).....	\$200.2 Million

Cash to Total Assets Ratio: .....	5.3%
Asset Type: .....	Multifamily
Number of Properties: .....	11
Square Feet / Units / Rooms / Acres: .....	3,039 Units
Percent Leased: .....	95.0%
Weighted Average Lease Term Remaining: .....	Not Available
LifeStage: .....	Maturing
Investment Style: .....	Core
Weighted Average Shares Outstanding: .....	20,118,253



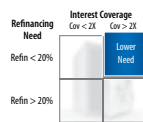
**Performance Profiles**

**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**



Interest coverage ratio exceeds the 2.0X benchmark and the REIT does not have over 20% of debt maturing within two years or at unhedged variable rates. The REIT does not face an immediate need to refinance a significant portion of its debt, and has sufficient earnings to cover interest expense.

**Cumulative MFFO Payout**



Cumulative MFFO since inception exceeds the cumulative cash distributions to common shareholders, indicating the REIT has fully funded cash distributions from its real estate operations. At the current distribution rate and level of modified funds from operations, trends suggest the distributions can be maintained.

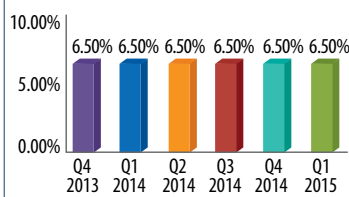
**Summary**

The REIT's return on assets over the last four quarters was 6.06%, well above the yield on 10-Year Treasuries, 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 3.5% 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 2.0X was just at the 2.0X benchmark. Since inception the REIT has paid out 90% of MFFO in cash distributions, excluding DRIP, and this rate was 66% over the last 12 months, showing a trend toward sustainability.

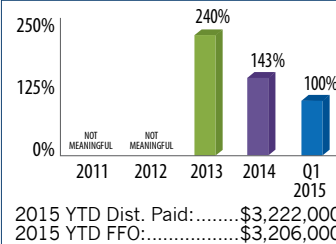
**Contact Information**

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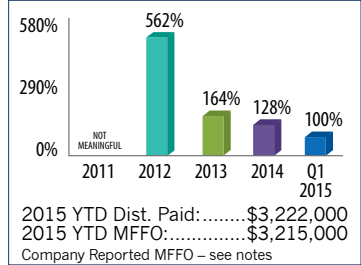
**Historical Distribution**



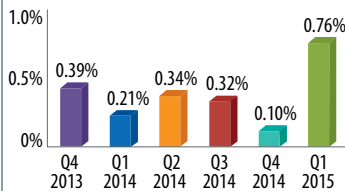
**Historical FFO Payout Ratio**



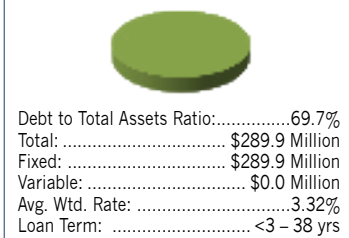
**Historical MFFO Payout Ratio**



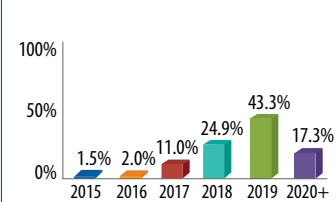
**Redemptions**



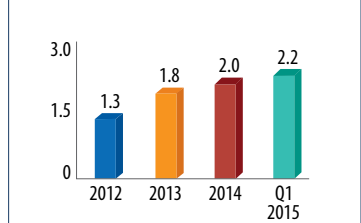
**Debt Breakdown**



**Debt Repayment Schedule**



**Interest Coverage Ratio**



**Source of Distributions, Trends and Items of Note**

- During the three months ended March 31, 2015, the Company did not acquire any properties.
- During the three months ended March 31, 2015 the Company declared and paid distributions at a rate equal to 6.4% based upon the \$10.14 estimated value per share.
- During the three months ended March 31, 2015 the Company incurred and deferred \$0.7 million in asset management fees.
- On December 9, 2014 the Company's board of directors approved an estimated value per share of the Company's stock of \$10.14 based upon the estimated value of the Company's assets minus the estimated value of its liabilities, as of September 30, 2014. The dividend reinvestment plan share price is \$9.64 which is 95% of \$10.14. The Company currently expects to utilize an independent valuation firm to update the estimated value per share in December of each year, in accordance with Practice Guideline 2013-01.
- The REIT's Cash to Total Assets ratio decreased to 5.3% as of 1Q 2015 compared to 5.8% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio increased to 69.7% as of 1Q 2015 compared to 68.5% as of 1Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the three months ended March 31, 2015 the Company declared distributions of \$3.2 million, including \$1.8 million of distributions paid in cash and \$1.4 million of distributions reinvested through its dividend reinvestment plan. FFO for the three months ended March 31, 2015 was \$3.2 million and cash flows from operations was \$3.2 million. The Company funded the total distributions paid for the three months ended March 31, 2015 with \$3.2 million of cash flows from operations. For the three months ended March 31, 2015, FFO represented 99% of total distributions paid.