



Nontraded REIT Industry Review: Second Quarter 2014

KBS Legacy Partners Apartment REIT, Inc.

Total Assets.....	\$426.9 Million
Real Estate Assets	\$390.1 Million
Cash	\$25.4 Million
Securities	\$0.0 Million
Other	\$11.3 Million



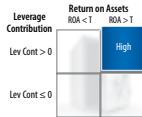
Cash to Total Assets Ratio:	5.9%
Asset Type:	Multifamily
Number of Properties:	11
Square Feet / Units / Rooms / Acres:	3,039 Units
Percent Leased:	94.0%
Weighted Average Lease Term Remaining:	Not Available
LifeStage:	Maturing
Investment Style:	Core
Weighted Average Shares Outstanding:	19,900,033

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):	\$201.6 Million



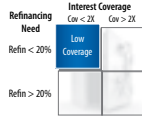
Performance Profiles

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.

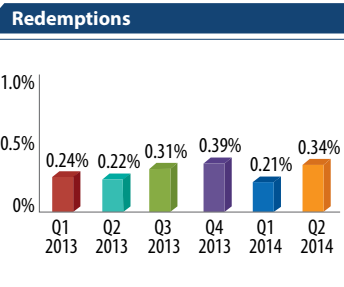
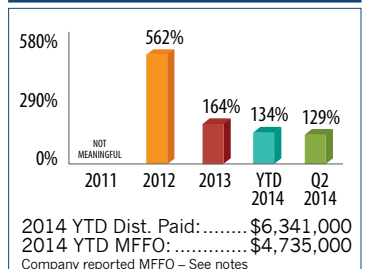
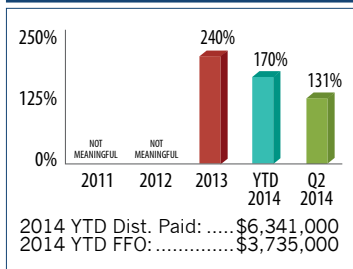
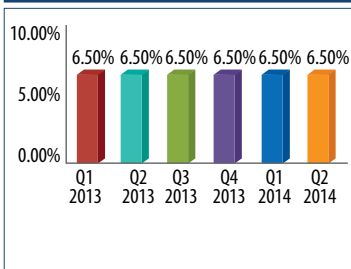
Summary

The REIT's return on assets over the last four quarters was 5.73%, well above the yield on 10-Year Treasuries of 2.50%, providing additional return to shareholders. It had a positive leverage contribution due to its average cost of debt of 3.3% and 68.8% debt ratio. Only 2.7% 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 1.9X was just below the 2.0X benchmark. Since inception the REIT has paid out 107% of MFFO in cash distributions, excluding DRIP, and this rate was 81% over the last 12 months, showing a trend toward sustainability.

Contact Information, Historical Distribution, Historical FFO Payout Ratio, Historical MFFO Payout Ratio

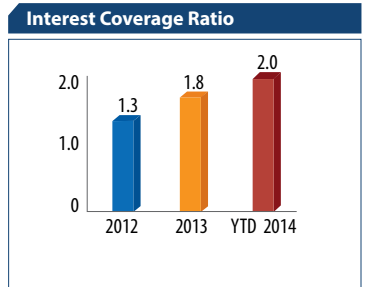
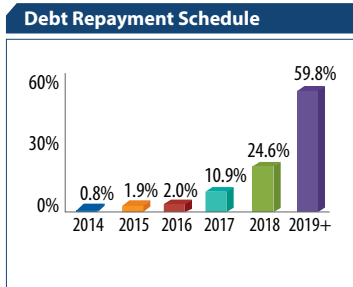
Contact Information

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Debt Breakdown

Debt to Total Assets Ratio:.....68.8%
 Total:\$293.7 Million
 Fixed:\$293.7 Million
 Variable:\$0.0 Million
 Avg. Wtd. Rate:3.30%
 Loan Term:3 - 38 yrs



Source of Distributions, Trends and Items of Note

- During 2Q 2014 the Company did not acquire or sell any properties.
- As of June 30, 2014, the Company had accrued and deferred payment of \$2.2 million of asset management fees for August 2013 through June 2014 under the advisory agreement, as the Company believes the payment of this amount to the Advisor is probable. The REIT's obligation to pay an asset management fee is deferred in any month in which the REIT's MFFO, excluding asset management fees, does not exceed distributions declared for that month. The MFFO payout ratios, excluding any deferred asset management fees, for 2013, 2014 and 2Q 2014 are 120%, 106% and 103% respectively.
- The REIT's Cash to Total Assets ratio decreased to 5.9% as of 2Q 2014 compared to 9.2% as of 2Q 2013.
- The REIT's Debt to Total Assets ratio increased to 68.8% as of 2Q 2014 compared to 64.7% as of 2Q 2013.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- For the six months ended June 30, 2014, the Company paid aggregate distributions of \$6.341 million, including \$3.584 million of distributions paid in cash and \$2.757 million of distributions reinvested through the dividend reinvestment plan. Cash flow from operating activities totaled \$4.920 million for the six months ended June 30, 2014.