

Nontraded REIT Industry Review: First Quarter 2015

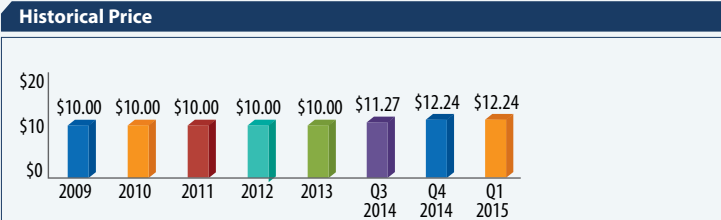
KBS Strategic Opportunity REIT, Inc.

Total Assets.....	\$1,040.7 Million
Real Estate Assets	\$944.9 Million
Cash	\$44.9 Million
Securities	\$0.0 Million
Other	\$50.9 Million



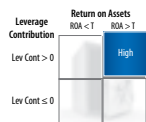
Initial Offering Date:	November 20, 2009
Offering Close Date:	November 14, 2012
Current Price per Share:	\$12.24
Reinvestment Price per Share:	\$11.63
Cumulative Capital Raised during Offering (including DRP).....	\$574.4 Million

Cash to Total Assets Ratio:	4.3%
Asset Type:	Diversified
Number of Properties:.....	11 Office; 1 Office Campus; 2 Office Portfolios; 1 Retail; 2 Apartments; 2 Land; 1 Note; 2 U/C JVs
Square Feet / Units / Rooms / Acres:	4.5 Million Sq. Ft. & 383 Units
Percent Leased:	81%
Weighted Average Lease Term Remaining:.....	3.9 Years
LifeStage:.....	Maturing
Investment Style:	Opportunistic
Weighted Average Shares Outstanding:	60,036,526



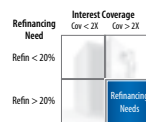
Performance Profiles

Operating Performance



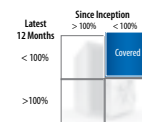
The REIT's recent 12-month average return on assets exceeds yields on 10-year Treasuries, indicating potential for positive risk-adjusted returns. At its current cost of debt and level of borrowing, its use of debt is contributing to increased returns for shareholders.

Financing Outlook



Interest coverage ratio is above the 2.0X benchmark but more than 20% of the REIT's debt matures within two years or is at unhedged variable rates. The REIT may face difficulties in refinancing its borrowings or interest rate risk from increasing rates, but earnings currently provide coverage of 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.

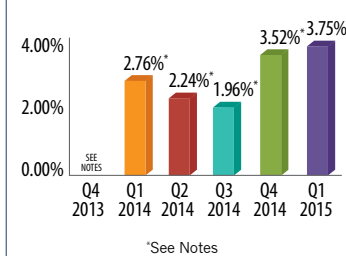
Summary

The REIT's return on assets for the last four quarters was 5.44%, well above the yield on 10-Year Treasuries, providing additional returns to shareholders. It also had a small positive leverage contribution with its average cost of debt of 2.75% and 53.4% debt ratio. Less than 3% of the REIT's debt matures within two years but 94% is at unhedged variable rates, indicating little immediate refinancing need but significant interest rate risk. Its interest coverage ratio for the last four quarters at 3.5X was above the 2.0X benchmark, providing some assurance that debt refinancing is obtainable. Since inception the REIT has paid out only 44% of MFFO in cash distributions, and this rate was 33% for the last four quarters, a very sustainable payout ratio.

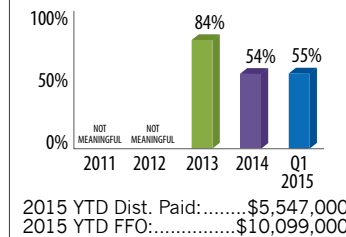
Contact Information

www.KBS-CMG.com
KBS Strategic Opportunity REIT, Inc.
 620 Newport Center Drive
 Suite 1300
 Newport Beach, CA 92660
 949-417-6500

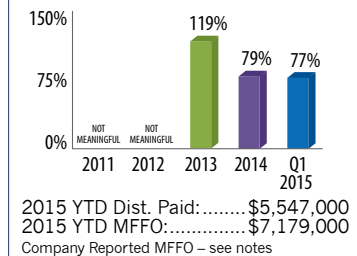
Historical Distribution



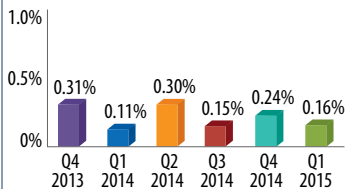
Historical FFO Payout Ratio



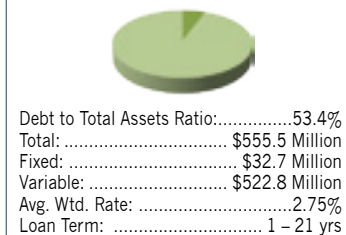
Historical MFFO Payout Ratio



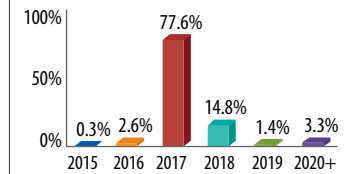
Redemptions



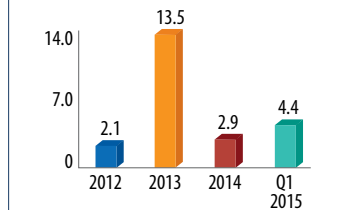
Debt Breakdown



Debt Repayment Schedule



Interest Coverage Ratio



Source of Distributions, Trends and Items of Note

- Distributions declared per share were \$0.0925 for the three months ended March 31, 2015. The REIT does not make regular quarterly distributions, so annualized distribution yields have not been consistent. However, given four quarters of distributions, the annualized rates are now reported and these are based upon the original \$10.00 share price.
- As of March 31, 2015, the Company owned 11 office properties, one office campus consisting of nine office buildings, one office portfolio consisting of four office buildings and 63 acres of undeveloped land, one office portfolio consisting of three office properties, one retail property, two apartment properties, two investments in undeveloped land encompassing an aggregate of 1,670 acres, one first mortgage loan and two investments in unconsolidated joint ventures. As of March 31, 2015, these properties were 81% occupied.
- As of March 31, 2015, the company owned one real estate loan receivable with a total book value of \$27.4 million. This loan had an annual effective interest rate of 14.2% as of March 31, 2015.
- The estimated value per share of common stock of \$12.24 based on the estimated value of assets less the estimated value of liabilities, or net asset value, divided by the number of shares outstanding as of March 31, 2015.
- The REIT's Cash to Total Assets ratio decreased to 4.3% as of 1Q 2015 compared to 5.5% as of 1Q 2014.
- The REIT's Debt to Total Assets ratio increased to 53.4% as of 1Q 2015 compared to 48.1% as of 1Q 2014.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- The Company's cumulative distributions paid and net loss attributable to common stockholders from inception through March 31, 2015 were \$66.2 million and \$28.8 million, respectively. The Company has funded our cumulative distributions, which includes net cash distributions and distributions reinvested by stockholders, with proceeds from debt financing of \$18.7 million, proceeds from the dispositions of property of \$13.7 million and cash provided by operations of \$33.8 million.