

Nontraded REIT Industry Review: Second Quarter 2012



KBS Strategic Opportunity REIT, Inc.

Total Assets.....	\$328.4 Million
Real Estate Assets	\$187.5 Million
Cash	\$136.1 Million
Securities	\$0.0 Million
Other	\$4.8 Million



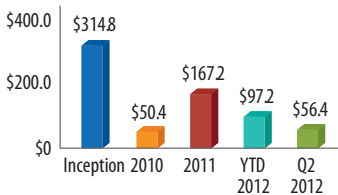
Initial Offering Date:	November 20, 2009
Number of Months Fundraising:	31
Anticipated Offering Close Date:	November 20, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio: 41.4%
 Asset Type: Diversified
 Number of Properties: 5 Office; Office Portfolio;
 1 Industrial; Raw Land
 Square Feet / Units / Rooms / Acres: 1.4 Million Sq. Ft.
 Percent Leased: 46.0%
 LifeStage..... Stabilizing
 Investment Style Opportunistic

Historical Price



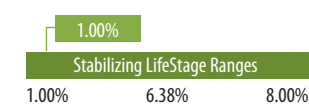
Gross Dollars Raised*



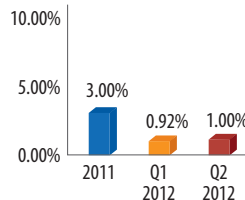
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 1.00%



Historical Distribution

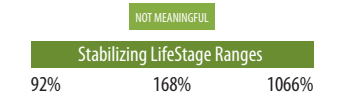


Contact Information

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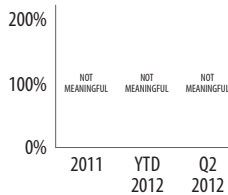
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL



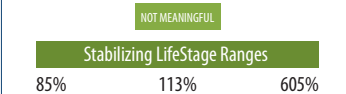
YTD Distributions Paid: ... \$1,225,000
 YTD FFO: (\$697,000)

Historical FFO Payout Ratio



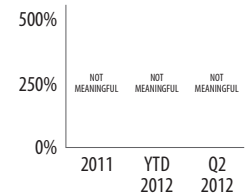
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

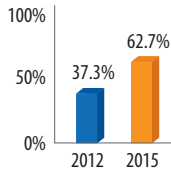


YTD Distributions Paid: ... \$1,225,000
 YTD MFFO: (\$825,000)
 *Blue Vault estimated MFFO – see notes

Historical MFFO Payout Ratio

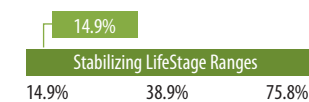


Debt Maturity

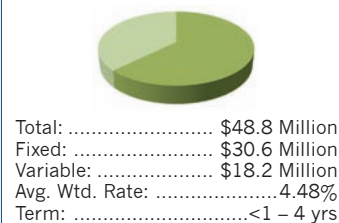


Current Debt Ratio

Debt to Total Assets Ratio: ... 14.9%

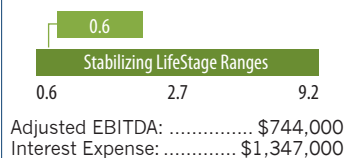


Debt Breakdown



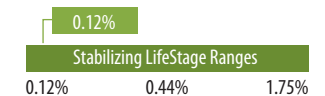
Interest Coverage Ratio

YTD Interest Coverage Ratio: 0.6



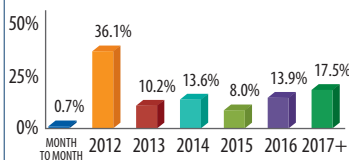
Redemptions

Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.12%



Redemptions Year to Date: 31,104
 Wtd. Avg. Shares Outstanding: 26,586,148

Lease Expirations*



*As of 12/31/11

Trends and Items of Note

- The REIT moved from the Growth LifeStage to the Stabilizing LifeStage during the second quarter of 2012.
- Quarterly distributions for 2Q 2012 were at the rate of \$0.025 per share, or 1.0% annualized based upon the \$10.00 share price. On July 20, 2012, the Company's board of directors declared a distribution in the amount of \$0.35190663 per share of common stock.
- The interest coverage ratio fell to 0.6x as of Q2 2012 compared to 0.9x as of Q1 2012.
- The debt to total assets ratio continued to fall to 14.9% during Q2 2012 compared to 20.3% in Q1 2012 as the REIT reduced outstanding debt.
- The Company did not report MFFO for Q2 2012. The MFFO figures above are Blue Vault Partners estimates.
- See additional notes on page 77 for information regarding the source of distributions.