



RBC Plaza
Minneapolis, MN

KBS

Real Estate
Investment
Trust III

Photos of buildings located throughout the brochure are properties owned by KBS Real Estate Investment Trust III, Inc.

This is neither an offer to sell nor a solicitation of an offer to buy shares of KBS Real Estate Investment Trust III, Inc. ("KBS REIT III"); offering is only made by prospectus (www.kbsreits.com). This information must be preceded or accompanied by a prospectus in order to understand fully all of the implications and risks of the offering. Neither the Attorney General of the State of New York nor any other state regulators have passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

Investing in KBS REIT III includes significant risks. These risks include, but are not limited to: the possibility of losing your entire investment; no guarantees regarding future performance; upon sale or distribution of assets you may receive less than your initial investment; fluctuation of the value of the assets owned by KBS REIT III; lack of a public market for shares of KBS REIT III; limited liquidity; limited transferability; reliance on KBS Capital Advisors LLC, KBS REIT III's advisor, to select, manage and dispose of assets; payment of significant fees; and various economic factors that may include changes in interest rates, laws, operating expenses, insurance costs and tenant turnover. Shares of KBS REIT III are not suitable for all investors.

See additional risk factors on back page.

Not for Ohio Use

About KBS REIT III

KBS REIT III is a non-traded real estate investment trust (REIT) that acquires and manages a diverse portfolio of quality institutional real estate investments across the United States.

KBS REIT III's investment objectives are to preserve and return stockholders' initial investments, and provide attractive and stable cash distributions. The REIT will also harness its advisor's real estate expertise to seek to realize growth in the value of its portfolio.¹

¹ There is no assurance that KBS REIT III will meet the stated objectives.

Town Center Office Park
Plano, TX



About KBS

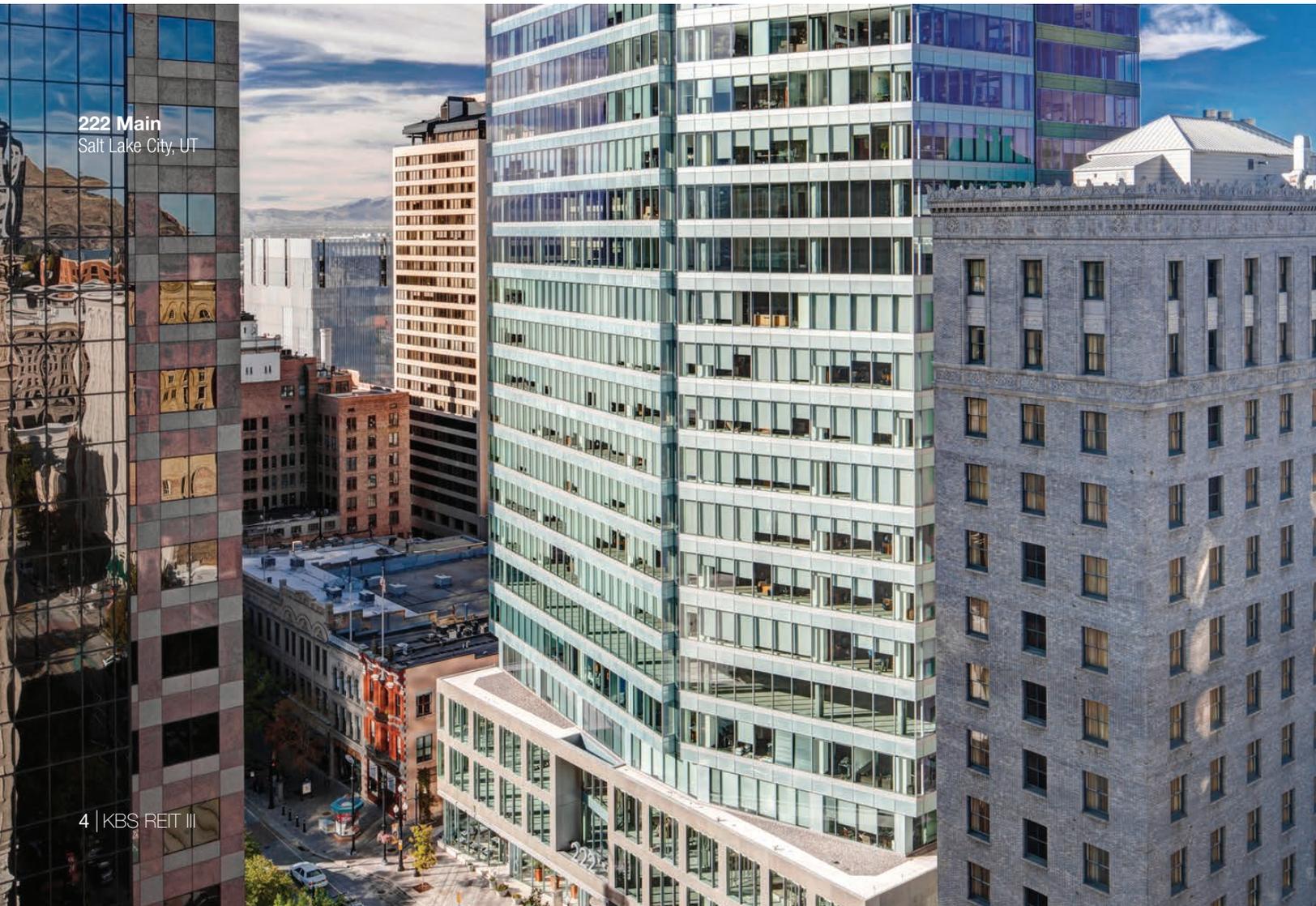
Since 1992, KBS-affiliated companies have invested in and managed over \$19.2 billion in commercial real estate assets on behalf of clients that include large institutions, such as public and private pension plans, endowments, foundations and sovereign wealth funds. This same institutional expertise is available to individual investors through KBS REIT III. KBS REIT III does not have institutional investors and has terms and conditions that differ from institutional offerings, including but not limited to leverage and higher fees and expenses.¹

KBS by the Numbers²

- 22 years of real estate investment management
- \$20.2 billion invested, managed, or owned nationwide
- 58 institutional clients
- 142 million square feet acquired and 100 million square feet sold since inception
- 1,589 assets acquired and 1,067 sold since inception
- 14 institutional investment funds totaling more than 42.5 million square feet of real estate have gone full-cycle
- 6 offices with real estate experts nationwide
- Ranked 5th Largest Office Owner Globally-National Real Estate Investor, September/October 2014

¹It is not expected that any institutional investors will participate in the KBS REIT III offering. However, if institutional investors do participate in the offering, they would likely invest in amounts entitling them to volume discounts such that their returns, if any, would likely be greater than those who purchase shares in this offering.

²As of December 31, 2014 for all KBS-affiliated companies.



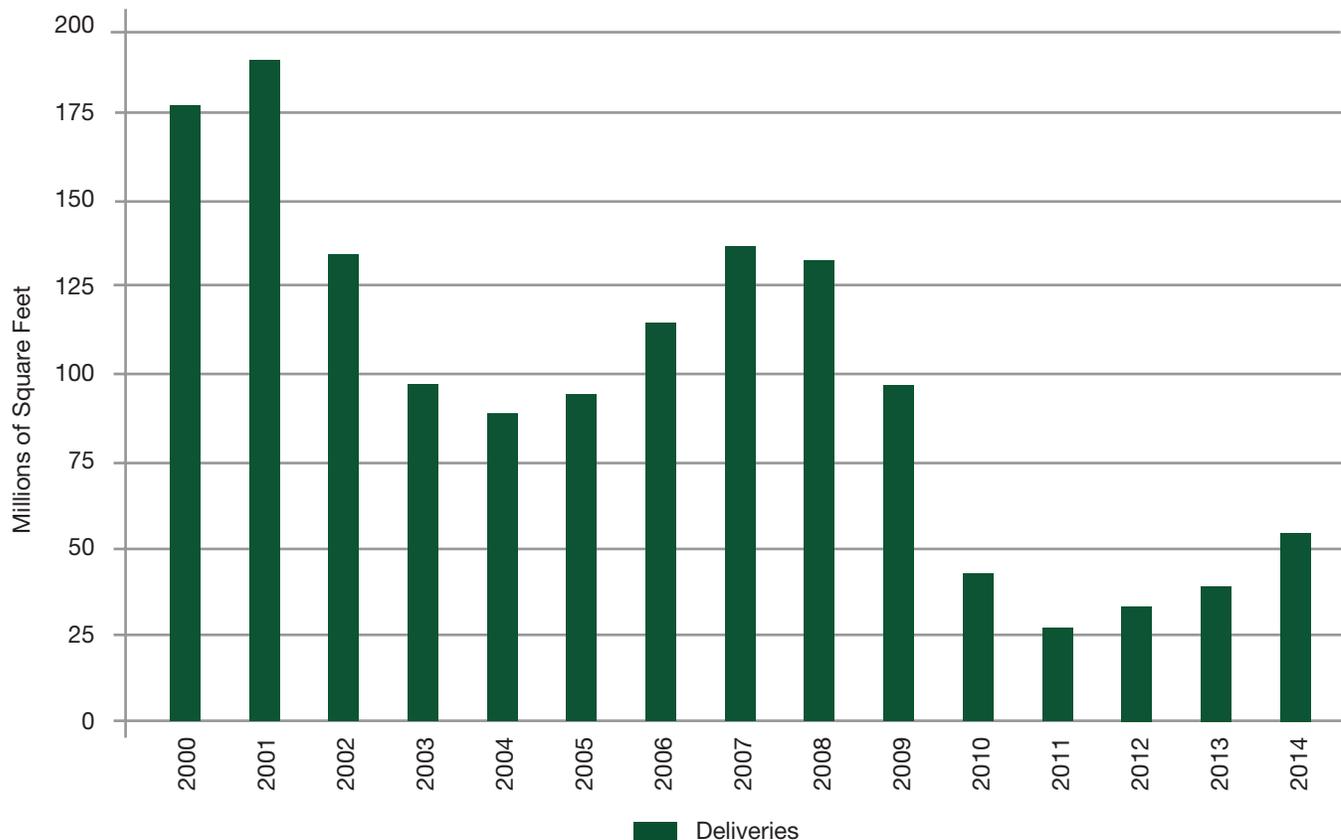
222 Main
Salt Lake City, UT



The Opportunity

Improving job markets and the reduced delivery of new office space since 2009 are aiding the overall net absorption of existing office space nationwide.

Supply: Delivery of New Office Space¹



Source: CoStar, Q4 2014

KBS REIT III is focused on investing in the office and industrial properties where America works by identifying the markets where significant job growth is occurring.² As local economies improve and jobs are created, companies may need more office space. At the same time, some companies—such as Yahoo! and Best Buy³—are eliminating telecommuting programs, increasing the need for office space even for existing jobs.

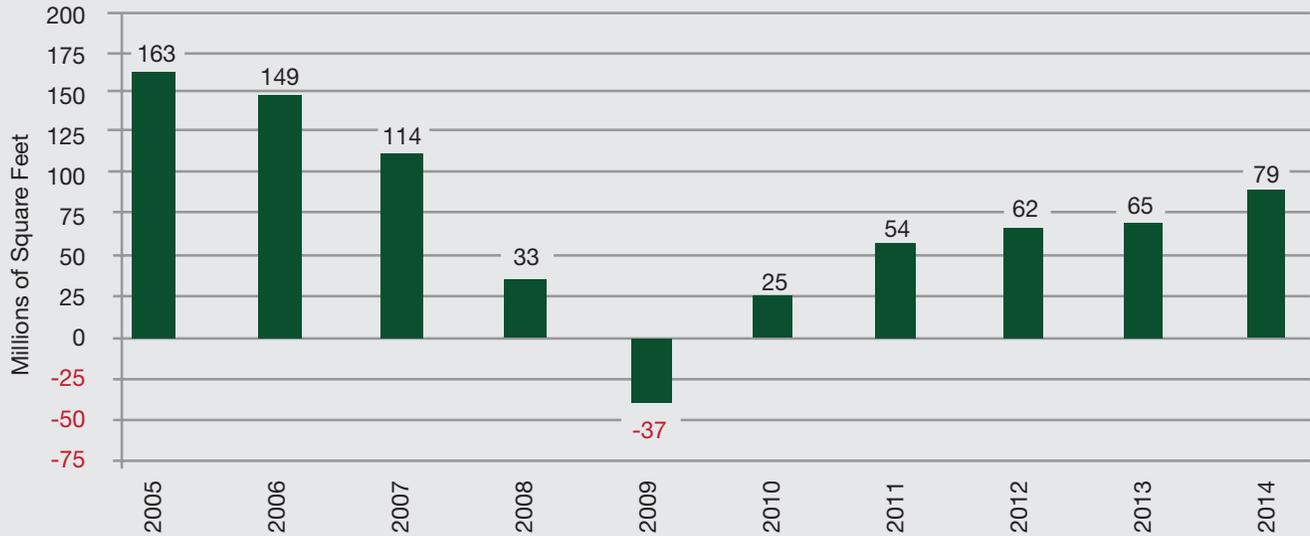
With little new construction in recent years (as the chart above indicates), KBS REIT III and other owners of existing properties in these markets may be well positioned to benefit from any increased demand.

¹There may be other statistical trends and graphs prepared by third parties that have not been presented in this brochure and may reflect different and possibly unfavorable historical conditions or trends.

²Although KBS REIT III is focused on investing in areas of job growth, it may not achieve such global diversification and corresponding supply and demand. Adverse local conditions, such as changes in the job market, oversupply or reduction in demand for office and industrial buildings and changes in real estate zoning laws may reduce the desirability of real estate in such target areas.

³Best Buy follows Yahoo's lead on telecommuting ban; lifeinc.today.com, March 6, 2013

Demand: Office Net Absorption¹



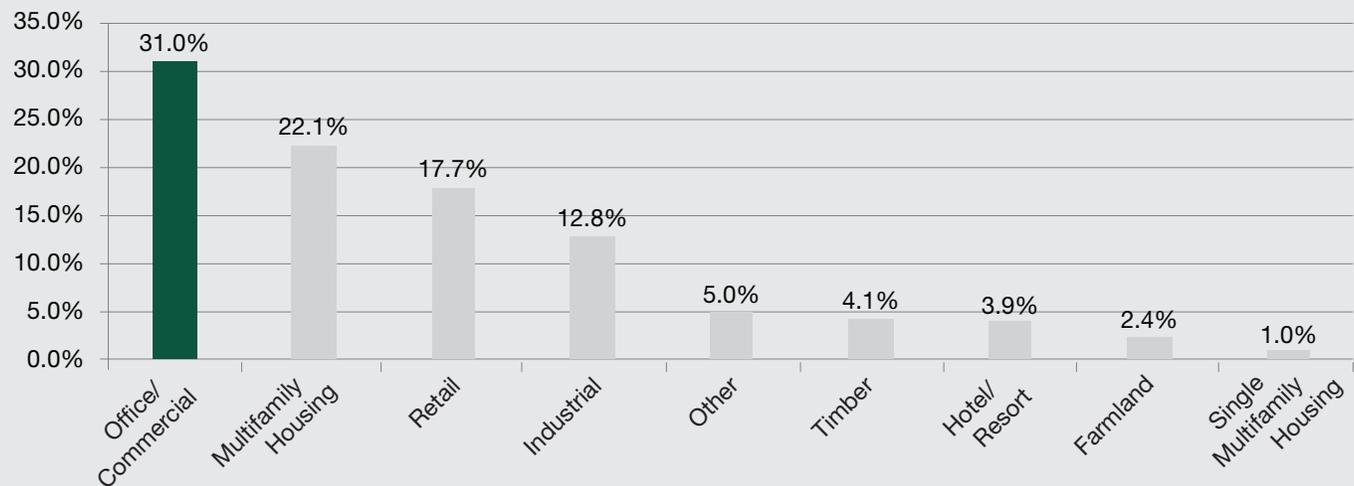
Source: CoStar, Q4 2014

By investing where America works, owners of office properties may have the potential to capitalize on the regionalized opportunities that exist in this sector of the commercial real estate market today.²

Office: Top Choice of Institutional Investors

When it comes to investing in office properties, KBS REIT III is in good company. An annual survey of the largest managers of U.S. tax-exempt real estate assets, such as pension funds and endowments, revealed that office/commercial assets are attracting the most institutional investment dollars.*

Allocation by Property Type



Source: Pensions & Investments survey of top 50 managers of U.S. institutional, tax-exempt real estate assets, October 27, 2014

* Endowments and pension funds are tax-exempt and managed very differently than non-traded REITs. The managers of these institutional portfolios have different goals and objectives than those of non-traded REITs and typically allocate only a small percentage of their overall portfolio to diverse real estate holdings. The fees and expenses paid by these institutional portfolios to their managers are substantially less than those paid by non-traded REITs to their advisors and other entities. Non-traded REITs also differ from endowments and pension plans, as they are illiquid and subject to fees and charges associated with raising capital.

Large, Creditworthy Tenants

Class A¹ office properties are generally multi-tenant, so performance is not tied to any one industry sector. For example, the KBS REIT III portfolio is leased to approximately 400 tenants representing a range of industries, including technology, healthcare, banking, retail, energy and insurance.²

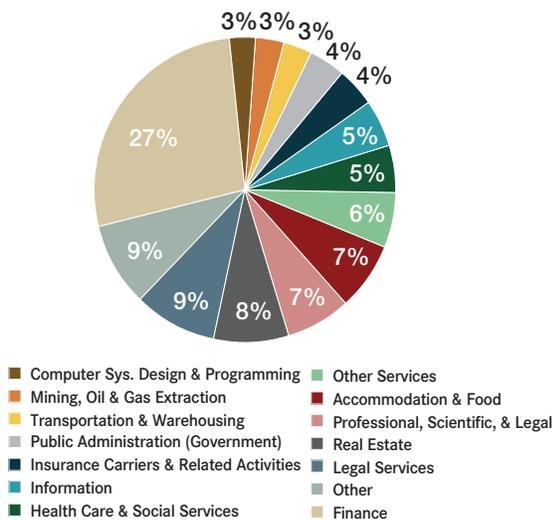


¹According to Building Owners and Managers Association International, Class A office buildings are the most prestigious buildings competing for premier office users with rents above average for the area. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.

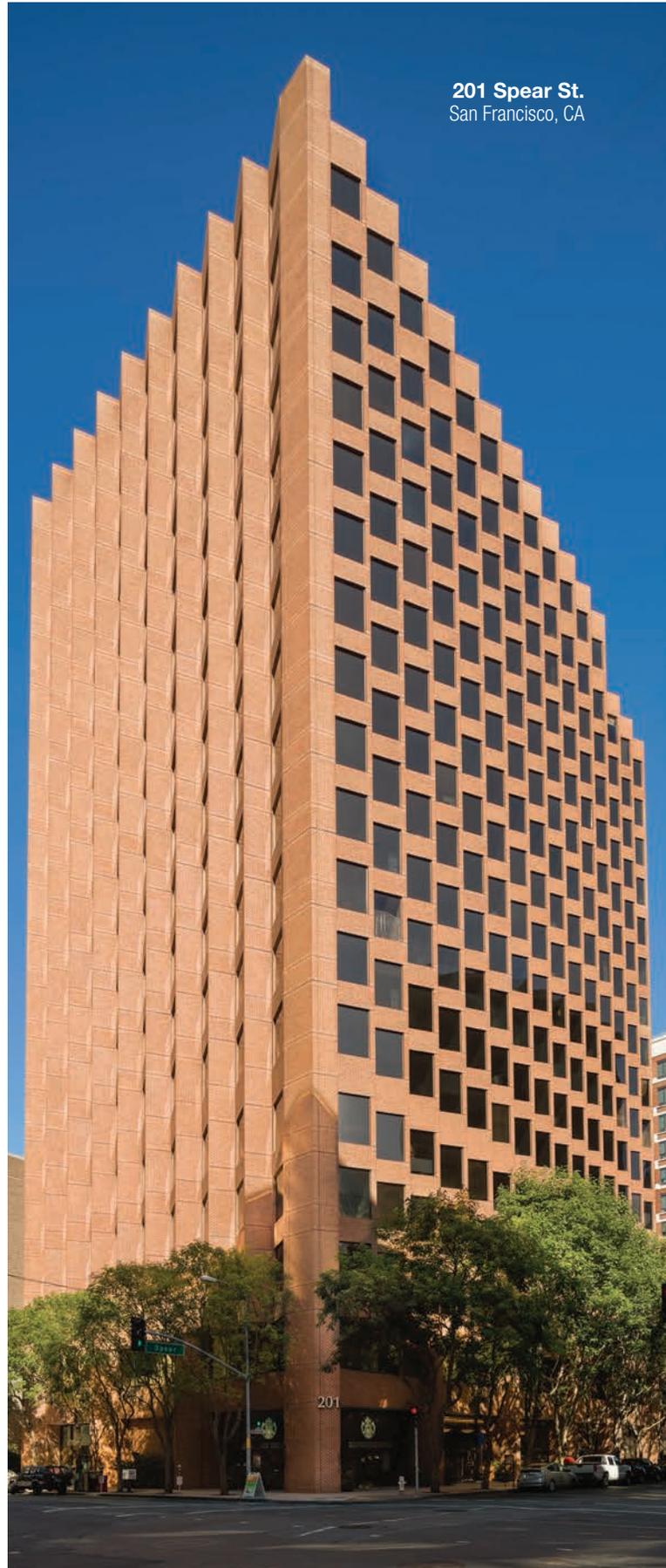
²KBS REIT III is not affiliated with any of the companies shown above. None of these companies above has endorsed any KBS-affiliated entity or any of the KBS REITs.

Tenant Allocation by Industry³

By Annualized Base Rent



³Based on equity assets only, as of September 30, 2014



201 Spear St.
San Francisco, CA

KBS REIT III Offering Overview

Subscription Details

- **Minimum investment:** \$4,000.00
- **Price per share:** \$10.51¹
- **Available for IRA investing:** Yes
- **Discounted price for reinvested distributions:** \$9.99¹
- **Closing date:** The earlier of:
 - the sale of all 200,000,000 shares, or up to \$2,000,000,000 of shares, of common stock offered in the primary offering; or
 - the date the registration statement relating to KBS REIT III's proposed follow-on offering is declared effective by the SEC.
- **Suitability standards:** A net worth of at least \$250,000, or gross annual income of at least \$70,000 and a net worth of at least \$70,000.²

Key Investment Facts

- **Distributions:** Declared monthly since June 2011; 6.18% based on the current offering price of \$10.51.³
- **Target portfolio leverage:** 35-65%.⁴
- **Portfolio profile:** Core office and industrial properties; 0% to 20% real estate-related investments.
- **Share redemption:** Limited, with declining redemption discount over first four years.⁵

¹On December 9, 2014, KBS REIT III's board of directors established an updated primary offering price of \$10.51 per share and an updated dividend reinvestment plan offering price of \$9.99 per share (which is 95% of the primary offering price). These updated offering prices became effective on December 12, 2014. The updated primary offering price was determined by adding certain offering costs to the estimated value of KBS REIT III's assets less the estimated value of its liabilities divided by the number of shares outstanding, all as of September 30, 2014. Prior to December 12, 2014, the primary offering price (ignoring purchase price discounts for certain categories of purchasers) was \$10.39 per share and the discounted price for reinvested distributions prior to January 2015 was \$9.88 per share. For more information relating to the December 12, 2014 updated offering prices, the related estimated net asset value per share and the assumptions and methodologies used in their calculation, see supplement no. 22 dated December 11, 2014 to KBS REIT III's prospectus.

²An investment in the shares of KBS REIT III is suitable only for persons who have adequate financial means, including minimum net worth and/or annual gross income levels. The minimum suitability standards are more stringent for investors in certain states. For more information regarding suitability standards, see KBS REIT III's prospectus, as amended and supplemented.

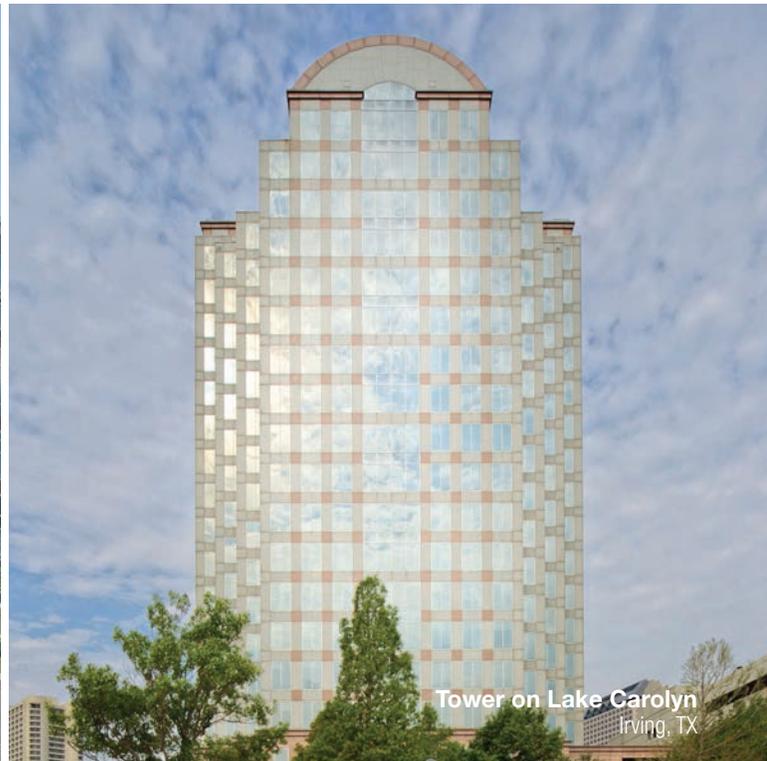
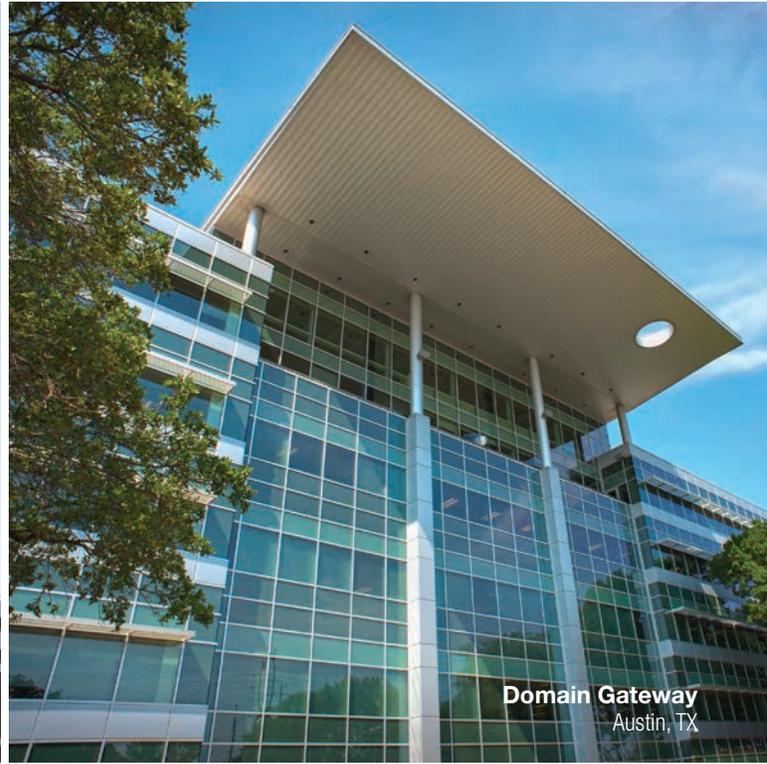
³There are no guarantees that KBS REIT III will continue to declare and pay distributions at this rate and KBS REIT III may modify the rate at its discretion. Distributions are paid in the month following each declaration period and accrue at a daily rate of \$0.00178082 per share per day—equaling a daily amount that, if paid each day for a 365-day period, would equal a 6.5% annualized rate based on the initial primary offering price of \$10.00 per share, 6.26% based on the \$10.39 share price between May 2014 and December 2014 or a 6.18% annualized rate based on the most recent price of \$10.51 per share. Distributions paid through September 30, 2014 consisted of 51% paid in cash and 49% reinvested through the dividend reinvestment plan and were funded as follows: 71% from cash flow from operating activities and 29% from debt financing. For purposes of determining the source of distributions paid, KBS REIT III assumes first that it uses cash flow from operating activities from the relevant or prior periods to fund distribution payments. Because a portion of the distributions paid to date were paid with borrowings and in the future KBS REIT III may not pay distributions solely from cash flow from operating activities, distributions may not be sustainable. For more information, please refer to KBS REIT III's public filings.

⁴KBS REIT III may incur debt causing its total liabilities to exceed 75% of the cost of its tangible assets with the approval from the conflicts committee of its board of directors.

⁵KBS REIT III's share redemption program may enable its stockholders to sell their shares to the REIT in limited circumstances. Unless redemption is sought due to qualifying events such as death, disability or determination of incompetence of the stockholder (for which the redemption price is the price paid to acquire the shares from KBS REIT III), after a stockholder has held the shares for at least one year, redemption of shares is: available at a percentage of the price paid to acquire the shares from KBS REIT III, depending on the length of time a stockholder has owned the shares; limited to 5% of the REIT's weighted-average number of shares outstanding during the prior calendar year; and limited to funds available from net proceeds from the sale of shares under the REIT's dividend reinvestment plan during the prior calendar year, subject to possible increase or decrease by the board of directors. Notwithstanding the above, once the REIT establishes an estimated value per share of its common stock for a purpose other than to set the price to acquire a share of its common stock in one of its public offerings, the redemption price per share for all stockholders will be based off of the estimated value per share as of the redemption date. KBS REIT III's board of directors may amend, suspend or terminate the program without stockholder approval upon 30 days' notice, and may increase or decrease the funding available for the redemption of shares pursuant to the program upon ten business days' notice. See KBS REIT III's prospectus, as amended and supplemented, for additional details on the share redemption program.

Investment Strategy

KBS REIT III is primarily focused on investing in properties that management believes can provide immediate, stable income with growth opportunity through increased cash flow or long-term asset appreciation.



KBS REIT III Property Characteristics:

- Generally, energy efficient, Class A properties
- Usually located in major metropolitan markets and stabilized employment centers
- Total return primarily derived from operating cash flow
- Stabilized occupancy and rent role
- Seek to provide consistent net operating income (NOI) and predictable cash flows
- Some assets may present an opportunity for value enhancement through better management, minor property upgrades and renovations



RBC Plaza
Minneapolis, MN



Preston Commons
Dallas, TX



Town Center Office Park
Plano, TX



Additional Risks Factors:

KBS REIT III's charter permits it to pay distributions from any source, including offering proceeds or borrowings (which may constitute a return of capital), and does not limit the amount of funds it may use from any source to pay such distributions. If KBS REIT III pays distributions from sources other than cash flow from operating activities, it will have less funds available to make real estate investments, the overall return to its stockholders may be reduced and subsequent investors will experience dilution. There are no guarantees that KBS REIT III will pay distributions.

KBS REIT III pays substantial fees to and expenses of KBS Capital Advisors, its affiliates and participating broker-dealers, which payments increase the risk that stockholders will not earn a profit on their investment. KBS Capital Advisors and its affiliates, and KBS REIT III's executive officers, its affiliated directors and other key professionals face conflicts of interest, including significant conflicts created by the advisor's compensation arrangements with the REIT and other KBS-sponsored programs and KBS-advised investors. KBS REIT III's advisor and its affiliates receive fees in connection with transactions involving the purchase or origination and management of the REIT's investments. These fees are based on the cost of the investment, and not based on the quality of the investment or the quality of the services rendered to the REIT. This may influence the advisor to recommend riskier transactions to the REIT.

KBS REIT III uses debt in connection with its investments, which increases the risk of loss associated with these investments and could hinder its ability to pay distributions to its stockholders or could decrease the value of its stockholders' investments if income on, or the value of, the property securing the debt declines.

KBS REIT III may make adjustments to its target portfolio based on real estate market conditions and investment opportunities, and may change its targeted investments and investment guidelines at any time without the consent of its stockholders, which could result in the REIT making investments that are different from, and possibly riskier than, the investments described in the prospectus, as amended and supplemented. A change in the REIT's targeted investments or investment guidelines may increase its exposure to interest rate risk, default risk and real estate market fluctuations, all of which could adversely affect the value of its common stock and its ability to make distributions to its stockholders.

KBS REIT III elected to be taxed as a REIT beginning with the taxable year that ended December 31, 2011. Should KBS REIT III not qualify as a REIT, it may be subject to adverse tax consequences. Please refer to KBS REIT III's prospectus, as amended and supplemented, for more detailed information regarding these consequences.

KBS REIT III's charter does not require it to liquidate its assets and dissolve by a specified date, nor does the charter require it to list its shares for trading by a specified date. No public market currently exists for its shares, and it has no plans to list its shares on a national securities exchange. If a stockholder is able to sell his or her shares, that stockholder would likely have to sell them at a substantial discount from their public offering price.

KBS REIT III's primary offering price may not be indicative of the price at which its shares would trade if they were listed on an exchange or actively traded.

If KBS REIT III does not raise significant proceeds in its public offerings, it may not be able to acquire as diverse portfolio of real estate investments and the value of its stockholders' investment may vary more widely with the performance of specific assets.

Disruptions in the financial markets and uncertain economic conditions could adversely affect KBS REIT III's ability to implement its business strategy and generate returns to its stockholders.