



AMERICAN
ASSETS
TRUST



Estimated Net Asset Value Per Share
July 2019

La Jolla Commons – San Diego, CA



Pacific Ridge Apartments – San Diego, CA



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations, and projections of revenue, net operating income, funds from operations, discounts to net asset values and other selected financial information. Forward looking statements can be identified by the use of words such as "may," "will," "plan," "could," "should," "expect," "anticipate," "outlook," "estimate," "projected," "target," "continue," "intend," "believe," "seek," or "assume," and variations of such words and similar expressions are intended to identify such forward-looking statements. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. You should not rely on forward-looking statements as predictions of future events. Forward-looking statements involve numerous risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statement made by us. These risks and uncertainties include, but are not limited to: adverse economic and real estate developments in Northern and Southern California, Hawaii, the Pacific Northwest and Texas; decreased rental rates or increased tenant incentives and vacancy rates; defaults on, early terminations of, or non-renewal of leases by tenants; increased interest rates and operating costs; failure to generate sufficient cash flows to service our outstanding indebtedness; difficulties in identifying properties to acquire and completing acquisitions; failure to successfully integrate pending and recent acquisitions; failure to successfully operate acquired properties and operations; failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended; possible adverse changes in laws and regulations; environmental uncertainties; risks related to natural disasters; lack or insufficient amount of insurance; inability to successfully expand into new markets or submarkets; risks associated with property development; conflicts of interest with our officers or directors; changes in real estate and zoning laws and increases in real property tax rates; and the consequences of any possible future terrorist attacks. You are cautioned that the information contained herein speaks only as of the date hereof and we assume no obligation to update any forward-looking information, whether as a result of new information, future events or otherwise. The risks described above are not exhaustive, and additional factors could adversely affect our business and financial performance, including those discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission. In this presentation, we rely on and refer to information and statistical data regarding the industry and the sectors in which we operate. This information and statistical data is based on information obtained from various third-party sources, and, in some cases, on our own internal estimates. We believe that these sources and estimates are reliable, but have not independently verified them and cannot guarantee their accuracy or completeness.

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Net Asset Value Discussion^{*}

- * The Net Asset Value (NAV) estimates contained herein have been prepared in good faith by the Company based on both management's knowledge of its core markets and published pricing data. All of such information presented herein is unaudited. In some cases, valuations use assumptions that may be complex and susceptible to significant uncertainty, and may ultimately prove incorrect. Actual NAV may be materially different from the Company's internal estimates and therefore all of such data should only be taken as the Company's indicative values for information only. No reliance should be placed on any estimated valuations without the investor or analyst's own independent determination. Furthermore, the actual value of the Company's assets, as indicated in the Company's stock price, may be materially different from the NAV set forth above. Such estimations and valuations are particularly susceptible to inaccuracies during periods of market volatility or uncertainty, and additional information may become available subsequently which materially alters assumptions or other inputs to the estimates. In the event that an estimated valuation subsequently proves to be incorrect, no adjustment to a previously provided estimated valuation is expected to be made and the Company disclaims any obligation to update same.

AAT's Estimated Net Asset Value Per Share

American Assets Trust (AAT) - Estimated Net Asset Value (NAV) Analysis

As of 3/31/2019 with New Acquisition La Jolla Commons on June 20, 2019 (US Reported Property Results (\$ in 000s))

NAV: \$51.50

Operating Value of Real Estate		Adjusted Current Value Balance Sheet	
Retail Portfolio		Assets	
1Q19 Annualized NOI	\$77,945 (1)(2)	Value of Wholly-Owned Operating Real Estate	\$4,103,221
NOI Adjustments	\$2,088	Valuation Adjustments	
Estimated Forward FY-2019 NOI	\$80,033 (1)(2)	DCF Valuation Adjustment	
Cap Ex as % of NOI	19.00%	Torrey Plaza lease up of 40K SF	\$39,330 (4)
Cap Ex Reserve	(\$15,206)	Waikale repositioning (former Kmart space)	\$28,351 (5)
Adjusted NOI	\$64,826	Total DCF Valuation Adjustment	\$67,680
Economic Cap Rate	4.02%	Landmark (adjusted to reflect full year of Google occupancy)	\$111,080 (6)
Nominal Cap Rate	4.96%	Hassalo on Eighth (Multifamily and Retail)	\$30,446 (7)
Value of wholly-owned retail	\$1,613,168	Carmel Mountain Plaza (adjusted to reflect full year of At Home occupancy)	\$17,948 (8)
		South Bay Marketplace (adjusted to reflect full year of Dollar Tree occupancy)	\$3,163 (9)
		Total Valuation Adjustments not included in Wholly-Owned Operating Real Estate	\$230,318
Office Portfolio		Operating Value of Hotel	\$221,188 (10)
1Q19 Annualized NOI	\$78,989 (1)(3)	Torrey Point (at cash flow stabilization)	\$73,326 (11)
NOI Adjustments	\$5,865	Lloyd District - Oregon Square	\$49,830 (12)
Estimated Forward FY-2019 NOI	\$84,855 (1)(3)	Ground Leases	\$28,853 (13)
Cap Ex as % of NOI	26.00%	Acquisition - La Jolla Commons	\$513,642 (14)
Cap Ex Reserve	(\$22,062)	Cash & Cash Equivalents	\$54,538 (15)
Adjusted NOI	\$62,792	Other Assets	\$16,091 (16)
Economic Cap Rate	3.57%	Land Held for Development	\$9,392 (15)
Nominal Cap Rate	4.83%	Accounts Receivable	\$9,137 (15)
Value of wholly-owned office	\$1,756,939	Total Assets	\$5,309,536
San Diego Apartment Portfolio		Liabilities	
1Q19 Annualized NOI	\$24,668	Secured fixed rate	\$162,688 (15)
NOI Adjustments	(\$272)	Unsecured Debt	\$1,045,709 (15)
Estimated Forward FY-2019 NOI	\$24,396	Line of Credit	\$121,225 (15)
Cap Ex as % of NOI	11.00%	Accounts payable	\$53,683 (15)
Cap Ex Reserve	(\$2,684)	Security deposits payable	\$7,579 (15)
Adjusted NOI	\$21,713	Other liabilities	\$18,448 (17)
Economic Cap Rate	3.96%	Mark to Market Adjustment	\$8,336 (18)
Nominal Cap Rate	4.45%	Total Liabilities	\$1,417,668
Value of wholly-owned apartment	\$548,561		
Hassalo on Eighth (Multifamily and Retail)		Shareholders' Equity	
1Q19 Annualized NOI	\$8,509	Shares and OP units outstanding	75,590
NOI Adjustments	(\$666)	Net Asset Value (NAV)	\$51.49
Estimated Forward FY-2019 NOI	\$7,844	Net Asset Value (NAV) rounded	\$51.50
Cap Ex as % of NOI	11.14%	Blended Nominal Cap Rate	4.83%
Cap Ex Reserve	(\$874)	Recent share price (7/16/2019)	\$46.90
Adjusted NOI	\$6,970	Premium (Discount) to GAV	(6.53%)
Economic Cap Rate	3.78%	Premium (Discount) to NAV Rounded	(8.93%)
Nominal Cap Rate	4.25%	Implied Nominal Cap Rate	5.17%
Value of wholly-owned Hassalo on Eighth	\$184,554		

AAT's Estimated Net Asset Value Per Share

(\$ in 000s)																
Property	Square Feet / Units / Rooms	Annualized 1Q-2019 ⁽¹⁹⁾					NOI Adjustments	Estimated Forward FY-2019		Economic NOI	2019 Nominal Cap Rate	Economic Cap Rate ⁽²⁰⁾	AAT Estimated Gross Asset Valuation			Price per SF / Unit / Room ⁽²³⁾
		Base Rent	Additional Property Income	Billed Expense Reimbursements	Property Operating Expenses	Nominal NOI		Nominal NOI	Capex				Value of Wholly-Owned Operating Real Estate ⁽²¹⁾	Value Adjustments ⁽²²⁾	Final Value	
<u>Retail Portfolio</u>																
Carmel Country Plaza	78,098	\$ 3,865	\$ 102	\$ 893	\$ (794)	\$ 4,066	\$ 9	\$ 4,075	\$ (774)	\$ 3,301	5.25%	4.25%	\$ 77,628	\$ -	\$ 77,628	\$ 994
Carmel Mountain Plaza ⁽²⁴⁾	528,416	11,644	34	2,580	(3,348)	10,909	1,207	12,117	(2,073)	10,044	4.50%	3.73%	269,263	17,948 ⁽⁸⁾	270,570	512
South Bay Marketplace ⁽²⁴⁾	132,877	2,122	138	720	(753)	2,228	(104)	2,124	(423)	1,701	5.70%	4.56%	37,262	3,163 ⁽⁹⁾	38,631	291
Gateway Marketplace	127,861	2,405	6	503	(820)	2,094	140	2,234	(398)	1,836	5.70%	4.68%	39,187	-	39,187	306
Lomas Santa Fe Plaza	208,030	5,983	39	1,170	(1,421)	5,771	(187)	5,584	(1,096)	4,487	5.00%	4.02%	111,677	-	111,677	537
Solana Beach Towne Centre	246,730	5,875	73	1,659	(1,950)	5,657	158	5,815	(1,075)	4,741	5.00%	4.08%	116,307	-	116,307	471
Del Monte Center ⁽²⁴⁾	673,572	10,867	473	3,531	(4,729)	10,142	476	10,618	(1,927)	8,691	5.00%	4.09%	212,366	-	210,446	312
Geary Marketplace	35,156	1,157	0	552	(561)	1,148	(3)	1,145	(218)	927	5.00%	4.05%	22,908	-	22,908	652
The Shops at Kalakaua	11,671	2,002	104	189	(331)	1,964	23	1,987	(373)	1,614	4.25%	3.45%	46,749	-	46,749	4,006
Waikole Center	418,047	10,909	961	2,812	(5,539)	9,143	96	9,238	(1,737)	7,501	5.15%	4.18%	179,387	28,351 ⁽⁵⁾	207,737	408
Alamo Quarry Market ⁽²⁴⁾	588,970	13,787	143	6,921	(7,825)	13,026	92	13,118	(2,475)	10,643	6.00%	4.87%	218,640	-	210,142	357
Waikiki Beach Walk - Retail	96,707	10,975	3,952	4,017	(7,146)	11,797	179	11,976	(2,241)	9,735	4.25%	3.45%	281,795	-	281,795	2,914
Subtotal Retail Portfolio	3,146,135	\$ 81,590	\$ 6,026	\$ 25,547	\$ (35,218)	\$ 77,945	\$ 2,088	\$ 80,033	\$ (14,811)	\$ 65,221	4.96%	4.04%	\$ 1,613,168	\$ 49,461	\$ 1,633,776	\$ 505
<u>Office Portfolio</u>																
Torrey Reserve Campus	516,676	\$ 19,711	\$ 235	\$ 1,009	\$ (5,698)	\$ 15,258	\$ 732	\$ 15,989	\$ (4,157)	\$ 11,832	5.25%	3.89%	\$ 304,560	\$ 39,330 ⁽⁴⁾	\$ 343,890	\$ 666
Solana Crossing	212,495	7,365	19	120	(1,883)	5,622	164	5,785	(1,504)	4,281	5.40%	4.00%	107,138	-	107,138	504
The Landmark at One Market	419,371	27,584	113	602	(9,321)	18,979	3,826	22,805	(5,929)	16,875	4.08%	3.02%	558,935	111,080 ⁽⁶⁾	670,015	1,598
One Beach Street	97,614	4,393	4	431	(1,276)	3,552	(577)	2,975	(773)	2,201	4.25%	3.15%	69,992	-	69,992	717
First & Main	360,641	11,221	768	1,910	(3,643)	10,256	(1)	10,255	(2,666)	7,588	5.25%	3.89%	195,328	-	195,328	542
Lloyd District Portfolio	459,603	10,114	2,171	432	(4,672)	8,045	1,255	9,300	(2,418)	6,882	5.60%	4.14%	166,075	-	166,075	361
City Center Bellevue	497,472	19,207	2,898	928	(5,755)	17,278	467	17,746	(4,614)	13,132	5.00%	3.70%	354,911	-	354,911	713
Subtotal Office Portfolio	2,563,872	\$ 99,595	\$ 6,207	\$ 5,434	\$ (32,247)	\$ 78,989	\$ 5,865	\$ 84,855	\$ (22,062)	\$ 62,792	4.83%	3.57%	\$ 1,756,939	\$ 150,410	\$ 1,907,349	\$ 744
<u>San Diego Apartment Portfolio</u>																
Loma Palisades	548	\$ 13,251	\$ 831		\$ (4,901)	\$ 9,181	\$ 35	\$ 9,216	\$ (1,014)	\$ 8,202	4.50%	4.01%	\$ 204,800	\$ -	\$ 204,800	\$ 373,722
Imperial Beach Gardens	160	3,536	235		(1,333)	2,438	163	2,601	(286)	2,315	4.80%	4.27%	54,197	-	54,197	338,732
Mariner's Point	88	1,667	120		(662)	1,125	110	1,235	(136)	1,099	4.80%	4.27%	25,729	-	25,729	292,371
Pacific Ridge Apartments	533	17,000	786		(6,477)	11,309	(652)	10,657	(1,172)	9,484	4.25%	3.78%	250,744	-	250,744	470,439
Santa Fe Park RV Resort	126	1,428	56		(868)	616	71	687	(76)	612	5.25%	4.67%	13,091	-	13,091	103,900
Subtotal San Diego Apartment Portfoli	1,455	\$ 36,882	\$ 2,027		\$ (14,241)	\$ 24,668	\$ (272)	\$ 24,396	\$ (2,684)	\$ 21,713	4.45%	3.96%	\$ 548,561	\$ -	\$ 548,561	\$ 377,018
<u>Hassalo on Eighth</u>																
Hassalo on Eighth - Multifamily	657	\$ 12,031	\$ 1,584	\$ -	\$ (6,051)	\$ 7,564	\$ (789)	\$ 6,776	\$ (745)	\$ 6,030	4.25%	3.78%	\$ 159,426	\$ 30,446 ⁽⁷⁾	\$ 189,872	\$ 288,998
Hassalo Retail	44,153	962	195	206	(417)	945	123	1,068	(203)	865	4.25%	3.44%	25,128	-	25,128	569
Subtotal Hassalo on Eighth		\$ 12,993	\$ 1,778	\$ 206	\$ (6,468)	\$ 8,509	\$ (666)	\$ 7,844	\$ (948)	\$ 6,895	4.25%	3.74%	\$ 184,554	\$ 30,446	215,000	
Total		\$ 231,060	\$ 16,039	\$ 31,187	\$ (88,174)	\$ 190,112	\$ 7,016	\$ 197,127	\$ (40,505)	\$ 156,622	4.80%	3.82%	\$ 4,103,221	\$ 230,318	\$ 4,304,685	
<u>Hotel</u>																
Waikiki Beach Walk - Embassy Suites	369	\$ 38,569	\$ 2,679	\$ 0	\$ (29,359)	\$ 11,889		\$ 11,889	\$ (3,567)	\$ 8,322	5.37%	3.76%	\$ 221,188	\$ -	\$ 221,188	\$ 599,425
<u>Ground Leases</u>																
Carmel Mountain Plaza		\$ 713				\$ 713	\$ 36	\$ 749			4.50%		\$ 16,641	\$ -	\$ 16,641	
South Bay Marketplace		102				102	-	102			5.70%		1,794	-	1,794	
Del Monte Center		96				96	-	96			5.00%		1,920	-	1,920	
Alamo Quarry Market		510				510	-	510			6.00%		8,498	-	8,498	
Total Ground Leases		\$ 1,421				\$ 1,421	\$ 36	\$ 1,457			5.05%		\$ 28,853	\$ -	\$ 28,853	

AAT's Estimated Net Asset Value Per Share

Notes:

- (1) Excludes rental income from Ground Leases, TI Reimbursements and TI Fee Income.
- (2) Includes Waikiki Beach Walk-Retail.
- (3) Excludes Rental Abatements.
- (4) NPV of Torrey Plaza Cash Flow based on \$48.60 PSF modified gross Annual Base Rent for currently vacant 40K SF. Terminal Sale in 2Q-2020. Terminal Cap Rate 5.25%, Discount Rate 7.25%
- (5) Waikale value adjusted for the former Kmart space. NPV of Cash Flow based on \$35.00 PSF NNN Annual Base Rent and \$500 PSF development cost for currently undeveloped building. Terminal Sale in 4Q-2021. Terminal Cap Rate 5.15%, Discount Rate 7.15%
- (6) Landmark value adjusted to reflect full year of Google occupancy.
- (7) Hassalo on Eighth adjusted to reflect a total value of \$215 million which equates to a \$289K per door, far below what we believe to be the replacement cost of \$338K per door.
- (8) Camel Mountain Plaza value adjusted to reflect a full year of occupancy for At Home lease.
- (9) South Bay Marketplace value adjusted to reflect a full year of occupancy Dollar Tree lease.
- (10) Based on 2019 Forward Cash NOI assuming a 5.37% cap rate equating to \$599K price per key.
- (11) NPV of Torrey Point Cash Flow based on \$59.00 PSF modified gross weighted average Annual Base Rent for currently vacant 40K SF. Terminal Sale in 4Q-2019. Terminal Cap Rate 4.75%, Discount Rate 6.75%
- (12) Oregon Square value adjusted for the following: A) New lease at Building 830. B) NPV of Building 710 based on \$32 PSF NNN Annual Base Rent on currently vacant 32K SF, calculated with a Terminal Cap Rate of 5.60% and Discount Rate of 7.60% C) Allocated land + entitlement value of \$5 million each for Building 729 and Building 827.
- (13) Ground Lease value calculated using annualized base rent capitalized with the property cap rate.
- (14) On June 20, 2019, AAT closed on the acquisition of La Jolla Commons in San Diego, CA at a Purchase Price of \$525 million less \$11.4 million of seller credits. Liabilities assumed are included in Other Liabilities.
- (15) 1Q-2019 10-Q page 1. Secured fixed rate debt includes debt issuance costs of \$167K. Unsecured Debt includes the debt issuance cost of \$4.3 million. Line of Credit includes an additional \$34.8 million of Acquisition Cost related to La Jolla Commons.
- (16) 1Q-2019 10-Q page 1 & 14 "Restricted cash" and "Prepaid expenses and other".
- (17) 1Q-2019 10-Q page 14 "Prepaid rent and deferred revenue", "Deferred compensation", "Deferred tax liability" and "Other liabilities". In addition, includes \$5.9 million in Deferred Liabilities related to La Jolla Commons.
- (18) 1Q-2019 10-Q page 13 sum of the difference between "Carrying Value" and "Fair Value" of outstanding debt. Page 14 "Interest rate swap asset" and "Interest rate swap liability".
- (19) Annualized 1Q-2019 data from Supplemental filing pages 14 & 15 (excludes TI Reimbursement Revenues and Rent Abatements).
- (20) Capex as a % of NOI by property type: Retail 19.0%, Office 26.0%, Multi-family 11.0%, Hotel 30.0%
- (21) Based on Estimated Forward FY-2019 NOI.
- (22) Valuation adjustment made to the Estimated Forward FY-2019 NOI to include the value of leases signed but not yet commenced and discounted cash flow related to recently developed properties and properties under construction.
- (23) Price Per SF/Unit/Room is based on the Forward NOI and Discounted Cash Flow adjustment valuation. An additional 90K SF added to the SF of Waikale to count for the redevelopment of the Kmart space.
- (24) Nominal and Forward NOIs reduced for the value of the ground leases.