JUNE 9, 2025

Dear SREIT Stockholder,

First and foremost, thank you for your investment in SREIT and for your ongoing support.

The real estate sector has faced a challenging two and a half years, marked by rapidly rising interest rates and a surge in new supply that weighed on rent growth. Despite these headwinds, we remain optimistic about the outlook for both the real estate market and our portfolio. Valuations have reset lower, interest rates are expected to decline, and supply is dropping rapidly—factors that we believe support stronger fundamentals and performance in SREIT's core sectors, particularly rental housing and industrial.

We stand firmly behind the portfolio we've built. It represents some of the highest-quality real estate we own across the firm and has the fastest underlying income growth amongst our peer set. This isn't by accident as we hand-selected each investment in the portfolio. We believe SREIT is well-positioned not only to navigate the current cycle, but also to perform well as market conditions continue to improve.

Amid the recent heightened volatility and uncertainty in both global and domestic policy, we believe private real estate stands out as a compelling investment. It offers tangible, income-producing assets with meaningful tax advantages and low correlation to public market fluctuations. Owning the right long-term sectors, in the right markets, at a discount to replacement cost, serves as a powerful portfolio diversifier.

While the focus on redemptions has taken the headlines away from the strength of SREIT's portfolio, we continue to act with a fiduciary mindset and in the best interest of all stockholders.

In this update, we're pleased to share a comprehensive look at SREIT's portfolio positioning, performance, and liquidity strategy—including three key enhancements to the share repurchase plan. A summary of those changes follows, with further detail throughout the letter.

Key Takeaway: Liquidity and Share Repurchase Plan Update

- ✓ SREIT has provided >$5 billion of liquidity at NAV to stockholders (inception-to-date)
  - — Since SREIT introduced liquidity limits in May 2024, stockholders requesting redemptions have received 40% of their capital back
- ✓ From December 2024 through May 2025, SREIT executed approximately $1.6 billion in gross asset sales
- ✓ These transactions closed within 1% of our internal valuations
- ✓ In light of renewed market volatility and tariff-related uncertainty, we're approaching additional asset sales with caution, prioritizing the retention of our highest-quality assets. However, given the progress we've made to date, we're implementing the following changes to enhance stockholder liquidity—effective with June redemptions and the July 1, 2025 admission:

1. Increased Share Repurchase Limits

Monthly limit increased from 0.33% to 0.50% of NAV

Quarterly limit increased from 1.00% to 1.50% of NAV

2. Increased Minimum Balance

Accounts falling below $2,500 will be redeemed on a priority basis

3. Redemption Upon Death and Disability[1]

In the event of a stockholder's passing or disability, shares will now be eligible for priority redemption

Note: All figures are as of April 30, 2025 unless otherwise noted.

SREIT Portfolio and Performance

A High-Conviction, Income-Focused Portfolio

SREIT's $23 billion portfolio is strategically concentrated.[2]

- 87% of assets are allocated to Rental Housing, Industrial and Real Estate Loans—sectors that benefit from structural demand drivers and resilient cash flows.
- 80% of the portfolio is located in high-growth Sunbelt markets, which continue to experience outsized demand due to higher levels of job growth, population migration, and better affordability.
- 9% of assets are invested in international markets, primarily Western Europe, to enhance diversification by accessing regions with lower levels of new supply, deregulation, and an accommodative long-term interest rate environment.
- Our balance sheet remains a competitive advantage, with 82% of secured property debt either fixed or hedged, a weighted average interest rate of 3.9%, and 3.5 years of average duration remaining. Importantly, less than 7% of debt is maturing over the next 12 months.

87%
Rental Housing, Industrial and Real Estate Loans

80%
Sunbelt Markets

9%
International Markets

Portfolio Fundamentals Continue to Outperform

- **Portfolio construction leading to solid underlying fundamentals**
  - **Occupancy remains strong at 94%[3]**
  - **Rent growth across sectors remains positive despite supply overhang**

Rental Housing	Industrial	Real Estate Loans
2% rent growth in 1Q 2025, led by Affordable Housing—which experienced 5% rent growth	45% re-leasing spreads in 1Q, with in-place rents still 20% below market	12% yield to investors

- **Market Leading Net Operating Income ("NOI") Growth**
  - **SREIT's compounded same-store income growth was 12% over the past two calendar years, outperforming peers by more than 300 bps.[4]**

Compounded Same-Store NOI Growth

Last 2 Calendar Years (2023-2024)

Note: All figures are as of April 30, 2025 unless otherwise noted.

Performance as of April 30, 2025[5]

Class I Shares	Tax-Efficient Income	
+6.2% Inception-to-Date Annualized Total Return	**5.9%** Annualized Distribution Rate (Class I)[6]	**A key tax advantage of REITs is the Return of Capital ("ROC") tax shelter**
+0.2% 2024 Total Return	**~10%** Tax-Equivalent Yield[7]	
-1.5% 2025 Year-to-Date Total Return		

- For the last five years, SREIT's distributions have been considered 100% ROC.
- This means the maximum effective federal tax rate on distributions is 0% and the tax equivalent yield is approximately 10% for investors in the top tax bracket.
- We believe SREIT's yield is compelling—offering investors strong income while waiting for broader market recovery. We also believe SREIT's monthly distribution is positioned to become even more attractive should short-term interest rates decline as forecasted in the forward yield curve.

Understanding the Components to Performance

In summary, there are two key drivers to SREIT's performance: the real estate and the interest rate caps.

SREIT's real estate was up 2.2% in 2024 with third-party valuations up at each quarter-end driven by strong underlying cash flow growth and stabilizing cap rates. That trend has continued in 2025, with real estate up 0.3%. We believe stabilizing third-party valuations is a positive indicator moving forward, particularly as lower levels of new supply take hold in 2026 and income growth is expected to accelerate.

On the other side of the ledger, the shift lower in the yield curve has caused volatility in the mark-to-market value in our interest rate caps and debt. These components contributed -2.0% in 2024 and -1.8% year-to-date in 2025. It's important to remember that these hedges are in place to protect distributable cash flow and sustain the coverage on our distribution. We do anticipate less negative impact coming from the interest rate caps moving forward as the value of these instruments has come down materially over the last three years and now represent less than 2% of SREIT's aggregate NAV.

Overall, while short-term movements in hedging instruments have pressured performance, these are not reflective of underlying property fundamentals, which remain strong as indicated by our best-in-class same-store NOI growth.

	2024	YTD 2025
Real Estate	+ 2.2%	+ 0.3%
Interest Rate Caps and Debt mark-to-market	− -2.0%	− -1.8%

Note: All figures are as of April 30, 2025 unless otherwise noted.

A Look Forward

We believe there are two key differentiators that position SREIT well for long-term growth.

1. The Affordable Housing Advantage

Affordable housing represents 23% of SREIT's portfolio—and we consider it the crown jewel of our strategy. With over 23,500 units across 130 properties, SREIT is one of the largest owners of affordable housing in the United States. We own these properties in targeted markets throughout the Sunbelt with higher levels of job and wage growth, which has led to strong rent growth.

Here's why it is a compelling asset class to own:

- ✓ Rents are inflation-protected, indexed to area income levels and the Consumer Price Index ("CPI"), providing natural alignment with rising costs.
- ✓ The sector is delivering some of the strongest rent growth in real estate today.
- ✓ Cash flows are stable and resilient, with rents that do not decline—even in downturns—offering reliable downside protection.
- ✓ Occupancy remains exceptionally high, often with waitlists, due to consistent demand and limited alternatives.
- ✓ Supply is highly constrained, given complex regulations and long development timelines, creating significant barriers to new competition.
- ✓ Values rise over time as the in-place rents are typically 30-50% below comparable market rate properties and the affordable restrictions have finite durations, which leads to significant upside in rental rates upon expiration.

In April 2025, SREIT received its maximum allowable rent increases from HUD, enabling us to raise rents across our affordable housing portfolio by nearly 7% over the next 12 months. In addition, approximately 2% of this year's allowable rent increases have been deferred into future periods, effectively extending the duration of predictable rent growth.

Looking ahead, the shortage of affordable housing is expected to continue well into the future as an increasing number of units have expiring rent restrictions over the next decade.

2. Market-Rate Apartments Poised for a Rebound

SREIT has a 47% allocation to market-rate apartments, a sector that continues to demonstrate strong underlying demand despite a wave of new supply in 2023–2024. This demand is driven by the relative affordability of renting versus owning—a dynamic that remains firmly in place.

On average, SREIT's multifamily rents are roughly half the cost of the median U.S. mortgage payment, and our portfolio's healthy 23% rent-to-income ratio provides meaningful headroom for future rent growth.

Looking ahead, supply-side pressures are easing. **Multifamily construction starts are down approximately 60% from peak levels in SREIT's top 10 markets, and we are now past peak deliveries in 96% of our markets.** Additionally, tariffs and tighter immigration trends are driving up construction costs, causing many developers to pause or cancel new projects. As a result, we expect new supply to fall below historical averages by 2026–2027, setting the stage for improving fundamentals.

Together, these trends point to a favorable shift: rising rents, sustained occupancy, and stronger asset valuations—transforming what was a supply-driven headwind into a compelling long-term tailwind.

SREIT Liquidity Update

In May 2024, we made the strategic decision to temporarily slow property sales and amend our share repurchase plan. This was done to preserve long-term value for our investors—particularly the **73% who remain fully invested**. It was a difficult decision, but we believe it was ultimately the right one.

The discipline and patience to wait until the Federal Reserve cut rates in September paid off. We capitalized on a more favorable window in the capital markets, when short-term rates declined and investor demand strengthened. SREIT executed approximately $1.6 billion in asset sales of what we deemed to be some of the inferior go-forward risk/reward in the portfolio. Nearly all of our asset sales were either closed or were under contract before the interest rate volatility and before the uncertainty of the new administration's fiscal and trade policy took shape.

These transactions closed within 1% of our internal valuations and at cap rates approximately 75-100 basis points tighter than market levels seen during the 4Q23-2Q24 timeframe. We estimate that by waiting for this window to sell assets, we generated an excess 15-20% on the gross value of those specific assets that were sold and approximately 2% excess aggregate return across our entire NAV.

>$5 Billion

of capital returned at NAV (inception-to-date)

Our total liquidity currently stands at approximately $0.9 billion, representing approximately 10% of NAV

Enhancements to the Share Repurchase Plan

In light of renewed market volatility, a pullback in capital markets activity, and economic uncertainty resulting from tariffs, we're approaching additional asset sales with caution, prioritizing the retention of our highest-quality assets. However, given our strong asset sales and progress towards improving liquidity to date, we believe it is important to take a positive step toward our goal of reinstating full liquidity for stockholders seeking redemptions.

We are implementing the following changes to enhance investor liquidity (effective beginning with June redemptions and July 1, 2025 admission)

1.

Increased Share Repurchase Limits

- Monthly limit increased from 0.33% to 0.50% of NAV
- Quarterly limit increased from 1.00% to 1.50% of NAV

2.

Increased Minimum Balance

- Accounts falling below $2,500 will be redeemed on a priority basis

3.

Redemption Upon Death and Disability[1]

- In the event of a stockholder's passing or disability, shares will now be eligible for priority redemption

We remain committed to pursuing a long-term liquidity solution for SREIT. However, the timing of such an initiative is critical. We believe the best outcomes will be achieved once market volatility stabilizes, capital markets improve, and real estate fundamentals strengthen.

Our advisor will continue waiving 20% of the management fee—reducing it from 1.25% to 1.00% of NAV—until repurchase limits are fully reinstated at 2% of NAV per month and 5% of NAV per quarter.

Leadership Update

Finally, we are pleased to share that Nora Creedon will assume the role of CEO of SREIT on July 28, 2025. Nora is a seasoned real estate investment professional with nearly two decades of REIT leadership experience, most recently serving for 18 years at Goldman Sachs.

We are proud to have an executive of Nora's caliber leading our commitment to SREIT's long-term performance and serving as a responsible steward of your hard-earned capital.

We also extend our sincere gratitude to Sean Harris for his years of dedicated SREIT leadership. We wish him all the best in his next chapter.

Thank You for Your Partnership

Our focus remains unchanged: protecting your capital while thoughtfully positioning SREIT's portfolio to deliver attractive, tax-efficient income and long-term growth. Every investment decision made is based on a fiduciary mindset and serves to maximize value for our stockholders. We are guided by our 30+ year history in navigating market cycles.

As a long-term asset class, real estate demands conviction and expertise—both of which are embedded in SREIT's portfolio and strategy. With a strong foundation and a forward-looking approach, we believe there are many opportunities ahead to drive income and growth.

As market conditions evolve, we'll continue to keep you informed. If you have any questions or would like to discuss this update further, please don't hesitate to reach out.

Thank you for your investment and continued trust.

Sincerely,

Barry Sternlicht
Chairman & CEO,
Starwood Capital Group

Disclosures

Forward-Looking Statement Disclosure

This material contains forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology such as "outlook," "indicator," "believes," "expects," "potential," "continues," "identified," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "confident," "conviction" or other similar words or the negatives thereof. These may include financial estimates and their underlying assumptions, statements about plans, objectives, intentions, and expectations with respect to positioning, including the impact of macroeconomic trends and market forces, acquisitions, dispositions, liquidity, future operations, future performance and SREIT's share repurchase plan. Such forward-looking statements are inherently subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in the SREIT's annual report for the most recent fiscal year, and any such updated factors included in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or our public filings). Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

For SREIT stockholder use only. This is not an offer to sell or a solicitation of an offer to buy any securities.

Notes: Past performance does not predict future returns. Financial data is estimated and unaudited. All figures are as of April 30, 2025 unless otherwise noted. Opinions expressed reflect the current opinions of SREIT as of the date appearing in the materials only and are based on SREIT's opinions of the current market environment, which is subject to change. Certain information contained in the materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

Select Images: The selected images of certain SREIT investments are provided for illustrative purposes only, are not representative of all SREIT investments of a given property type and are not representative of SREIT's entire portfolio.

Starwood Proprietary Data: Certain information and data provided herein is based on Starwood's proprietary knowledge and data. Such proprietary market data is used by Starwood to evaluate market trends as well as to underwrite potential and existing investments. While Starwood currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Starwood's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.

1. Priority for Death and Disability Requests: Providing priority for repurchase requests resulting from death or disability, with a 12-month lookback period and a monthly cap of $5 million.

2. Total asset value is measured as the gross asset value of real estate investments (based on fair value) plus the total fair value of real estate-related securities as well as the addition of any other assets (including cash or any other cash equivalents, but excluding cash associated with subscriptions received in advance).

3. Reflects real estate property investments only and does not include real estate debt investments. Occupancy is weighted by the total real estate asset value of all real estate properties, excluding hospitality. For our multifamily investments, occupancy represents the percentage of all leased units divided by the total unit count as of the date indicated. For our office and industrial investments, occupancy represents the percentage of all leased square footage divided by the total available square footage as of the date indicated.

4. Net Operating Income ("NOI") is a supplemental non-Generally Accepted Accounting Principles ("GAAP") measure of our property operating results that we believe is meaningful because it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate. We define NOI as operating revenues less operating expenses, which excludes (i) impairment of investments in real estate, (ii) depreciation and amortization, (iii) straight-line rental income and expense amortization, (iv) amortization of above- and below-market lease intangibles, net, (v) lease termination fees, (vi) property expenses not core to the operations of such properties, and (vii) other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fees, (c) performance participation allocation, (d) loss from unconsolidated real estate ventures, (e) income from investments in real estate debt, net, (f) net gain on dispositions of real estate, (g) interest expense, and (h) other expense, net. We evaluate our consolidated results of operations on a same property basis, which allows us to analyze our property operating results excluding acquisitions and dispositions during the periods under comparison. Properties in our portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. For example, properties acquired during the year ended December 31, 2022 are excluded from SREIT's computation of 2023 YTD NOI growth, but are included in SREIT's computation of 2024 YTD NOI growth. In addition, properties that were owned as of January 1, 2022, but were disposed of during the year ended December 31, 2024 are included from SREIT's computation of 2023 YTD NOI growth, but are excluded from SREIT's computation of 2024 YTD NOI growth. Properties held-for-sale are excluded from same property results and are considered non-same property. We do not consider our investments in unconsolidated real estate ventures and investments in real estate-related debt to be same property. SREIT's NOI grew by 6.1% in calendar year 2023 and 5.1% in 2024, resulting in a two-year compounded growth rate of approximately 12%. The peer set consists of Blackstone Real Estate Income Trust, Inc., Nuveen Global Cities REIT, Inc., JLL Income Property Trust, Inc., Hines Global Income Trust, Inc. and Ares Real Estate Income Trust Inc. Please refer to the public filings for each issuer for its financial information. Please see our Current Report on Form 8-K filed on April 3, 2025 for a reconciliation of GAAP net loss to same property NOI for the year ended December 31, 2024 and 2023.

Disclosures

5. Represents Class I shares. For more information on SREIT's performance, please visit www.starwoodnav.reit/performance. Returns shown reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared in the period. All returns shown assume reinvestment of distributions pursuant to SREIT's distribution reinvestment plan, are derived from unaudited financial information and are net of all SREIT expenses, including general and administrative expenses, transaction related expenses, management fees, performance participation allocation, and share class specific fees, but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year. Past performance is historical and not a guarantee of future results. The returns have been prepared using unaudited data and valuations of the underlying investments in SREIT's portfolio, which are estimates of fair value and form the basis for SREIT's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. The inception dates for the Class I, S, D and T shares are December 21, 2018.

6. Reflects the current month's distribution annualized and divided by the prior month's net asset value, which is inclusive of all fees and expenses. Our inception-to-date cash flows from operating activities funded 100% of our distributions. Distributions are not guaranteed and may be sourced from non-income items.

7. Tax Information: A portion of REIT distributions may be tax deferred given the ability to characterize ordinary income as Return of Capital ("ROC"). ROC distributions reduce the stockholder's tax basis in the year the dividend is received, and generally defer taxes on that portion until the stockholder's stock is sold via redemption. Certain non-cash deductions, such as depreciation and amortization, lower the taxable income for REIT distributions. Investors should be aware that a REIT's ROC percentage may vary significantly in a given year and, as a result, the impact of the tax law and any related advantages may vary significantly from year to year. SREIT's return of capital was 92% in 2019, 100% in 2020, 100% in 2021, 100% in 2022, and 100% in 2023. SREIT's Return of Capital for 2024 was 100%, which means the maximum effective tax rate on SREIT's 2024 distributions is 0%. This assumes the maximum ordinary tax bracket of 37%. Please note the effective tax rate is after the 20% reduction in rates introduced under the Tax Cuts and Jobs Act of 2017. The Tax Cuts and Jobs Act of 2017 is not applicable to capital gain dividends or certain qualified dividend income. It is only available for qualified REITs and the board is authorized to revoke the REIT election. The tax benefit is set to expire in 2026. There may be adverse legislative or regulatory tax changes. Other investments may offer tax advantages. An accelerated depreciation schedule does not guarantee a profitable return on investment.

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