STARWOOD
REAL ESTATE INCOME TRUST

JANUARY 19, 2023

Dear SREIT Stockholder,

It is an understatement to say 2022 was a challenging year. The Federal Reserve set the tone as they made the decision that easy money and historically low interest rates were over. The Fed raised the federal funds rate 425 basis points during the year, but more importantly, they raised rates more rapidly than ever before in the history of the U.S. The federal funds rate opened 2022 at eight basis points, and, after seven increases, finished the year at 4.33%, the highest rate in 15 years. The rapid increase in rates eventually caused a market correction that pulled both stocks and bonds into bear territory for the year, which is a rare occurrence. Core real estate performed well for the majority of the year, but was not immune to the shifting yield environment, particularly in the second half of the year.

SREIT by the Numbers

6.3%
2022 Total Return to Investors (Class I share)[1]

12.8%
Total Return Inception To Date (Class I share)[2]

4.6%
2022 Average Monthly Distribution[3]

100%
2022 Return of Capital[4]

Data as of December 31, 2022

December NAV and 2022 Returns

Starwood Real Estate Income Trust, Inc. ("SREIT") declared a December 31, 2022 NAV per share of $26.34 for the Class I share.

After including the current 4.6% annualized distribution rate, SREIT's total return was -2.3% for December. Late in 2022, and specifically in December 2022, returns decreased because of the negative impact of rising yield expectations and higher cap rates.

Despite the market turmoil, SREIT had a positive year of performance. While most asset classes were down, SREIT had a 2022 total return of 6.3%, and a 12.8% total return inception to date for the Class I share. Strong asset and market selection drove high levels of rent growth across the real estate portfolio. In addition, our debt structuring to protect against rising interest rates created value and enabled steady monthly distributions of cash flow.


Blue Multifamily Portfolio | Acquisition Date: August 2022

SREIT delivered an average monthly distribution of 4.6% in 2022.

A key tax advantage of REITs is the ability to depreciate real estate to shelter distributable income. We are pleased to report that for the third straight year, SREIT distributions will be considered 100% return of capital, which means the maximum effective federal tax rate on our distributions is 0%. Investors would need to earn greater than a 7.3% yield from a fully taxable investment to earn the same after-tax yield as SREIT.

2022 Portfolio Review

SREIT's portfolio ended 2022 with $29.4 billion of gross asset value and $13.8 billion of net asset value across 715 properties, which are 95% occupied.

SREIT's property type allocation by value is 70% residential (65% multifamily and 5% single-family rental), 13% industrial (~5 year average lease term), 6% long-leased office (~7 years average lease term), 5% floating-rate real estate loans, 2% extended stay hotel, 1% self-storage and 3% in other asset types.

Starwood Capital has worked through market cycles and dramatic corrections for more than 30 years. An important aspect to note about the current market correction is that real estate supply/demand fundamentals have been, and remain, very strong. During 2022, SREIT's portfolio remained 95% to 96% occupied.

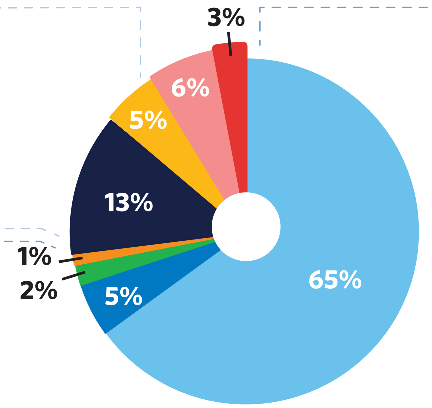
In constructing SREIT's portfolio, we anticipated a rising rate environment after ten years of low rates and therefore invested defensively with an emphasis on stable income to ensure predictable monthly distributions of cash flow. We invested in asset classes that we believe provide a good balance between inflation protection with blended rent growth, while also being defensively structured to perform well through this period and over the long term.

In total, 91% of SREIT's portfolio is invested in asset classes that are well-positioned for the current environment. This includes short lease duration assets such as rental residential, extended-stay hotel, and self-storage which have the ability to re-price income relatively quickly — as well as industrial, and floating-rate, senior loans which benefit from rising benchmark interest rates. SREIT also has limited exposure to longer-duration office and virtually no exposure to retail, which are asset classes that have underperformed in today's inflationary environment.

91% Allocation to Asset Classes that are Well-Positioned in the Current Environment

18% In Industrial and Floating-Rate Loans

73% In Short Lease Duration Assets



- Multifamily
- Single-Family Rental
- Extended Stay
- Self-Storage
- Industrial
- Real Estate Loans
- Office
- Other

Other includes: Hotel, Net Lease, Medical Office and Retail.

SREIT Portfolio Highlights

$29.4B
Gross Asset Value[5]

$13.8B
Net Asset Value[6]

715
Number of Properties

95%
Occupancy[7]

50%
Leverage Ratio[8]

70,013
Multifamily Units

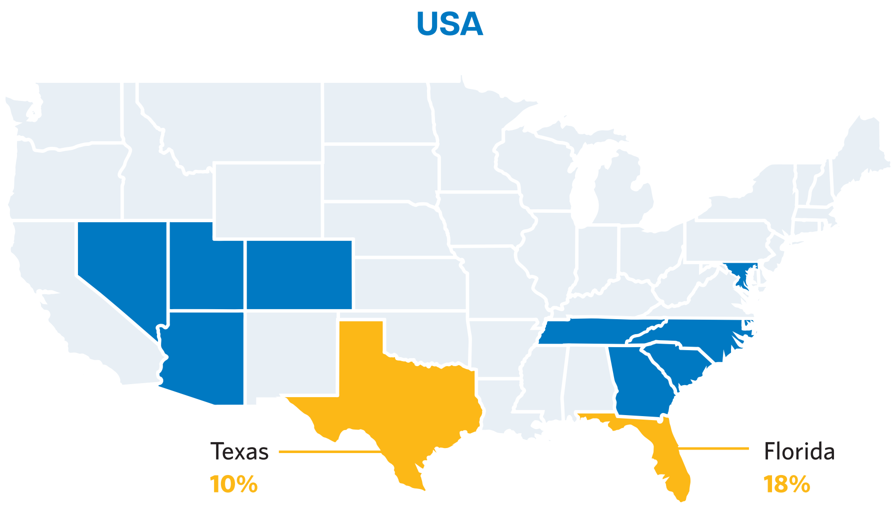
3,215
Single-Family Homes

23.7M
Square Feet of Industrial Owned

Together, residential and industrial represent 83% of our real estate portfolio. Trailing 30 day rental growth across the market rate multifamily portfolio averaged 12% year-over-year throughout 2022 and peaked as high as 14%, substantially above today's inflation rate. SREIT's residential properties are primarily located across affordable markets in the Sunbelt, with an average rent of approximately $1,450 per month — nearly half of the median mortgage payment in the U.S. Our industrial portfolio remained 98% to 100% occupied during 2022, and as space has become available, the average rent increase has been 36%. Given the strong rent growth that has occurred across SREIT's industrial portfolio over the last few years, market rents are approximately 20% higher than in-place rents. We believe this dynamic has the potential to generate substantial rent and value growth for SREIT as leases roll to market over the next years.

In terms of market selection, Starwood Capital pioneered investing in the high-growth Sunbelt markets, driven by high levels of job, income and population growth, as well as low-to-no state income taxes and better relative affordability.

SREIT's portfolio is 75% invested in the Southeast and Southwest U.S. Our two largest markets are Florida and Texas, which represent 28% of SREIT's portfolio. Importantly, SREIT has been underweight the more expensive, slower growing coastal markets, with essentially no exposure to New York and California. This investment strategy has served SREIT well and has been a substantial driver in generating the portfolio's performance.



75%

Concentrated in the Southeast and Southwest U.S.

28%

In the Two Fastest Growing States: Florida and Texas

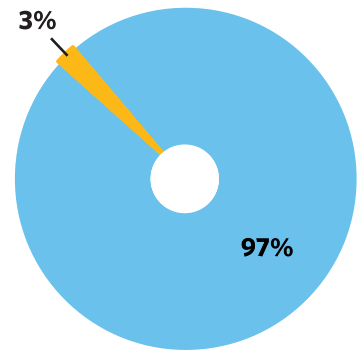
More than 90% of our investing in 2022 was in off-market, directly negotiated transactions through our relationships.

We were able to leverage our scale to identify investment opportunities around the globe and throughout the capital stack. As market conditions began to shift in the second quarter of 2022, we made several key investing pivots as interest rates started to rise more rapidly in the U.S. In total, this year we deployed $3.5 billion of capital into:

- **European Logistics** – with CPI linked leases and lower financing costs with positive leverage,
- **Floating-Rate Senior Loans** – which benefit from rising benchmark rates,
- **U.S. Affordable Housing** – with wider cap rates than traditional multifamily and rents formulaically linked to CPI and area median income, and
- **Extended Stay Hotels** – which behave like shorter lease duration residential (due to >100 day average length of stays) at much wider cap rates with positive leverage.

SREIT's portfolio performed well during 2022 due to our existing portfolio's superior asset and market selection, which continue to exhibit strong supply/demand fundamentals, as well as our ability to shift markets, sectors, and positioning in the capital stack as the interest rate and inflationary environment changed.

SREIT Balance Sheet



■ Fixed-Rate* ■ Floating-Rate

3.3%

Weighted Average Interest Rate

>5 years

Fixed-Rate Duration

* Fixed-rate includes fixed-rate debt plus floating-rate debt that is hedged with interest rate caps and swaps.

As Starwood Capital constructed SREIT's portfolio one hand-selected acquisition at a time, our Capital Markets team secured debt financing concurrently on a deal-by-deal basis to match the expected hold of acquisitions with similar term debt financing.

We acquired assets with fixed-rate financing whenever cost effective, and when utilizing floating-rate debt, we invested in interest rate caps or swaps with tight strike prices to protect the fund from future interest rate increases. The result is that overall, 97% of SREIT's debt is either fixed-rate or hedged with interest rate caps and swaps. Our weighted average cost of debt is 3.3%, at 50% loan-to-value, with more than five years of duration remaining. This is a valuable asset to the fund, assisting SREIT's ability to continue to make stable, predictable monthly distributions of operating cash flow.

2023 Market Outlook

As we look forward, we believe well-located and well-financed core real estate in the right sectors will continue to see strong fundamentals in 2023.

The path of interest rates will determine much of how this year plays out. The macro backdrop of higher interest rates and cap rates are likely to see some relief in the second half of the year as the Fed takes its foot off the brakes in response to a slowing economy and reduced inflationary pressures. Inflation continues to come down, with consumer prices falling -0.1% in December (up 6.5% from a year ago) and down from its peak of 9% in June. We have already seen this dynamic start to impact the longer-end treasury yields with the 10-year UST down to 3.4% at the time of writing (down approximately 75 bps from its peak).

The residential and industrial asset classes are expected to maintain strong rent growth in 2023, reinforced by a significant decrease in new construction activity. SREIT's investment in residential assets are supported by the dramatic increase in the cost of home ownership across the U.S. Home ownership costs have soared over the last two years due to record high home prices and home mortgage rates almost doubling during 2022. In addition, we believe that our affordable housing investments (34% of our total multifamily units) will see an approximate 8-10% increase in allowable rents in mid-2023 as a result of the way municipalities formulaically calculate rent levels on the back of higher inflation and wage growth. Industrial assets continue to enjoy strong tailwinds from the steady growth in e-commerce and increasing inventory levels, following on from the goods and material shortages during the pandemic. Real estate is a hard asset that has historically benefitted from higher levels of inflation, especially when combined with superior market and asset type selection.

Entering 2023, SREIT continues to maintain ample liquidity to navigate the current environment. Between cash, liquid securities, and lines of credit, SREIT has approximately $2.6 billion of overall liquidity, which is equivalent to approximately 19% of our ending December 31, 2022 NAV. In addition, we continue to look for ways to generate incremental liquidity including through potential asset sales above our carrying value. Starwood Capital and its employees have approximately $520 million in SREIT shares and continue to maintain conviction in our portfolio composition.

While preservation of liquidity remains our top priority, we continue to search for unique investment opportunities and are highly focused on maintaining the balance sheet flexibility to take advantage of these opportunities as they arise. We are optimistic that 2023 will present a compelling investing environment.

And finally, as we move into a new year, it's important to remind investors of the unique combination of portfolio benefits that SREIT provides, including: stable, tax-efficient income, capital appreciation over time, a hedge against inflation and limited correlation to the equity and fixed income markets. We are confident SREIT's portfolio will continue to perform as designed and we thank you for your partnership and trust in us.

Barry Sternlicht

Chairman & CEO,
Starwood Capital Group

John McCarthy

CEO, SREIT

Sean Harris

President, SREIT

2022

SREIT Investment Highlights

Texas & North Carolina Multifamily Portfolio
Multifamily
Acquisition Date: April 2022

Florida Affordable Housing Portfolio IV
Multifamily
Acquisition Date: June 2022

Norway Logistics Portfolio
Industrial
Acquisition Date: February 2022

Extended Stay Hotel Portfolio
Extended Stay
Acquisition Date: July 2022

Crown Resorts Loan
Senior Loan
Acquisition Date: June 2022

Notes

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. For more information, visit www.starwoodnav.reit. Past performance does not guarantee future results. Financial data is estimated and unaudited. All figures as of December 31, 2022 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.

1. 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. Represents Class I shares. Please refer www.starwoodnav.reit/performance to view return information for SREIT's other share classes.

2. Inception to date ("ITD") returns are annualized utilizing a compounding method and consistent with the IPA Practice Guideline 2018, as reported in the IPA/ Stanger Monitor (initial issuance in Q1'19). The inception dates for the Class I, S, D and T shares are December 21, 2018.

3. Reflects the average annualized monthly distribution rate for 2022. 100% of these distributions were funded from cash flows from operations. Distributions are not guaranteed and may be sourced from non-income items.

4. 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 distribution 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, and 100% in 2021. SREIT's Return of Capital for 2022 was 100%, which means the maximum effective tax rate on SREIT's 2022 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.

5. Total asset value is measured as the gross asset value of real estate assets (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).

6. NAV is calculated in accordance with the valuation guidelines approved by our board of directors. NAV is not a measure used under generally accepted accounting principles in the United States ("GAAP"), and the valuations of and certain adjustments made to our assets and liabilities used in the determination of NAV will differ from GAAP. You should not consider NAV to be equivalent to stockholders' equity or any other GAAP measure. Please refer to our annual and quarterly reports filed with the SEC, which are available at www.starwoodnav.reit, for a reconciliation of NAV to GAAP measures. For information on how we calculate NAV, see the "Net Asset Value Calculation and Valuation Guidelines" section of our prospectus.

7. 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.

8. Leverage is measured on gross real estate assets (calculated using the greater of fair market value and cost of gross real estate assets, including equity in our real estate debt investments), inclusive of property-level and entity-level debt net of cash, but excluding indebtedness on our real estate debt investments. The leverage ratio would be higher if indebtedness on our real estate debt investments was taken into account.