KKR

Dear KREST Shareholders,

We appreciate your continued trust and support of KKR Real Estate Select Trust Inc. ("KREST" or the "Fund"). We established KREST with the goal of creating an investment solution that provides access to the potential benefits of high quality, income-oriented private real estate equity and credit in a single fund. KREST's flexible strategy and balanced portfolio construction are designed to seek to generate long-term performance and consistent, tax-advantaged income through a wide range of market environments.

Over the first six months of 2024, real estate markets continued to evolve. It has now been more than two years since interest rates started to rise, and dislocation resulting from the impact of higher interest rates and higher inflation continues to evolve. The commodity office sector is undergoing a major secular shift while other sectors have undergone a cyclical reset in values. Since real estate values peaked in April 2022, the current, resulting drawdown has been the second largest decline in U.S. property values in the last 80 years, after only the global financial crisis.(1) Within KREST, the Fund's independent valuation agent has widened the exit capitalization rates for KREST's industrial and residential portfolio, which serve as key inputs for mark-to-market valuations, by more than 32% since property values peaked in April 2022.(2) The growing cash flows from KREST's real estate equity portfolio and our 21% allocation to real estate credit have offset some of the performance impact from these macro-driven adjustments in property valuation assumptions. This contributed to KREST's year-to-date 2024 and inception-to-date performance of -2.26% and 7.14% (Class I, annualized for ITD)(3) respectively, and helped support KREST's dividend, currently at a 6.07% annualized net distribution rate (Class I).(4)

As we look ahead, we believe the impacts of moving to today's "higher for longer" macro environment for both rates and inflation have resulted in a new market cycle. In our view, the new cycle is supported by strong medium- and long-term fundamentals, as the demand themes for our highest conviction sectors remain robust. To that end, the Fund executed an industrial renewal lease with a major global logistics tenant at a 45% increase over the prior rent in March. At the same time, one of the most notable follow-on effects of higher rates and higher inflation has been a material decline in new supply given higher costs of labor, materials and construction financing. However, one of the lessons of the current down-cycle has been that performance in the current down-cycle has varied significantly based on property type, region, and portfolio construction. We expect dispersion to continue in the recovery. While the early periods of new investing cycles have historically led to some of the most attractive returns for investors, as global transaction activity accelerates, we think that successful investors will need to rely upon disciplined deployment underpinned by strong theme identification and investing across geographies and the capital stack.

We believe KREST's portfolio and our flexible strategy are well-positioned for the current environment. We have emphasized real estate credit and what we consider "needs-based" sectors in high-barrier-to-entry markets, with a focus on industrial, residential, medical office, and triple-net leased trophy real estate. KREST's portfolio construction is also supported by the fact that the Fund's property-level financing is 100% fixed or hedged with an average effective interest rate of 3.9% and five years of remaining loan term. We also do not have exposure to commodity office in our portfolio – equity or credit – and used spread tightening in the first quarter as an opportunity to exit the trophy office exposure in our real estate credit portfolio. Importantly, we have significant liquidity of 33% of Net Asset Value ("NAV") as of June 30, 2024.(5) This should enable the Fund to continue providing a level of liquidity to investors of up to 5% of NAV through quarterly repurchases, while also positioning the Fund to capitalize on the attractive investment opportunities that may arise in the upcoming months and quarters.(6)

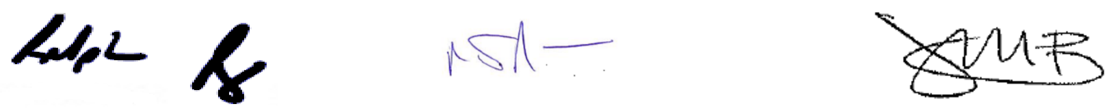
Shifting market dynamics coupled with the NAV support of the KREST Shareholder Priority Plan(6) over the next three years should, in our view, provide KREST shareholders with a unique ability to participate in an expected real estate recovery with a buffer against share price decline. The KREST Shareholder Priority Plan, which we announced on June 4, 2024, supports up to a $27 per share price on June 1, 2027. This is achieved through a commitment by KKR Alternative Assets LLC ("KAA"), an affiliate of the Fund's Adviser, to continue to hold approximately 7.7 million

KKR

KAA-owned KREST shares (~$200 million based on the June 30, 2024 share price) and, to the extent necessary, contribute such shares to the Fund. If the KREST NAV is less than $27 per share on June 1, 2027, contributing KAA-owned KREST shares on June 1, 2027 would reduce the total KREST share count in order to increase the NAV per share up to $27. KAA also invested $50 million in new capital into KREST at the June 4, 2024 NAV, reflecting our conviction in KREST's strategy, portfolio and the attractiveness of the current entry point. Importantly, KREST shareholders retain full upside above a $27 share price, and there are no changes to KREST's existing subscription or redemption terms in connection with the KREST Shareholder Priority Plan. We have appreciated the positive early feedback on the KREST Shareholder Priority Plan and look forward to continuing these conversations.

We appreciate your continued trust and are excited to build upon KREST's results as we expand our portfolio and seek to continue to deliver high-quality and resilient, tax-efficient income.

Sincerely,



Ralph Rosenberg
Chairman of the Board

Matt Salem
Vice Chairman of the Board

Julia Butler
Chief Executive Officer & President

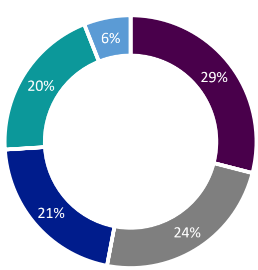
KREST Performance Summary as of June 30, 2024[3]

Share Class	Net Distribution Rate[4]	1-Month Net Total Return	3-Month Net Total Return	YTD '24 Net Total Return	3-Yr. Net Total Return *(annualized)*	ITD Net Total Return *(annualized)*	NAV per Share	Inception Date
Class I	6.07%	0.74%	-0.24%	-2.26%	4.06%	7.14%	$25.62	7/2/2020
Class U *(No Sales Load)*	5.22%	0.63%	-0.45%	-2.71%	3.16%	3.16%	$25.61	6/30/2021
Class D[7]	5.82%	0.68%	-0.30%	-2.41%	-	-2.80%	$25.61	3/4/2022
Class S *(No Sales Load)*	5.22%	0.67%	-0.45%	-2.67%	-	-6.60%	$25.62	9/9/2022

KREST Portfolio Summary as of June 30, 2024[3]

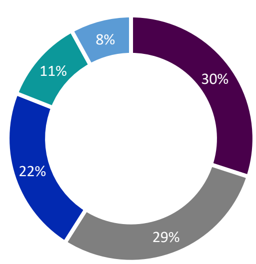
Fund Statistics	**$1.3 billion** Total Assets (GAAP)	**$1.3 billion** Net Asset Value		**0%** Fund-Level Gross Leverage
Real Estate Metrics	**$3.3 billion** Gross Property Value *(inc. unconsolidated subsidiaries)*	**82** Total Properties	**98%** Occupancy Rate	**53%** Combined Net Leverage *(inc. unconsolidated subsidiaries)*

PROPERTY SECTOR



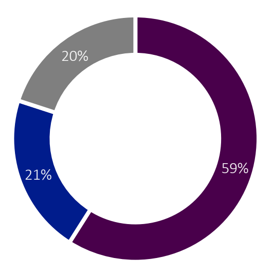
- Residential: 29%
- Industrial: 24%
- Real Estate Credit: 21%
- Prime Single Tenant: 20%
- Medical Office: 6%

GEOGRAPHY



- West: 30%
- East: 29%
- South: 22%
- Midwest: 11%
- Non-U.S.: 8%

INVESTMENT STRATEGY



- Stabilized Real Estate: 59%
- Real Estate Credit: 21%
- Prime Single Tenant: 20%

KKR

Notes:

All figures are approximate and as of June 30, 2024, unless otherwise indicated. The terms “we”, “us” and “our” refer to KREST with reference to portfolio and performance data. In all other instances, including with respect to current and forward-looking views and opinions of the market and KREST’s portfolio and performance positioning, as well as the experience of KREST’s management team, these terms refer to KREST’s adviser, KKR Registered Advisor LLC, which is part of the real estate group of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”), a leading global investment firm.

Certain information contained in this material constitutes “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 the negative versions of these words or other comparable words thereof. These may include KREST’s financial estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions, statements regarding future performance, and statements regarding identified but not yet closed acquisitions. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. KREST believes these factors also include but are not limited to those described under the section entitled “Risk Factors” in its prospectus and most recent annual report, and any such updated factors included in its periodic filings with the Securities and Exchange Commission (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 the annual report (or KREST’s prospectus and other filings). Except as otherwise required by federal securities laws, KREST undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

1. Based on KKR GMAA Analysis. Quarterly data sourced from Federal Reserve Board Commercial Property Prices Index for 1951-1997 and Green Street Advisors from 1998 onwards. Average of all real estate downcycles from 1953 onward, based on quarterly peak-to-trough. Green Street CPPI valuation peaked in April 2022. Downcycles are defined as periods where real estate values declined.
2. Reflects changes in the weighted average exit capitalization rates for industrial and residential properties, as determined by the Fund’s independent valuation agent, Altus Group, between April 30, 2022 and June 30, 2024. Please refer to the KREST Supplemental Report for additional information about the metrics utilized as valuation inputs and assumptions, which is available at https://www.krest.reit/resources/for-shareholders/
3. The Fund employs leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if investments decline in value. Diversification of portfolio holdings does not assure a profit or protect against loss in a declining market. The Fund is classified as "non-diversified" under the Investment Company Act of 1940, and is not intended to be a complete investment program. Past performance does not guarantee future results. There can be no guarantee that current trends will continue. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when repurchased, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Class I information is presented above; please refer to www.krest.reit for additional information, including performance details for Class U, Class S and Class D shares. Class I Inception Date is June 2, 2020.
4. Any distributions we make will be at the discretion of our Board of Directors. The Adviser intends to continue to recommend that the Board of Directors of the Fund (the “Board”) approve a $1.56 per share annual distribution rate to be paid to all Shareholders throughout the term of the Shareholder Priority Plan, absent a material change in the Fund’s financial condition that would cause the payment of a distribution at the current rate to be contrary to the best interests of the Fund and all Shareholders. KREST may pay distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital, or offering proceeds.
5. Includes assets such as cash, short-term assets and liquid securities, as well as committed and undrawn credit facility capacity.
6. **KREST Shareholder Priority Plan:** On June 4, 2024, KAA contractually committed to the Fund to continue to hold approximately 7.7 million of KREST Class I shares currently owned by KAA, representing approximately $200 million based on the Fund’s NAV as of June 30, 2024 (the “Support Shares”) through June 1, 2027 and, to the extent necessary, contribute such shares to the Fund to support a NAV per share of $27.00 per share for each class on such date (the “Shareholder Priority Plan”). If the contribution of the Support Shares is not sufficient to reach a NAV per share of $27.00, KAA will contribute all such Support Shares to support KREST’s NAV per share on such date. While the Shareholder Priority Plan is a contractual obligation to support the Fund’s NAV per share, there is no guarantee the contribution of the Support Shares will be sufficient to achieve a $27.00 NAV per share on June 1, 2027. For the avoidance of doubt, KAA is not obligated to contribute shares prior to June 1, 2027, and KAA is not obligated to contribute any of the Support Shares if the NAV per share for each class equals or exceeds $27.00 per share on June 1, 2027. If KAA were to effect the Shareholder Priority Plan today it would contribute 2.5 million shares (out of the total 7.7 million shares agreed to be contributed) to KREST, which would result in a NAV per share of $27.00 per share for each class. KAA’s allocation of $50 million in new capital investment in KREST along with any future investments are not subject to subordination and/or cancellation.
7. On May 11, 2023, KREST’s outstanding Class D shares were converted to Class I shares, and there were no outstanding Class D shares between May 12, 2023 and September 18, 2023. For periods including May 11, 2023 through September 18, 2023, which includes the monthly, 3-month, YTD, and ITD periods, net returns presented for Class D are calculated based on actual performance for Class I plus the impact of the Servicing Fee of 0.25% per annum applicable to Class D shares, as detailed in the Fund’s Prospectus. Commissions, fees and expenses are identical between Class D and Class I shares, with the exception of the Servicing Fee. For purposes of performance calculation, Class D inception date reflects the original share class inception date of March 4, 2022. Class D re-issue inception date is September 19, 2023. There have been no changes to the Class D share class specifics from inception to re-issuance.

Glossary of Terms:

Annualized ITD Net Return and **Net Return by Period**: Reflects the percentage change in NAV per share plus the applicable distributions per share for the applicable period. Assumes the reinvestment of distributions pursuant to the Fund's distribution reinvestment plan. Past performance is historical and not a guarantee of future results. Performance since inception through date indicated. Class I inception date is July 2, 2020; Class U inception date is June 30, 2021; Class D inception date is March 4, 2022; Class S inception date is September 9, 2022. On May 11, 2023, KREST’s outstanding Class D shares were converted to Class I and there were no outstanding Class D shares between May 12, 2023 and September 18, 2023. Class D re-issue inception date is September 19, 2023. There have been no changes to the Class D shares terms and offering provisions from inception to re-issuance. ITD performance number is annualized if time period is longer than one year.

Net Distribution Rate: Reflects the annualized monthly dividend for June 2024 divided by the month-end NAV for the respective share class. KREST intends to make distributions necessary to maintain its qualification as a real estate investment trust. However, there is no assurance that we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. KREST may pay distributions from sources other than cash flow from operations, including without limitations, the sale of assets, borrowings, return of capital or offering proceeds. For the 12 months ended

KKR

December 31, 2023, 99% of KREST's distributions were funded through adjusted funds from operations ("AFFO"). The Fund defines AFFO as the increase in net assets applicable to common stockholders from operations (calculated in accordance with GAAP), excluding (i) the change in net unrealized (appreciation) depreciation of investments, (ii) amortization premium (accretion of discount) on real estate securities, (iii) amortization of deferred origination fees on real estate loans, (iv) amortization of deferred financing costs, (v) management and incentive fees paid in shares of the Fund and (vi) realized and including undistributed income attributable to the Fund's unconsolidated subsidiaries. This statement is not an indication of the tax treatment of any KREST distributions. Stockholders will be informed of the tax characteristics of any distributions after the close of KREST's fiscal year. For the 2023 tax year, 100% of KREST's distributions were classified as Return of Capital ("ROC"). As of June 30, 2024, the Class I net distribution rate is 6.07%, the Class U net distribution rate is 5.22%, the Class D net distribution rate is 5.82% and the Class S net distribution rate is 5.22%.

Gross Property Value: Represents real estate and other assets held by KREST's unconsolidated subsidiaries, including any portion not owned by the Fund. As of June 30, 2024, the Fund's economic interest in such joint ventures ranges from 50.5% to 99.5%. For financial reporting purposes, KREST includes the fair value of its equity interests in these subsidiaries in its total assets. As of June 30, 2024, the estimated fair value of the Fund's net equity interest in these subsidiaries is $934.5 million.

Fund-Level Gross Leverage: Refers only to borrowings made by the Fund and its consolidated subsidiaries. The Fund may employ leverage in the form of loans, preferred stock, reverse repurchase agreements and/or other instruments. As of June 30, 2024, KREST had no borrowings outstanding under its credit facility and no Fund-level leverage outstanding.

Combined Net Leverage: Is a calculation provided to illustrate the combined leverage of the Fund and the Weighted Average LTV of the Fund's unconsolidated subsidiaries. It is calculated as the ratio of i) the Fund's borrowings, less cash and subscription proceeds receivable, plus the Equity-Weighted Unconsolidated Debt of the Fund's investments divided by ii) the Fund's total assets plus the Equity-Weighted Unconsolidated Debt of the Fund's investments.

Equity-Weighted Unconsolidated Debt: Is a measure of the non-recourse property level financing of the Fund's investments weighted by the Fund's equity exposure in such investments, calculated as the Fund's total investments divided by one minus the Weighted Average LTV, with the result then multiplied by the Weighted Average LTV.

Weighted Average LTV: Is the loan-to-value ratio of each of the Fund's investments (whether consolidated or unconsolidated) averaged with a weighting based on the value of the Fund's equity in each such investment.

Properties and **Occupancy**: Are reported based on the equity portion of the KREST portfolio. Excludes equity investment deposits and Real Estate Credit, which includes private real estate debt, including securities, and preferred equity. Property count excludes single family rental homes. Occupancy excludes single family rental homes that have been acquired and/or renovated, as applicable, within 3 months or less.