

June 4, 2024

Dear KREST Shareholder,

Thank you for your continued 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 investment solution, including long-term performance and consistent, tax-advantaged income through a wide range of market environments. Since inception, KREST has paid shareholders a \$1.56 per share (Class I) Annual dividend that has been classified as 100% Return of Capital (“ROC”) in each tax year to date. Currently, this represents a 6.0% annualized net distribution rate (Class I) as of April 2024.^(1,2)

Real estate markets have experienced a two-year downturn resulting from higher interest rates and the subsequent pull-back in capital. And yet, the fundamental outlook is attractive with limited new development, inflated replacement costs and attractive demand and rent growth for the types of assets KREST owns. Capital markets have shown initial signs of recovery in the first half of this year, with tightening credit spreads, historically a harbinger of market improvement. History tells us these early stages of recovery after a dislocation can be some of the most attractive moments for real estate investment.

To help empower our KREST shareholder clients to maintain confidence amid continuing negative headlines unrelated to KREST’s portfolio, we are introducing the KREST Shareholder Priority Plan. The KREST Shareholder Priority Plan is designed to provide meaningful structural benefits for KREST shareholders at no incremental cost and with no new operational requirements for KREST shareholders. KKR is agreeing to subordinate up to 7.7 million KKR-owned KREST shares (or approximately \$200 million of value at today’s net asset value (“NAV”) in a first loss position to all client-owned shares of KREST to support up to a \$27 per share NAV for all outstanding KREST shares on June 1, 2027. This positions KREST shareholders to retain the upside potential from a real estate recovery while benefiting from a buffer against near term volatility and share price downside through the protection of a supported NAV of up to \$27 per share, which is 5.6% above the current NAV per share, in addition to the current annual dividend \$1.56/share which is equal to a 6.0% annualized net distribution rate as of May 2024 (Class I).⁽²⁾ Under this KREST Shareholder Priority Plan, if on June 1, 2027, KREST’s NAV is less than \$27 per share, KKR will cancel as many of its owned KREST shares as required (up to the maximum of 7.7 million shares) to reduce the total share count, thereby increasing the NAV per share to up to \$27 per share. At the May 31, 2024 NAV of \$25.56 per share, 2.5 million shares owned by KKR would need to be canceled to support a \$27 effective share price.

The KREST Shareholder Priority Plan is designed to be simple for KREST shareholders and does not diminish or change any existing rights or benefits:

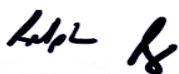
- All KREST shareholders on June 1, 2027 will benefit from this agreement. Existing shareholders do not need to take any action to take advantage of this opportunity and new shareholders will also benefit.
- There is no impact if the KREST NAV per share is above \$27 per share on June 1, 2027. KREST shareholders retain all upside potential.
- KREST shareholders can continue to receive attractive, tax-efficient dividend income, currently at \$1.56/share (Class I) and equal to a 6.0% annualized net distribution rate, as the KREST Shareholder Priority Plan has no effect on KREST’s dividend.⁽²⁾

We have confidence in KREST and the likelihood of a real estate recovery, which allows us to offer these benefits to shareholders. The KREST Shareholder Priority Plan is differentiated, providing a buffer against near-term volatility and share price downside while supporting clients’ ability to maintain the confidence to stay invested in KREST as real estate appears to enter a new investing cycle – a period that has historically led to some of the most attractive returns for investors. KKR will also be investing an incremental \$50 million of new equity⁽³⁾ into KREST alongside client shareholders because of the attractiveness of this entry point.

For additional information, please refer to our Prospectus Supplement. There are no changes to KREST’s existing subscription or redemption terms in connection with the KREST Shareholder Priority Plan. KREST has been prioritizing liquidity for some time and maintains a sizeable and multifaceted liquidity position, representing 28% of net asset value as of April 30, 2024.⁽⁴⁾ We believe this should enable the Fund to continue providing a level of liquidity to shareholders of up to 5% of NAV through quarterly repurchases,⁽⁵⁾ while also positioning the Fund to capitalize on the attractive investment opportunities that may arise in the current environment.

We are available should you have any questions about the KREST Shareholder Priority Plan or how this may impact you. We appreciate your continued trust and are excited to deliver this unique package to enhance your shareholder experience as we seek to build upon KREST’s results and continue to deliver high-quality and resilient, tax-efficient income.

Sincerely,



Ralph Rosenberg
Chairman of the Board



Billy Butcher
Chief Executive Officer & President



Julia Butler
Chief Investment Officer

Please refer to Important Information at the conclusion of this communication for definitions and important disclosures. The Fund employs leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if investments decline in value. Diversification does not assure a profit or protect against loss in a declining market. The Fund is classified as "non-diversified" under the 1940 Act 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.

Important Information:

KREST performance information is as of April 30, 2024, all other figures are approximate and as of May 31, 2024, unless otherwise indicated. Past performance is historical and not a guarantee of future results. 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, market conditions, 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.

KREST Shareholder Priority Plan: On June 4, 2024, KKR agreed to continue to hold 7.7 million of KREST Class I shares (the equivalent of ~\$200mm at the May 31, 2024 NAV) until June 1, 2027 (the “Subordinated Shares”) and to effectively subordinate these shares to other KREST shareholders. If on June 1, 2027, KREST’s NAV per share is less than \$27.00 per share for any share class, KKR will contribute as many of such 7.7 million Subordinated Shares to KREST for no value, as necessary, to support a NAV per share of \$27.00 per share for each class on such date (the “Shareholder Priority Plan”). If the contribution and cancellation of the 7.7 million shares held by KKR are not sufficient to reach an NAV per share of \$27.00, KKR will contribute for no value all of such 7.7 million shares to support KREST’s NAV per share. If the full 7.7 million shares is not sufficient to reach \$27.00 then KKR will not be obligated to cancel additional shares. As a result there is no guarantee that there will be sufficient support shares to reach a \$27.00 NAV per share. If KKR were to effect the NAV Support Arrangement 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. No KREST shares would be canceled prior to June 2027. For the avoidance of doubt, KKR is not obligated to contribute shares prior to June 1, 2027. KKR’s allocation of \$50mm in new capital investment in KREST along with any future investments are not subject to subordination and/or cancellation.

1. 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.
2. 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.

Net Distribution Rate: Reflects the annualized monthly distribution for April 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. For the 12 months ended 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 April 30, 2024, the Class I net distribution rate is 5.99%, the Class U net distribution rate is 5.14%, the Class D net distribution rate is 5.74% and the Class S net distribution rate is 5.14%.

3. KKR’s allocation of \$50mm in new capital investment in KREST along with any future investments are not subject to subordination and/or cancellation.
4. As of April 30, 2024. Includes assets such as cash, short-term assets and liquid securities, as well as committed and undrawn credit facility capacity.
5. The Fund intends, but is not obligated, to conduct quarterly tender offers for up to 5.0% of the aggregate NAV of its outstanding common stock at the applicable NAV per share as of the applicable valuation date. Repurchases will be made at such times and on such terms as may be determined by the board of directors of the Fund, in its sole discretion. However, no assurance can be given that repurchases will occur or that any common stock properly tendered will be repurchased by the Fund. Due to these restrictions, an investor should consider an investment in the Fund to be of limited liquidity. Investing in the Fund is speculative and involves a high degree of risk, including the risks associated with leverage and the risk of a substantial loss of investment.

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