



Dear KREST Shareholders,

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 fund, including long-term performance and consistent, tax-advantaged income through a wide range of market environments.

In 2023, real estate markets continued to digest changes in the cost of capital in today’s higher interest rate environment, contributing to a broad repricing in real estate equity. The Fund’s independent valuation agent has widened the exit capitalization rates and discount rates used to value KREST’s real estate equity positions by more than 30% since April 2022, resulting in downward pressure on unrealized mark-to-market valuations. KREST’s three complementary strategy pillars of stabilized real estate, prime single tenant and real estate credit have combined to create a well-balanced portfolio that muted the impact of these material cap rate changes while providing investors with access to tax-advantaged income. KREST ended 2023 generating a 5.78% net distribution rate (consisting of 100% Return of Capital (“ROC”) for tax purposes) and delivered a -6.25% net total return for the year, bringing performance since inception to an 8.90% annualized net total return (Class I).⁽¹⁾

Looking forward to 2024, we believe KREST’s portfolio construction is well positioned for the current environment. Across the industry, we believe investors can expect to see more dispersion of outcomes by markets, asset class and sectors this year given short-term supply waves that are hitting certain markets more than others. We believe our portfolio exposure to lower-supply markets and “needs-based sectors,” such as housing and industrial and mission-critical trophy office properties in hard-to-access growth markets will provide more resilience. On the credit side, we believe higher-for-longer base rates and our access to proprietary deal flow will enable us to continue earning double-digit current returns on attractive collateral with institutional borrowers. We are constructive about the long-term value embedded within KREST’s portfolio, particularly in light of the quality and historically strong income performance of the Fund’s investments in real estate assets and loans. The Fund’s portfolio construction is also supported by the fact that Fund has no near-term loan maturities and 100% of asset-level financing is fixed or hedged with an average effective interest rate of 3.9%.

KREST has maintained a robust and multifaceted liquidity position, representing 32% of net asset value (“NAV”) as of December 31, 2023.⁽²⁾ We believe this should enable the Fund to continue providing a level of liquidity to investors of up to 5% of NAV through quarterly repurchases⁽³⁾, while also positioning the Fund to capitalize on the attractive investment opportunities that may arise in the upcoming months and quarters due to market dislocations and volatility.

We are optimistic as we head into 2024 about the opportunities we believe will emerge in private real estate and KREST’s ability to capitalize upon the investing environment. We believe our size, at \$1.3 billion of NAV, and flexible strategy across real estate credit and real estate equity as well as global markets, will be advantageous. As the cost of real estate debt remains relatively high, real estate credit remains our highest conviction, near-term investment opportunity. We believe the lack of supply in real estate credit markets, with reduced lending activity from banks, should support the ability to continue to earn attractive, double-digit contractual yields on new real estate loans. Real estate equity opportunities are becoming more attractive as sellers start to meet the market and rates stabilize. We expect to be selective and targeted in our deployment, focusing on our highest conviction sectors and markets that we believe have strong fundamentals and favorable growth outlooks.

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

Billy Butcher
Chief Executive Officer & President

Julia Butler
Chief Investment Officer

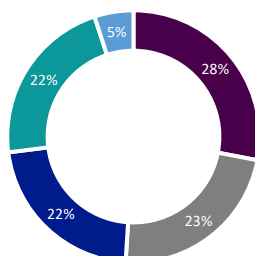
KREST Performance Summary as of December 31, 2023¹

Share Class	Net Distribution Rate ²	1-Month Net Total Return	3-Month Net Total Return	YTD 2023 Net Total Return	ITD Net Total Return (annualized)	NAV per Share	Inception Date
Class I	5.78%	(1.87%)	(3.97%)	(6.25%)	8.90%	\$27.00	7/2/2020
Class U (No Sales Load)	4.91%	(1.94%)	(4.19%)	(7.04%)	4.94%	\$27.00	6/30/2021
Class D⁴	5.52%	(1.86%)	(4.04%)	(6.48%)	(2.25%)	\$27.00	3/4/2022
Class S (No Sales Load)	4.92%	(1.94%)	(4.19%)	(7.04%)	(7.08%)	\$27.00	9/9/2022

KREST Portfolio Summary as of December 31, 2023¹

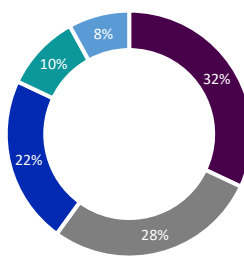
Fund Statistics	\$1.3 billion Total Assets (GAAP)	\$1.3 billion Net Asset Value	0% Fund-Level Gross Leverage
Real Estate Metrics	\$3.4 billion Gross Property Value (inc. unconsolidated subsidiaries)	82 Total Properties	97% Occupancy Rate
			53% Combined Net Leverage (inc. unconsolidated subsidiaries)

PROPERTY SECTOR



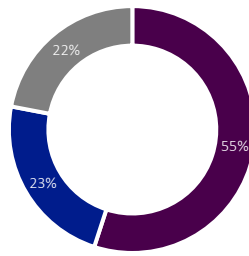
- Residential: 28%
- Real Estate Credit: 23%
- Industrial: 22%
- Prime Single Tenant: 22%
- Medical Office: 5%

GEOGRAPHY



- West: 32%
- East: 28%
- South: 22%
- Midwest: 10%
- Non-U.S.: 8%

INVESTMENT STRATEGY



- Stabilized Real Estate: 55%
- Real Estate Credit: 23%
- Prime Single Tenant: 22%

Notes:

All figures are approximate and as of December 31, 2023, 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. 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 performance information is presented above; please refer to www.krest.reit/performance for additional performance information, including performance details for Class U, Class S and Class D shares.
2. Includes assets such as cash, cash-equivalents and liquid securities, as well as committed and unfunded credit facility capacity.
3. 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.
4. 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 December 2023 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 six months ended June 30, 2023, 101% 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 (gains) losses 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. As of December 31, 2023, the Class I net distribution rate is 5.78%, the Class U net distribution rate is 4.91%, the Class D net distribution rate is 5.51% and the Class S net distribution rate is 4.92%.

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 December 31, 2023, 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 December 31, 2023, the estimated fair value of the Fund's net equity interest in these subsidiaries is \$993.1 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 December 31, 2023, 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.