



Dear KREST Shareholders,

2025 began with strong momentum across real estate and credit markets, gave way to a period of heightened volatility following mid-year policy developments, and ended with what we believe are the early signs of a durable recovery. Throughout the year, we remained focused on disciplined execution and active asset management while positioning the portfolio to capitalize on what we believe is one of the most compelling real estate entry points in over a decade.

The first quarter of 2025 saw real exuberance across credit markets. Spreads tightened meaningfully, liquidity was abundant, and borrowers moved quickly to lock in financing. This constructive backdrop shifted in April following the announcement of tariffs tied to “Liberation Day,” which triggered volatility across rates and risk assets and caused transaction markets to pause as investors reassessed underwriting assumptions.

As the year progressed, uncertainty began to fade. Investors gained better visibility into the macro and policy environment, underwriting confidence improved, and activity resumed. Real estate credit markets led the recovery. U.S. CMBS finished the year at \$125.8 billion<sup>(1)</sup>, its highest issuance level since the global financial crisis, banks re-entered the lending landscape, insurance capital remained competitive, and overall real estate debt activity increased meaningfully.

Demand has continued to outpace supply in credit markets, reflecting growing lender confidence in current valuations and the relative value of real estate spreads, which remain wide compared to corporate credit. Combined with the Federal Reserve’s pivot toward easing, these dynamics meaningfully lowered the cost of capital. Borrowing costs declined approximately 75–100 basis points from their spring peaks, improving acquisition and refinancing economics.

This lower borrowing cost has been a catalyst for the equity transaction side, as aggregate transaction volume for U.S. commercial real estate increased roughly 25% year-over-year through the third quarter<sup>(2)</sup>, with early signs of pricing recovery. Green Street’s Commercial Property Price Index was up approximately 2.3% year-over-year as of December 2025<sup>(3)</sup>. Importantly, property-level fundamentals remained resilient: industrial demand continued to outpace supply, multifamily absorption stayed positive nationwide, and senior housing occupancy increased for the twelfth consecutive quarter.

### **Fund Performance Overview**

KREST generated a +0.66% net total return for 2025 (Class I). Second-half results were supported by stabilizing property values, strong rental cash flows, contributions from our real estate credit portfolio, and meaningful asset management wins. Most notably, we executed a new long-term Amazon lease at Veteran’s Point (Industrial; Chicago, IL) in September with no downtime between leases and a 50%+ increase over prior rent.

These gains were partially offset by first-half mark-to-market valuation adjustments from KREST’s independent valuation process. These valuation movements reflected capital market volatility rather than asset-level underperformance. On the income side, same-store NOI increased over 3% year-over-year<sup>(4)</sup>, and tax-efficient income remained a key contributor to total return. As of December 31, 2025, KREST generated a 6.7% annualized net distribution rate (Class I) with 100% Return of Capital treatment for tax purposes<sup>(5)</sup>.



## Portfolio and Capital Deployment

We remain committed to high-quality, needs-based real estate sectors. Our industrial portfolio retains approximately 30% embedded mark-to-market rent growth, and nearly half of the equity portfolio is triple-net leased, with investment-grade tenants comprising roughly two-thirds of those assets. Active asset management remains a core focus as we deploy capital and operating initiatives to grow cash flow.

As capital markets thawed throughout 2025, we believe the risk-return pendulum shifted back toward equity. While real estate credit offered superior risk-adjusted returns through early 2025, tighter spreads and more fully reset values made equity increasingly compelling. We were active deployers of capital in 2025, supported by positive net flows, investing approximately \$450 million across real estate strategies. This included over \$160 million in real estate equity through the Calhoun 75 Industrial and Senior Living Portfolio acquisitions, while maintaining capital flexibility for identified equity opportunities expected to close in early 2026.

## Positioning for the Recovery

We believe today represents one of the most attractive environments for investing in high-quality private real estate in over a decade. Values remain meaningfully below 2022 peaks, rates are declining, construction starts are at decade lows, and demand remains durable. Demographics provide an additional tailwind, particularly in the senior housing segment, where the 80+ population is projected to grow significantly across many markets through 2030 and beyond.

KREST enters 2026 with a high-quality portfolio at below-market-rents, net positive capital flows, a flexible mandate across equity and credit, and the KREST Shareholder Priority Plan<sup>(6)</sup> supporting up to a \$27.00 NAV per share in June 2027. We believe the recovery is underway and that KREST is well positioned to benefit through disciplined deployment, active asset management, and the depth of KKR's operating platform.

As always, we thank you for your continued trust and partnership and encourage you to reach out to your KKR relationship manager with any questions.

Sincerely,

**Ralph Rosenberg**  
Chairman of the Board

**Matt Salem**  
Vice Chairman of the Board

**Julia Butler**  
Chief Executive Officer & President

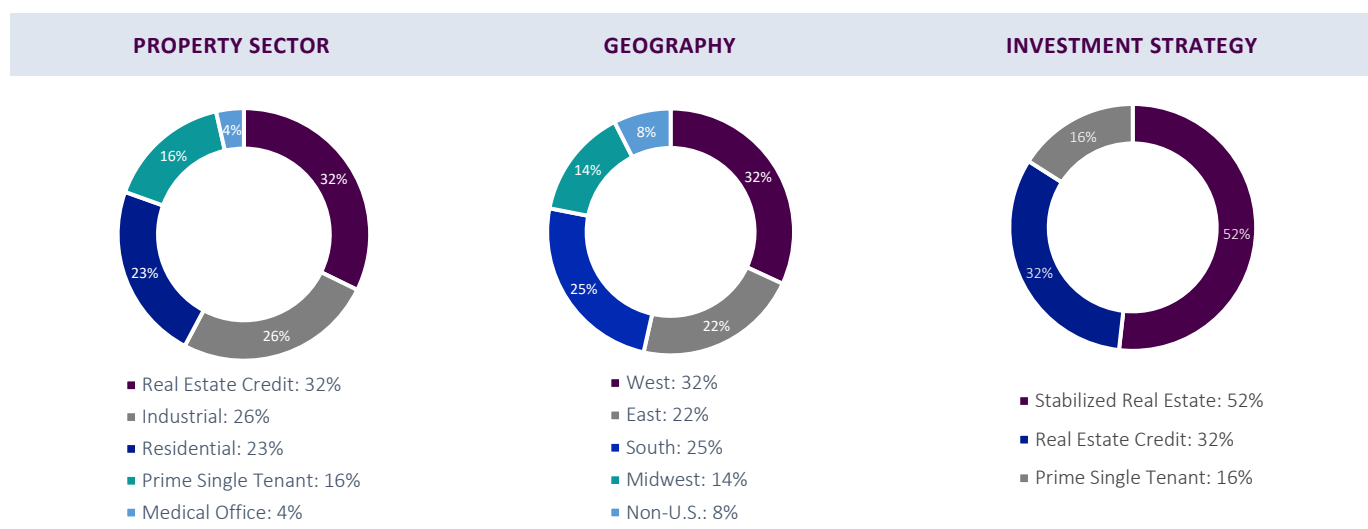
## KREST Performance Summary as of December 31, 2025<sup>5</sup>

Share Class	Net Distribution Rate <sup>5</sup>	3-Month Net Total Return	6-Month Net Total Return	2025 Net Total Return	3-Yr. Net Total Return (annualized)	5-Yr. Net Total Return (annualized)	ITD Net Total Return (annualized)	NAV per Share	Inception Date
<b>Class I</b>	6.66%	0.91%	1.18%	0.66%	-2.63%	4.74%	5.28%	\$23.45	7/2/2020
<b>Class U</b> (No Sales Load)	5.81%	0.69%	0.74%	-0.19%	-3.45%	-	1.98%	\$23.45	7/1/2021
<b>Class D<sup>7</sup></b>	6.41%	0.84%	1.05%	0.40%	-2.87%	-	-1.61%	\$23.45	3/4/2022
<b>Class S</b> (No Sales Load)	5.81%	0.69%	0.74%	-0.20%	-3.45%	-	-3.81%	\$23.45	9/9/2022

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.

## KREST Portfolio Summary as of December 31, 2025

<b>Fund Statistics</b>	<b>\$1.5 billion</b> Total Assets (GAAP)	<b>\$1.5 billion</b> Net Asset Value	<b>0%</b> Fund-Level Gross Leverage
<b>Real Estate Metrics</b>	<b>\$3.2 billion</b> Gross Property Value <i>(inc. unconsolidated subsidiaries)</i>	<b>84</b> Total Properties	<b>98%</b> Occupancy Rate
			<b>43%</b> Combined Net Leverage <i>(inc. unconsolidated subsidiaries)</i>



**Notes:**

All figures are approximate and as of December 31, 2025, 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](http://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. Percentages shown may not total 100% due to rounding.

1. Source: Kroll Bond Rating Agency (KBRA).
2. Source: Altus Group.
3. Source: Green Street Commercial Property Price Index (CPPI).
4. As of November 30, 2025.
5. 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](http://www.krest.reit) for additional information, including performance details for Class U, Class S and Class D shares. For important information regarding the Net Distribution Rate, please refer to the Glossary of Terms. Class I Inception Date is July 2, 2020.
6. **KREST Shareholder Priority Plan:** On June 4, 2024, KKR Alternative Assets LLC (“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 \$181 million based on the Fund’s NAV as of December 31, 2025 (the “Support Shares”) through June 1, 2027 and, to the extent necessary, contribute such shares to the Fund to support a NAV per

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share of \$27.00 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 7.7 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 \$26.78 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 July 1, 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 2025 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 year ended December 31, 2025, 81% 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 fees, incentive fees, and director fees paid in shares of the Fund and (vi) realized (gains) losses, (vii) stockholder specific expenses 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 2025 tax year, 100% of KREST’s distributions were classified as Return of Capital (“ROC”). As of December 31, 2025, the Class I net distribution rate is 6.66%, the Class U net distribution rate is 5.81%, the Class D net distribution rate is 6.41% and the Class S net distribution rate is 5.81%.

**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, 2025, 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, 2025, the estimated fair value of the Fund’s net equity interest in these subsidiaries is \$954.6 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, 2025, 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.

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