STARWOOD

EUROPEAN REAL ESTATE FINANCE

INVESTOR PRESENTATION

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Executive summary

Executive summary

LEADING FINANCE COMPANY WITH A BEST IN CLASS MANAGEMENT TEAM

Starwood European Real Estate Finance ("SEREF") is the largest public real estate lending investment company in Europe. SEREF is listed on the London Stock Exchange with a market capitalisation of £376m as at 16 February 2021.

The investment objective is to provide shareholders with regular reliable dividends while maintaining a stable NAV through investing in a diversified portfolio of real estate debt investments in the UK and Europe.

The Investment Adviser is a subsidiary of real estate industry leader Starwood Capital Group ("SCG"). The dedicated European debt investment platform is led by a seasoned management team which further leverages SCG's 4,100 person organization.

SEREF has successfully implemented its investment objective since it launched in 2012 investing in a total of £1.3bn of loans and remaining fully invested with current committed loan portfolio of £490.1m[1,3].

The investment portfolio is diversified across multiple asset classes, geographies and loan types with a modest loan-to-value of 61.8%[1] providing significant downside protection.

Conservative balance sheet. Maximum leverage policy of 30% of NAV with currently 0.05x leverage used and available liquidity of £105m[1,2].

1. As at 31 December 2020
2. Total available liquidity is to cover both new origination and existing unfunded commitments.
3. Past performance is not a guide to future performance.

SEREF today

RESILIENT RELATIVE RETURN PORTFOLIO WITH SIGNIFICANT EQUITY CUSHION

SHARE PRICE
92.0p
(as at 16 Feb 2021)

NAV[1]
102.6p

DISCOUNT TO NAV[2]
10.3%

DIVIDEND YIELD[3]
6.0%

MARKET CAP[4]
£376m
(as at 16 Feb 2021)

BOOK SIZE
£490.1m
(as at 31 Dec 2020)

 # INVESTMENTS
18
(as at 31 Dec 2020)

W.A. LTV
61.8%
(as at 31 Dec 2020)

1. Represents NAV as at 31 December 2020 of 104.18p less quarterly dividend of 1.625p approved in January 2021.
2. Discount to NAV is per the closing share price on 16 February 2021 of 92.0p against NAV disclosed at 31 December 2020 of 104.18p less quarterly dividend of 1.625p approved January 2021.
3. Dividend target reduced to 5.5p for 2021. Dividend yield presented at 6.0% which represents the projected target dividend yield for 2021 on the share price of 92.0p at close on 16 Feb 2021.
4. Market capitalisation is per the 92.0p closing share price on 16 February 2021 on the 408.9m shares in the market at the same date. At that date there were 413.2m shares in issue of which 4.3m were held in treasury.

Executive summary

SEREF ADDRESSES THE ATTRACTIVE INVESTMENT OPPORTUNITY PRESENTED BY THE EUROPEAN REAL ESTATE LENDING MARKET

STRATEGY AND SPECIFIC RISKS

- ✓ Capitalise on dislocated European real estate lending market
- ✓ Originate loans with a strong relative risk-return profile
- ✓ Core+ equity returns through debt instruments with substantial downside protection
- ✓ Diversified loan portfolio by asset class and geography
- ✓ Scalable investment platform to consistently generate attractive returns over time
- ✓ Utilise Starwood's 29 years of industry expertise
- ! All investment carries risk
- ! Secured real estate loans typically benefit from asset specific security but are non-recourse to the ultimate owner
- ! Loan performance is exposed to underlying real estate collateral and loan structures
- ! Interest and capital are at risk if real estate underperforms

LEADING PUBLIC REAL ESTATE LENDER

Starwood's award winning European real estate lending platform has benefitted from being a first mover in the expanding European non-bank lending market since 2010. Size and expertise to successfully execute large, complex transactions with a dedicated European lending platform and £2.5bn of loans in the current portfolio.

BEST IN CLASS MANAGER WITH AN OWNER'S PERSPECTIVE

SEREF underwrites real estate from a long-term, balance sheet perspective leveraging SCG's 29 years of equity investment experience and 4,100 person organisation when sourcing and underwriting potential transactions.

FLEXIBLE MANDATE FOR INVESTMENT SELECTION

SEREF's broad lending mandate provides the company with the flexibility to select positions in the capital structure, jurisdictions and sectors to take advantage of changing dynamics at different points in the real estate cycle.

Investment proposition	End-to-end diversified credit portfolio of commercial real estate debt investments in the UK and EU
Dividend	Target of 5.5p from 2021 onwards
Portfolio composition	Flexible, diversified strategy across whole loan, senior and mezzanine loans spanning geographies and sectors
Target collateral	Institutional quality real estate assets in liquid markets
Loan To Value (LTV)	Typically 60-80% on each transaction with a portfolio cap of 75% at time of investment
Investment manager	Starwood Capital Group ("Starwood" or "SCG")

Starwood Capital Group

LEADING GLOBAL REAL ESTATE INVESTMENT FIRM WITH IN EXCESS OF $70BN OF ASSETS UNDER MANAGEMENT

STARWOOD CAPITAL GROUP PROFILE

- Founded in 1991 by Barry Sternlicht, Chairman and CEO.
- Current assets under management in excess of $70bn.
- Acquired over $110bn of assets over the past 29 years across virtually every major real estate asset class.
- Seasoned senior team that has been together for over 20 years with an average of 27 years of experience.
- Extensive public markets expertise having guided IPOs for 8 leading companies.
- The investment flexibility to shift between real estate asset classes, geographies and positions in the capital stack as risk-reward dynamics evolve over cycles.

DIVERSE REAL ESTATE EXPERIENCE

MULTIFAMILY
180,000
UNITS

HOTEL KEYS
310,000

OFFICE
87M
SQUARE FEET

RESIDENTIAL UNITS
50,000

INDUSTRIAL
44M
SQUARE FEET

RETAIL
55M
SQUARE FEET

AFFILIATED BUSINESSES

Real estate equity

STARWOOD CAPITAL GROUP
STARWOOD RETAIL PARTNERS
STARWOOD REAL ESTATE INCOME TRUST
HIGHMARK RESIDENTIAL
SH HOTELS & RESORTS

Performing real estate debt

STARWOOD PROPERTY TRUST
STARWOOD MORTGAGE CAPITAL
STARWOOD EUROPEAN REAL ESTATE FINANCE

Energy

STARWOOD ENERGY GROUP

Starwood Capital Group

AWARD WINNING REAL ESTATE ADVISOR ACROSS EVERY ASSET CLASS AND JURISDICTION

European High Yield Lender of the Year

Real Estate Capital

2019

	Nordics Firm of the Year **2019**	**European Residential Investor of the Year** **2019**	**European Deal of the Year** Sale of Principal and De Vere Hotels **2019**	**Global Hotels & Leisure Investor of the Year** **2018**
North American Firm of the Year **2018 & 2015**	**Nordics Firm of the Year** **2018**	**German Firm of the Year** **2018**	**North American Deal of the Year** Starwood Waypoint & Invitation Homes **2017**	**North American Industry Figure of the Year** **2017**
Global Firm of the Year **2017**	**North American Firm of the Year** **2017**	**Capital Raise of the Year** Global Opportunity Fund XI **2017**	**Lifetime Achievement Award** Barry Sternlicht **2016**	**Capital Raise of the Year (#2)** Global Opportunity Fund XI **2016**
North American Deal of the Year Exit of $2.1b hotel portfolio **2016**	**European Firm of the Year** **2015**	**Global Firm of the Year (#2)** **2015**	**Global Industry Figure of the Year** Barry Sternlicht **2019**	PEI Alternative Insight PERE

1. PERE is the leading publication for the world's private real estate market with a readership of over 35,000 professionals.

Starwood Property Trust

CO-INVESTMENT AND EXPERTISE SHARING WITH THE LARGEST COMMERCIAL MORTAGE REIT IN THE U.S.

STARWOOD PROPERTY TRUST

- Starwood Property Trust ("SPT")(NYSE.STWD) is the largest commercial mortgage REIT in the U.S. with capital deployed since inception in 2009 of c. $65bn.

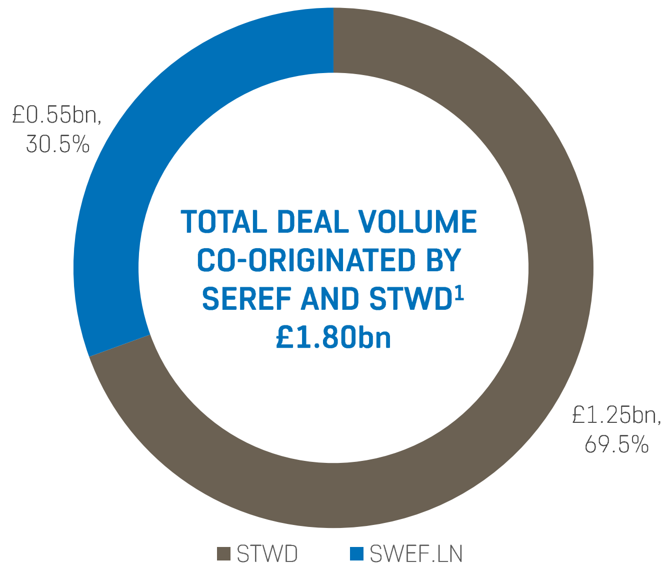
- Affiliation with Starwood Property Trust through Starwood Capital Group provides access to a network of 4,100 experienced professionals across all real estate asset classes. As a result of the collaboration SEREF benefits from:

✓ An ability to co-invest at scale that would otherwise be unachievable;

✓ Access to a large and experienced global workforce focused on real estate debt finance creating cross-pollination across continents; and

✓ Access to more vertical risk in the capital structure generating an increased proportion of whole loans as well as improved risk adjusted returns.

CO-INVESTMENT TO DATE



1. Total deal volume represents total gross commitment originated by each vehicle on deals where both vehicles have contributed to the total commitment.

Seasoned management team

INDUSTRY LEADING EXPERTISE IN ORIGINATION, ASSET MANAGEMENT, RESTRUCTURING AND CAPITAL MARKETS

LORCAIN EGAN

Head of Lending

Lorcain joined Starwood Capital's, Capital Markets team in 2013. As part of this team he financed Starwood's equity acquisitions in Europe. In 2018 Lorcain took over the day to day management of Starwood's European lending business. During his time in Starwood Lorcain has transacted 76 deals totalling $8.5bn in Europe and Asia, across almost all asset classes. Prior to joining Starwood Lorcain worked at Barclays in their Structured Property Debt Finance Team. Lorcain holds a degree in Law & Economics from the University of Ulster.

IRENE RYAN

Head of Asset Management

Since joining Starwood Capital in 2013, Irene Ryan has been responsible for the asset management of Starwood's European debt portfolio. Prior to joining Starwood, Ms. Ryan worked in a real estate focussed bank in London, holding a variety of lending roles from origination to restructuring and also qualified as a chartered accountant with KPMG in Ireland. Ms. Ryan is a fellow of the Institute of the Chartered Accountants of Ireland (FCA) and holds a bachelor of business studies from Trinity College Dublin.

DUNCAN MACPHERSON

Head of Capital Markets

Duncan MacPherson is a Managing Director and Head of International Capital Markets for Starwood Capital based in London. Mr MacPherson joined Starwood in March 2012 from Citibank and has over 20 years' experience in banking and finance including the last 15 years specialising in commercial real estate finance having executed in every major European country and real estate asset class. Mr MacPherson sits on the investment committees of the investment advisor for SEREF and for the Starwood Opportunity Funds.

SARAH BROUGHTON

Chief Financial Officer

Sarah Broughton is a Managing Director and CFO of Starwood Capital Europe. Sarah is responsible for Starwood's internal financial functions in Europe including tax, reporting and accounting and oversees the Firms UK human resources. She also spearheads the operations and reporting for SWEF.LN. Prior to joining Starwood in 2007 she held various senior finance roles at Whitbread PLC and qualified as a Chartered Accountant with Andersen in 2001. Sarah holds a first class degree in economics from Brunel University and is a member of the ICAEW and the Securities Institute.

ORIGINATION UNDERWRITING	ASSET MANAGEMENT	CAPITAL MARKETS	FINANCIAL OPERATIONS

END-TO-END TRANSACTION MANAGEMENT

Investment process overview

IN-DEPTH UNDERWRITING, ROBUST DEAL STRUCTURING AND CONSTANT MANAGEMENT OF REAL ESTATE CREDIT RISK

1. Origination

Source deals from borrowers, banks and brokerage community

2. Underwriting

Independent and highly detailed due diligence on market, assets, sponsor and ESG impact

Leverage extensive real estate data from a multitude of internal and external sources

3. Transaction management

Structure, negotiate and conduct legal due diligence

Manage all transactions from inception through closing with external counsel

4. Investment committee

Comprised of the most senior members of SEREF and Starwood Capital Group's management teams with thorough evaluation of all key deal considerations

5. Asset management

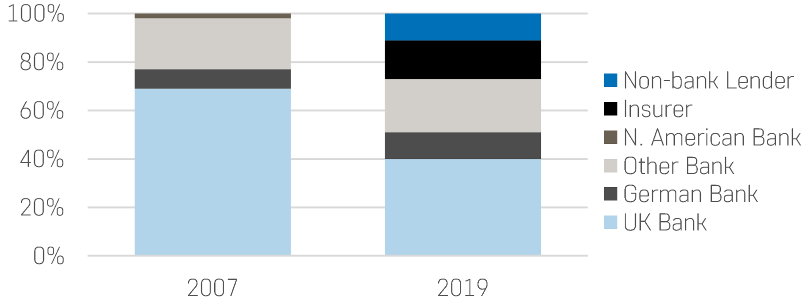
Dedicated team of experienced asset management professionals utilising industry leading technology to continually monitor asset performance, market changes and sponsor activity

Opportunity

Investment opportunity

OPPORTUNITY TO INVEST IN HIGHLY CASH GENERATIVE REAL ESTATE WITH SUBSTANTIAL DOWNSIDE PROTECTION

SHARE OF OUTSTANDING UK CRE DEBT BY LENDER TYPE



Source: Cass UK CRE Lending Survey Year End 2019
Note: Insurers were not identified as a separate Lender type in 2007

DEBT VS EQUITY

1 Substantial downside protection with current loan book benefitting from an equity cushion of 38.2%[1]

2 Strong cash-on-cash returns via regular interest and capital repayments

3 Base rate linkage and floors benefit in low interest rate environments

4 Structural interest reserves to provide cash buffer and protect returns during periods of operational volatility

! Loan interest income at risk if the underlying cashflows from the real estate collateral underperform

! Capital repayment through refinancing or sale is at risk if value underperforms. Risks are asset specific including business plan implementation and local and macro market conditions

RETRENCHMENT OF BANK LENDING POST GFC

- In 2007, UK CRE lending was dominated by domestic banks via direct lending and CMBS structures.
- Since the GFC, bank lenders and regulated capital has been subject to increased back book workout focus, tightening regulatory scrutiny, higher capital requirements and a higher level of internal credit discipline. This has triggered:
  - ✓ Higher cost of borrowing from banks allowing non-bank lenders to compete on senior financings; and
  - ✓ Lower risk and LTV appetite allowing non-bank lenders to originate more mezzanine financing as well as find creative solutions in whole loan / unitranche markets.
- Risk averse lending sentiments and the retrenchment of bank lending on CRE assets has allowed SEREF to capitalise on a flexible approach to lending since the GFC selecting the best risk adjusted returns in the below non-vanilla lending markets depending on the timing in real estate cycles.

Higher degrees of structural complexity

Transitional business plans

Multi-jurisdictional portfolios

Evaluation of real estate with operational risk

Development financing

Mezzanine financing

One-stop whole loan financing solutions

1. As at 31 December 2020

SEREF competitive advantage

SEREF WORKS WITH TOP TIER SPONSORS ACROSS EUROPE LEVERAGING THE DEEP REAL ESTATE EXPERTISE OF THE STARWOOD NETWORK

1 DEEP REAL ESTATE EXPERTISE

Institutional hands on knowledge of managing virtually every real estate asset class. Granular, bottom up understanding of real estate helps frame the risk adjusted return analysis.

2 PAN-EUROPEAN REACH

SEREF benefits from a leading origination engine; leveraging Starwood Capital's position as a leading institutional real estate investor, SEREF is able to screen an unprecedented number of deals pursuing only those that offer the most attractive risk adjusted returns.

3 SCALE WITH STARWOOD PROPERTY TRUST

Ability to partner with Starwood Property Trust Inc. (STWD.NYSE), the largest commercial mortgage REIT in the world, to participate in large scale transactions.

4 ONE STOP FINANCING SOLUTIONS

SEREF prides itself on the ability to circumvent traditional senior and mezzanine lenders by providing combined, highly bespoke financing for borrowers through a single seamless process.

5 SEASONED MGMT. TEAM AND TALENT

Managed by a seasoned and highly experienced management team who have a history of generating consistent robust returns on capital and the ability to attract the best talent in the industry.

QUALITY SPONSORS

Blackstone · Clivedale London · m seven Real Estate · Centerbridge · Brookfield · Cain International · Marathon Asset Management · JJ Rhatigan Building Contractors · Värde · LR · AJ Capital Partners · ikos Resorts · Tetrarch · Patron Capital Partners · Santander · Oaktree · QuadReal · Seaforth Land · Ares · Mountanvil

Typical deal characteristics

WELL STRUCTURED DEBT ADVANCED AGAINST ATTRACTIVE REAL ESTATE ACROSS EUROPE

LOAN CHARACTERISTICS

Term

Medium term, typically 3 – 7 years, target 5 year average.

Borrowers

Credible sponsors with track record, reputation, experienced asset management and deliverable business plans.

Execution

LMA Real Estate document template and CREFC Best Practice guidelines. Full diligence from valuation, through legal and leasing, to environmental and tax.

LTV

60-80% LTV at loan origination, portfolio cap of 75% LTV.

Covenants

Financial covenants: LTV, ICR, DSCR, cash sweep.
Non-financial: property manager, bank control, insurance, capex requirements.

PROPERTY CHARACTERISTICS

Asset class

Office, hospitality, residential and logistics generating long term stable cash flow.

Micro location

Competitive position in supply constrained markets attracting high quality, institutional tenants.

Macro location

Focus on UK and larger, more established real estate markets in the EU's internal market area; targeting at least 50% in the UK.

Granularity

Maximum 20% of NAV exposure to a single transaction and no more than 20% exposure to a single borrower.

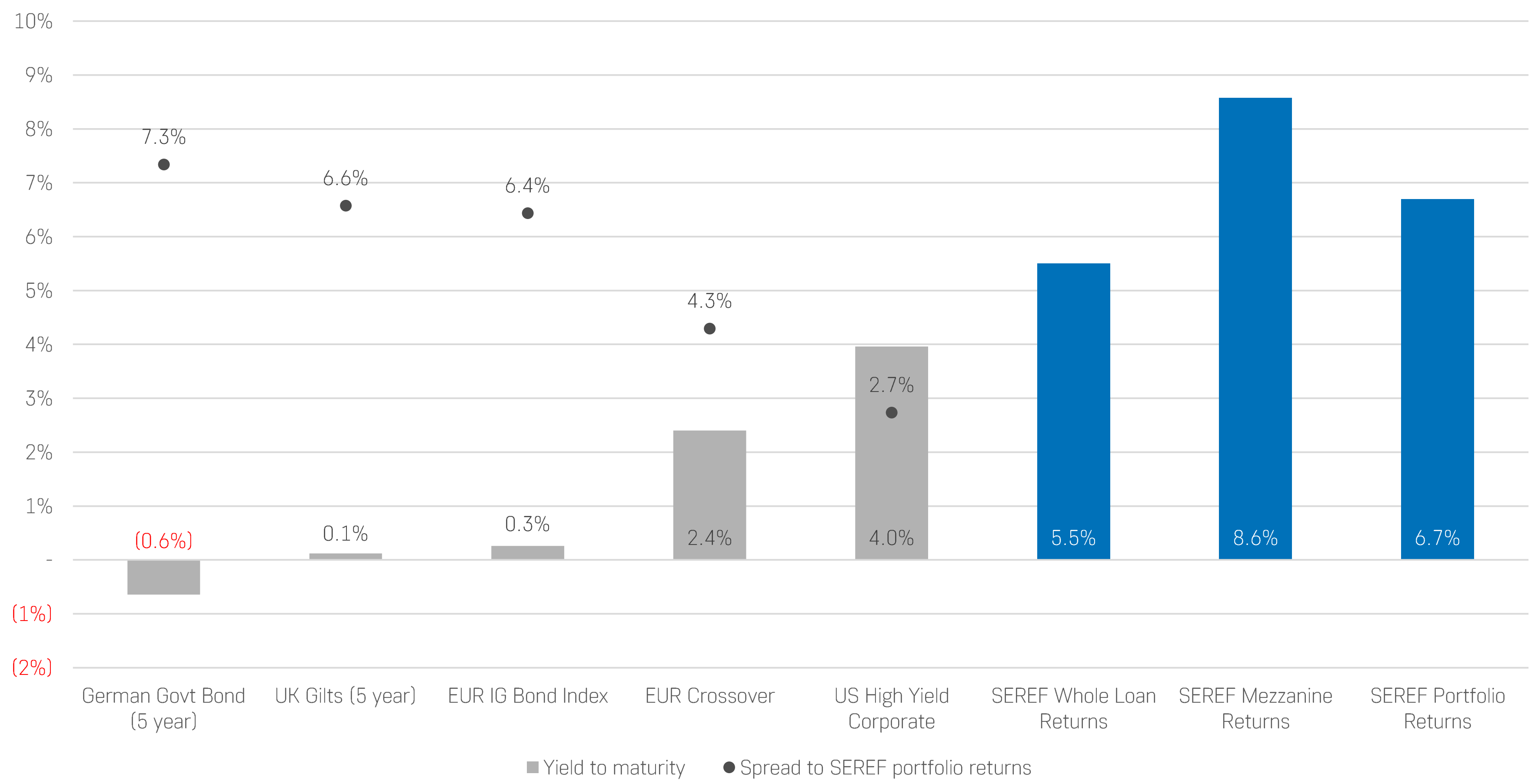
Deep asset understanding

Focus on un-aged assets with high build quality, good condition and an ability to maintain liquidity through cycles.

Return profile comparison

SEREF PROVIDES AN ATTRACTIVE RISK ADJUSTED RETURN PROFILE RELATIVE TO OTHER FIXED INCOME ASSET CLASSES

COMPARABLE INVESTMENT PRODUCT YIELDS[1]



1. SEREF returns as at December 2020. Comparable investment product yields as at 16 Feb 2021.
2. Comparable investment products differ in credit type and / or quality and may exhibit differing risk and return profiles. Other comparable products may be relevant.
3. Past performance is not a guide to future performance.
4. Source: Bloomberg

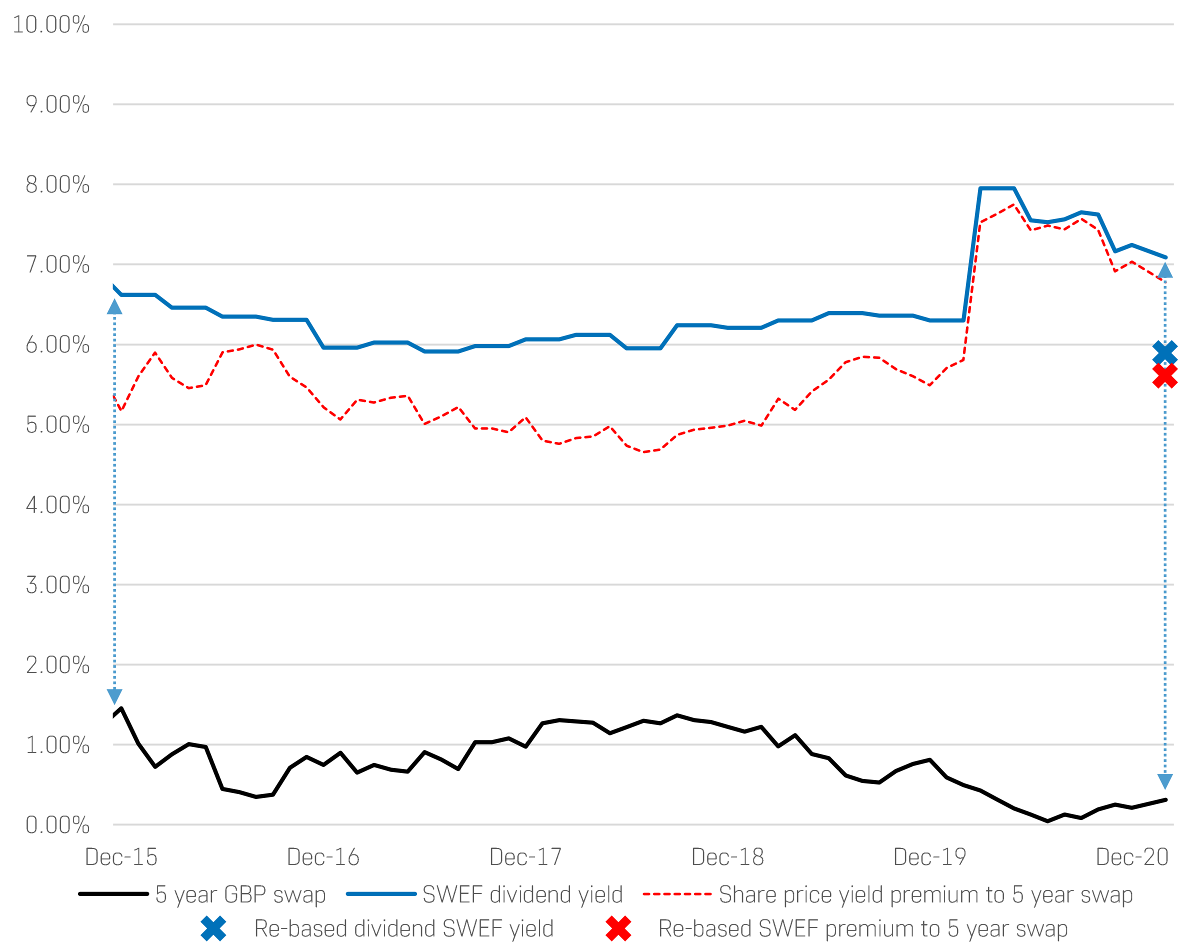
Robust dividend

SEREF HAS DELIVERED A ROBUST AND CONSISTENT DIVIDEND IN A DECLINING INTEREST RATE ENVIRONMENT

REGULAR CASH DIVIDEND

- SEREF's primary goal at inception was to pay a regular and consistent dividend to investors. So far it has paid dividends totaling £155m to investors.
- Over the last 8 years we have witnessed a declining interest rate environment across the global economy. This is evidenced by the significant drop in the GBP 5 year Swap rate.
- During this period SEREF has focused on maintaining investment discipline and providing a long term sustainable dividend profile.
- Over time SEREF has maintained and grown it's return premium as compared to the "risk free rate". At inception this return premium was a healthy ~5.0% and was 6.8% for 2020 (on 16 Feb 21 share price). On 2021 target dividend the yield premium is 5.7% on 16 Feb 21 share price.
- The company will continue to focus on this pillar of it's investment strategy, delivering consistent and secure long term sustainable dividends to it's investors with a healthy embedded premium to the "risk free rate of return".

SEREF DIVIDEND -V- 5 YR SWAP RATE

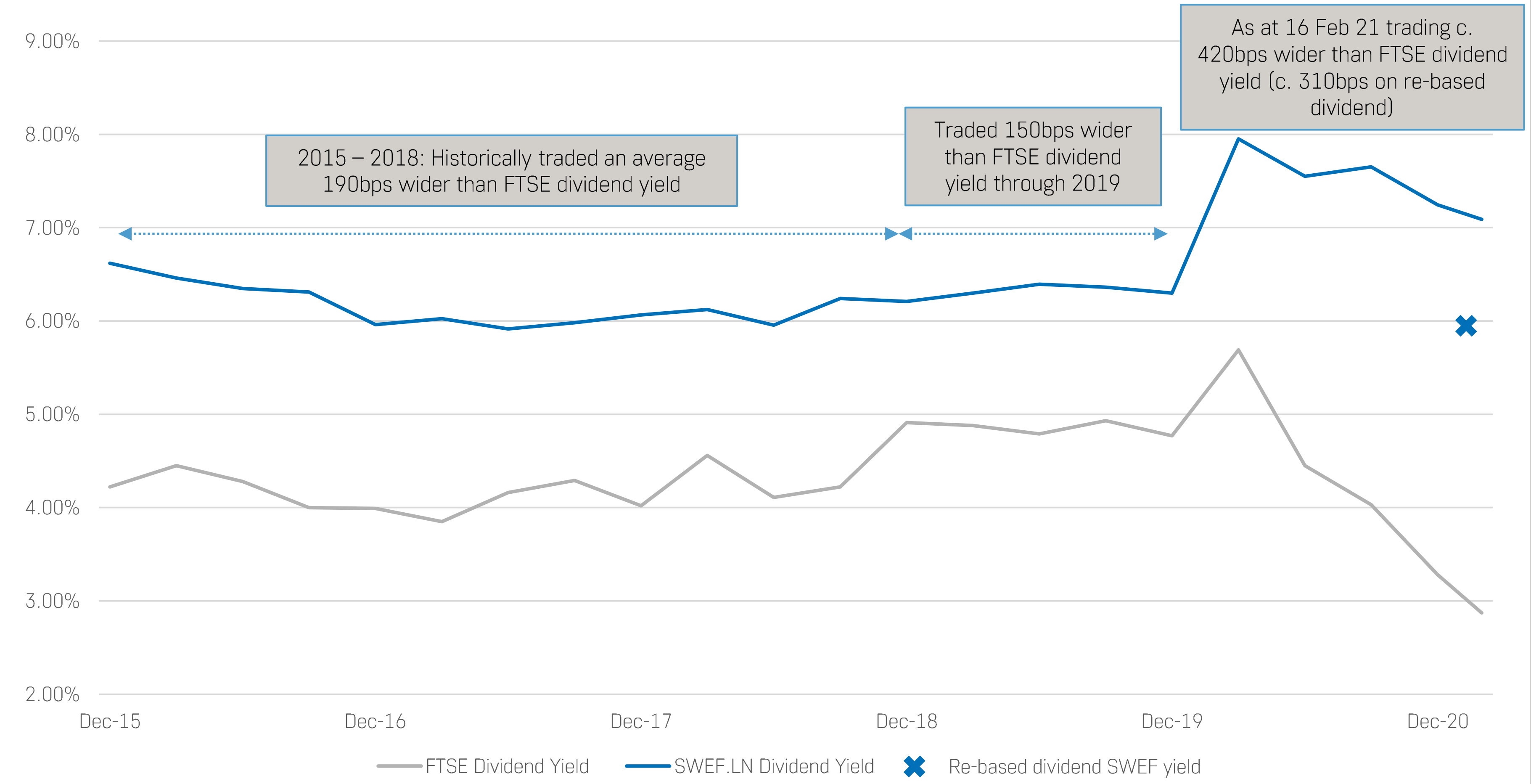


1. 5 year GBP swap rate is one measure of the risk free rate and other comparable investment products may also be relevant. All comparable investment products differ in credit type and / or quality and may exhibit differing risk and return profiles.
2. Past performance is not a guide to future performance.
3. Sources: Bloomberg, London Stock Exchange.

FTSE Dividend Index

SWEF.LN IS TRADING AT A WIDER YIELD TO THE FTSE DIVIDEND INDEX THAN PREVIOUSLY SEEN

FTSE DIVIDEND INCOME



1. The composition of the FTSE 100 as a yield product differs in credit type and / or quality when compares to SWEF.LN and may exhibit differing risk and return profiles.
2. Past performance is not a guide to future performance.
3. FTSE Dividend Yield taken from FTSE 100 Index (UKX) (Source: Bloomberg)

SEREF since inception

SWEF since inception

TOTAL LENDING OF £1.3BN SINCE INCEPTION WITH A TOTAL OF £155M OF DIVIDENDS PAID TO INVESTORS

KEY SEREF METRICS SINCE INCEPTION[1]

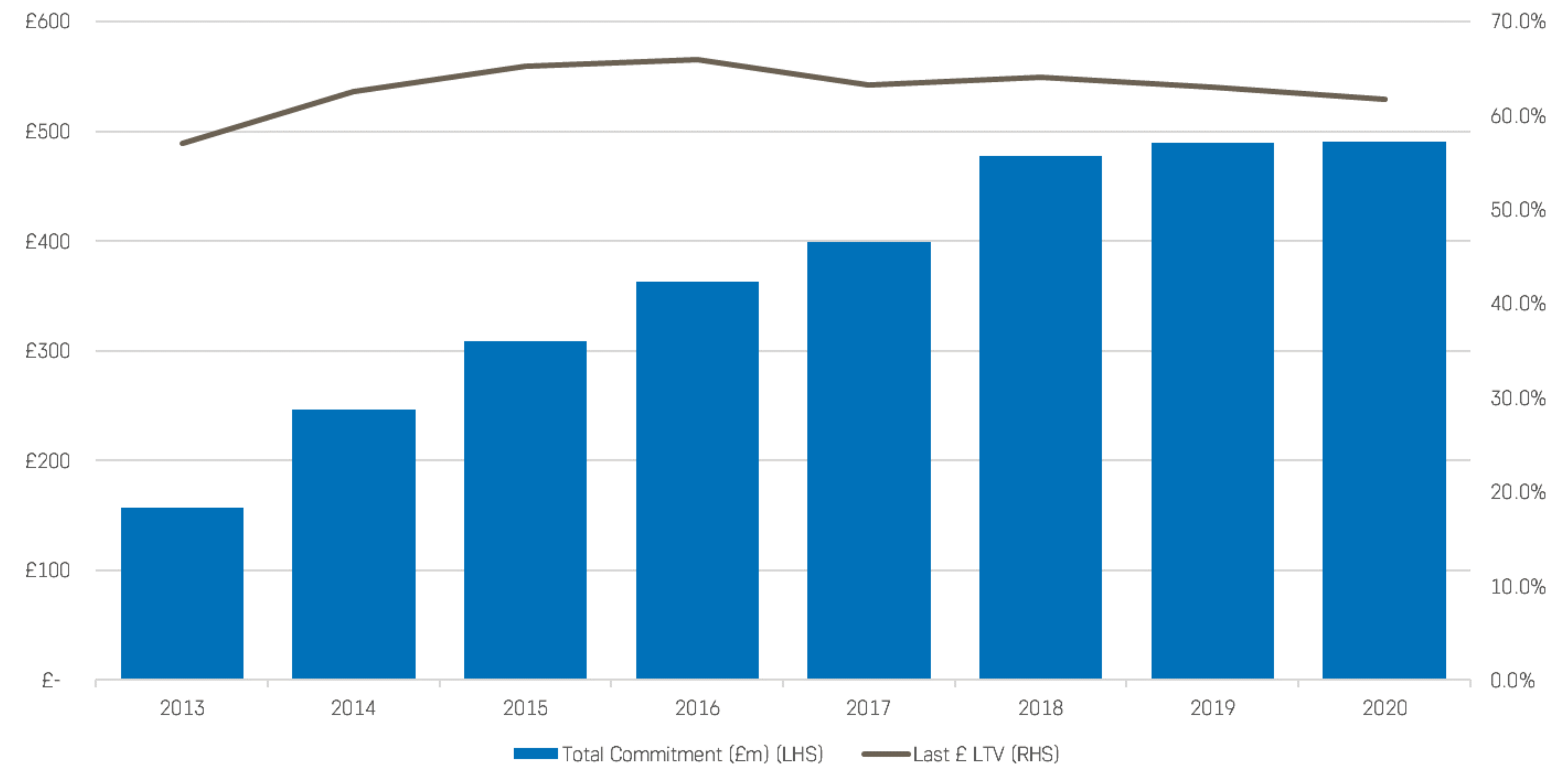
# LOANS	TOTAL LENDING	TOTAL REPAYMENTS	TOTAL DIVIDENDS PAID
51	£1,311m	£871m	£155m

1. Since inception to 31 December 2020
2. Past performance is not a guide to future performance.

Portfolio development

CURRENT TOTAL COMMITMENT OF £490.1M WITH MODEST LTV PROFILE

TOTAL COMMITMENTS OVER TIME AND W.A. LTV MIGRATION



1. £ figures in millions.
2. Past performance is not a guide to future performance.

Portfolio overview

Portfolio summary

SEREF HAS A PORTFOLIO OF HIGH QUALITY LOANS WHICH ARE WELL DIVERSIFIED BY SECTOR AND GEOGRAPHY

#	Loan	Loan Type	Lead Sector	Lead Geography	Balance (£m)	Unfunded Commitment (£m)	Total commitment (£m)
1	Hospitals, UK	Junior Loans	Healthcare	UK	25.0	0.0	25.0
2	Hotel & Residential, UK	Junior Loans	Residential	London	49.9	0.0	49.9
3	Office, Scotland	Whole Loans	Office	Scotland	4.8	0.2	5.0
4	Office, London	Whole Loans	Office	London	13.3	7.3	20.6
5	Residential, London	Whole Loans	Residential	London	24.5	1.1	25.6
6	Hotel, Oxford	Whole Loans	Hospitality	UK	16.7	6.3	23.0
7	Hotel, Scotland	Whole Loans	Hospitality	Scotland	27.2	15.5	42.7
8	Hotel, Berwick	Whole Loans	Hospitality	Scotland	10.5	4.5	15.0
9	Logistics Portfolio, UK[1]	Whole Loans	Logistics	UK	12.0	0.0	12.0
9 Sterling Loans with 1st LTV 18.2% and last LTV 59.9%					**183.9**	**34.9**	**218.8**
10	Three Shopping Centres, Spain	Whole Loans	Retail	Spain	33.3	0.0	33.3
11	Shopping Centre, Spain	Junior Loans	Retail	Spain	15.4	0.0	15.4
12	Hotel, Dublin	Whole Loans	Hospitality	Ireland	54.2	0.0	54.2
13	Hotel, Spain	Whole Loans	Hospitality	Spain	47.7	1.3	49.0
14	Office & Hotel, Madrid, Spain	Whole Loans	Office	Spain	16.7	0.9	17.6
15	Mixed Portfolio, Europe	Junior Loans	Office	Netherlands	29.5	0.0	29.5
16	Mixed Portfolio, Dublin	Whole Loans	Office	Ireland	3.2	10.1	13.3
17	Office Portfolio, Spain	Junior Loans	Office	Spain	19.3	2.0	21.3
18	Office Portfolio, Dublin	Junior Loans	Office	Ireland	31.8	0.0	31.8
19	Logistics Portfolio, Germany[1]	Whole Loans	Logistics	Germany	5.9	0.0	5.9
10 Euro Loans with 1st LTV 18.1% and last LTV 63.1%					**257.0**	**14.3**	**271.3**
Total portfolio with 1st LTV 18.2% and last LTV 61.8%					**440.9**	**49.2**	**490.1**

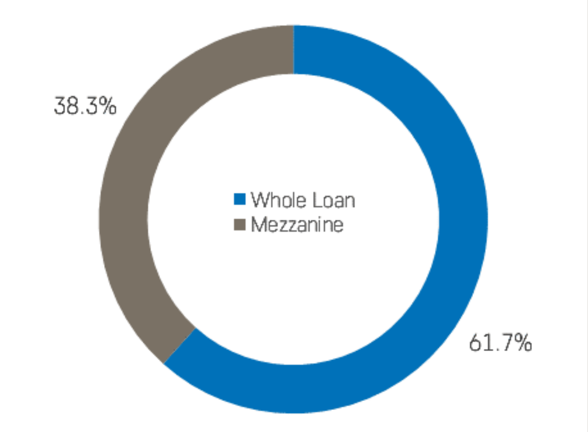
Low LTV attachment and modest last £ LTV creates a wide portion of the capital stack under SEREF control, maintaining a thick equity buffer with an exceptional basis generating very attractive risk adjusted returns.

1. Logistics Portfolio, UK and Logistics Portfolio, Germany represent GBP and EUR tranches of the same deal and are considered as one deal for the purposes of deal count.
2. All metrics as at 31 December 2020

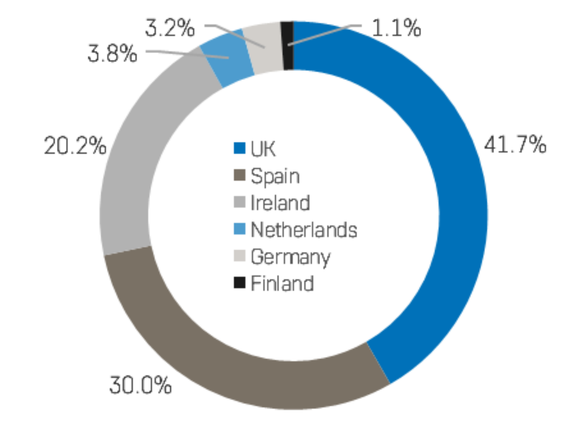
Portfolio stratifications

RESILIENT LOAN PORTFOLIO WITH STONG FUNDAMENTALS AND SIGNIFICANT EQUITY CUSHION

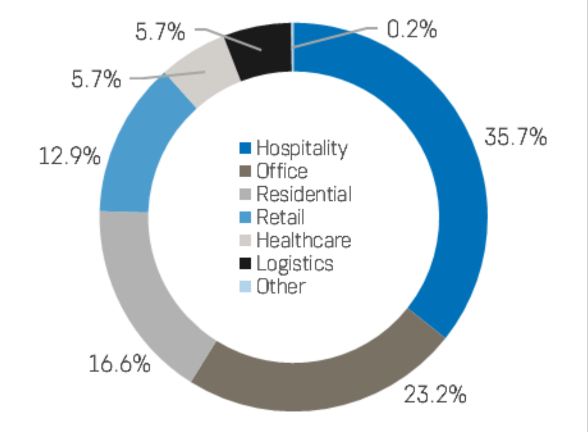
LOAN TYPE



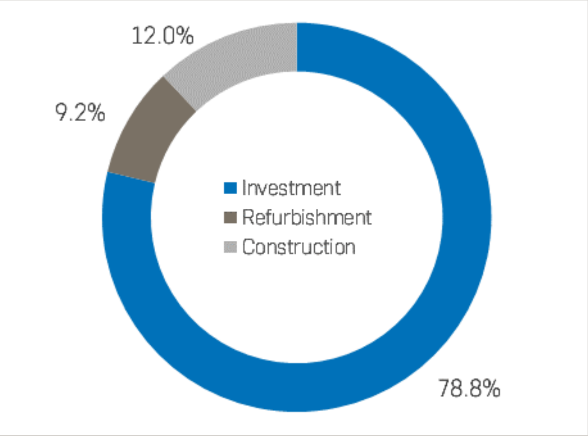
JURISDICTION



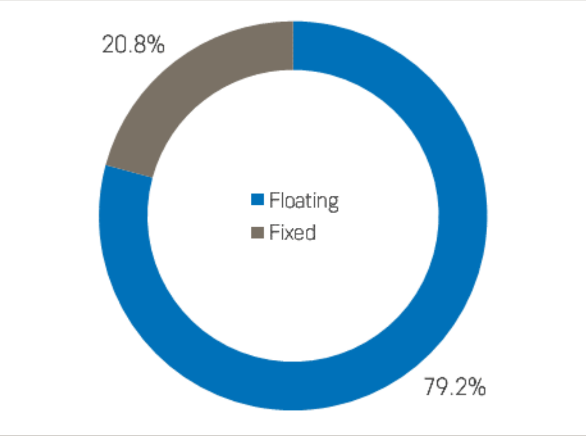
SECTOR



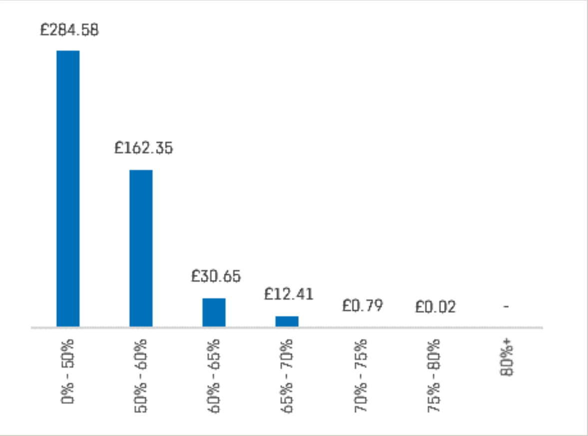
CONSTRUCTION STATUS



FIXED VS. FLOATING[1]



LTV BUCKETS (£m)

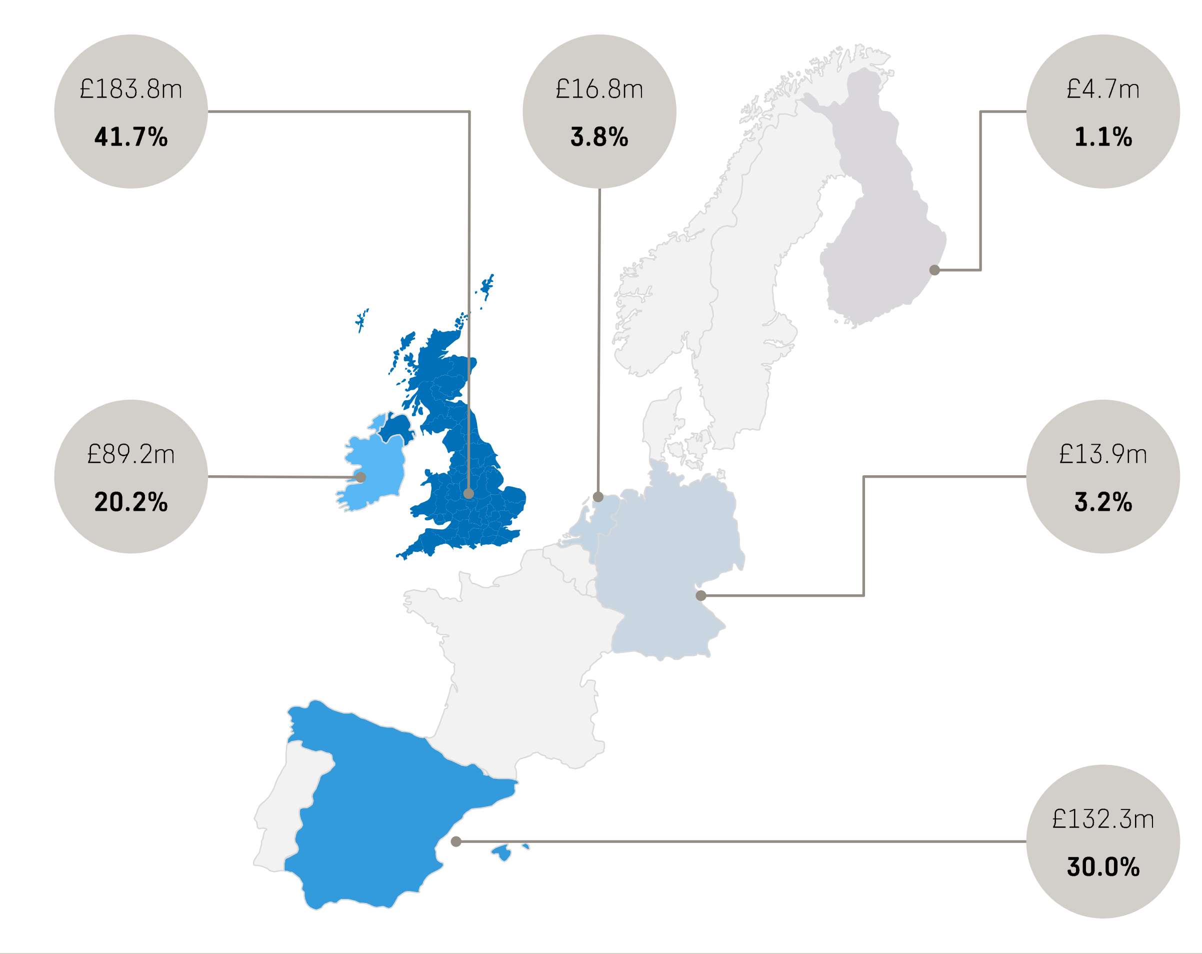


1. All loans are structured with a LIBOR / EURIBOR floor of at least 0%.
2. All splits based on current balance in £ as at 31 December 2020

Geographical focus

SEREF HAS FOCUSED ON THREE CORE JURISDICTIONS: UK, IRELAND AND SPAIN

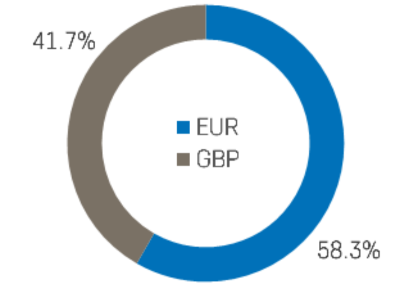
MAP



GEOGRAPHICAL FOCUS

- SEREF has a European mandate with flexibility to invest across the various European markets.
- Historically SEREF has maintained a primary focus on three core markets: UK, Ireland and Spain.
- SEREF's three core markets represent 91.9% of the company's total loan exposure as at 31 December 2020.
- Despite the focus on these core markets SEREF has invested across many European markets over the years, selectively picking the best transactions with the best borrowers to generate an outsized risk/return profile.

CURRENCY BREAKDOWN

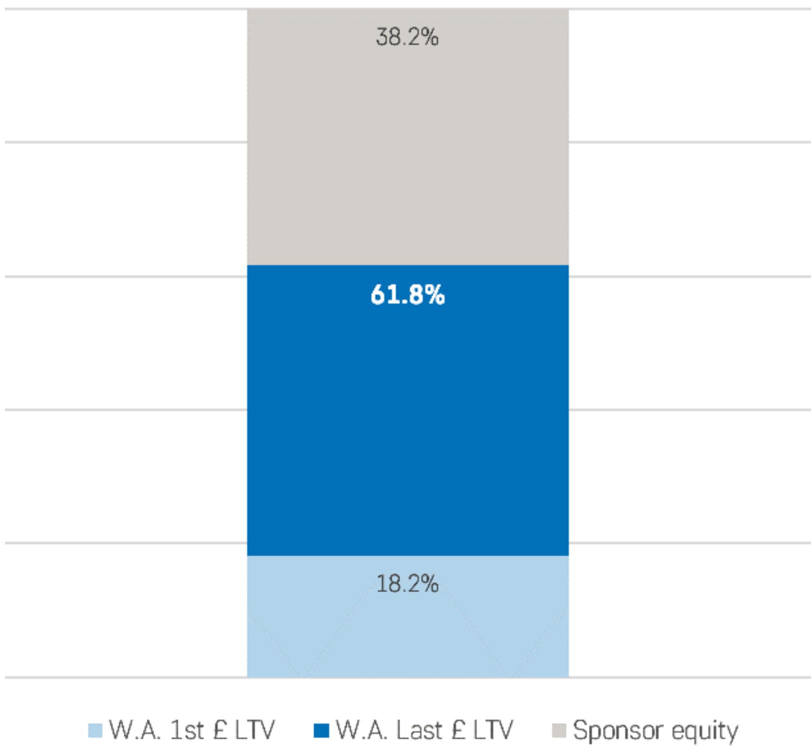


1. All splits based on current balance in £ as at 31 December 2020

Debt metrics at 31 Dec 20

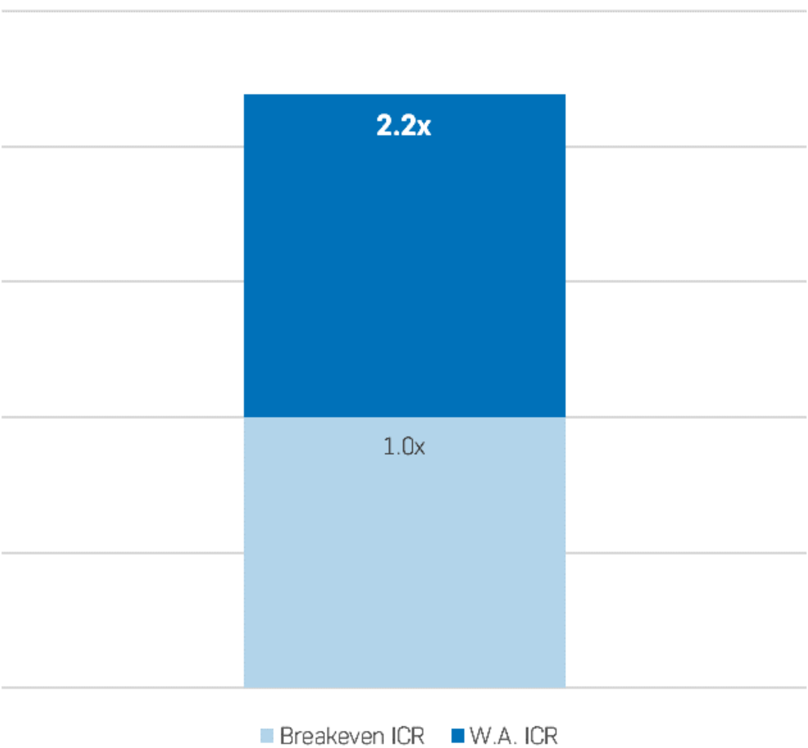
WIDE ATTACHMENT WITHIN CAP. STACK WITH SUBSTANTIAL EQUITY CUSHION AND EXCEPTIONAL INCOME GENERATION

LTV ATTACHMENT



SUBSTANTIAL EQUITY SUBORDINATION

INTEREST COVER



ROBUST CASH FLOWS GENERATING SOLID INTEREST COVER

1. W.A. ICR is the weighted average ICR for the income producing assets based on stabilised income levels.

Resilient loan portfolio

PROTECTING SHAREHOLDER INCOME AND CAPITAL WHILE PROVIDING SPONSORS THE SUPPORT REQUIRED

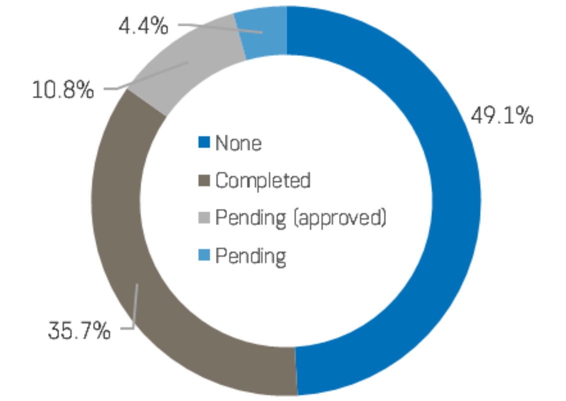
PORTFOLIO KEY PERFORMANCE INDICATORS

- The loan portfolio performance has been resilient. In 2020 the company collected all interest that was contractually due and all amortisation that was contractually due.
- 49.1% of loans were subject to no modification in 2020, a testament to the quality of underwriting standards and loan structuring. Of the remaining 50.9% of current balance requiring modification in 2020, 70.1% has been executed, 21.2% is in legal documentation and 8.6% is in negotiation with a positive outcome expected. All economic modifications to date have been neutral to returns with no interest deferrals. In asset classes subject to greater COVID impact we have sought additional sponsor equity, amortisation and / or deleveraging.

SECTORAL PERFORMANCE

- Hospitality: all hospitality loans have continued to service debt as per their loan agreements. Each loan has adequate resources at their disposal to meet medium term cash needs.
- Retail: across Europe we have seen Covid-19 related lock-downs which resulted in non-essential retail being shut for a number of months. In the loan portfolio each loan secured by retail assets has had it's interest and amortisation paid in full and on time. When assets were able to open during 2020, footfall and spending bounced back quickly. We continue to monitor retail assets very closely.
- Construction: the company's construction and heavy refurbishment risk has reduced by 28% since mid-2020. Whilst some projects have experienced minor delays to their program, each loan is adequately capitalized with funding in place to complete the project.
- Office / Industrial / Residential: these sectors have remained resilient with strong rent collection, continued strength in the residential sales market and assets selling out of portfolios in excess of their current valuations.

MODIFICATIONS



Substantial number of loans remain unmodified

1. All splits based on current balance in £

Pipeline & opportunities

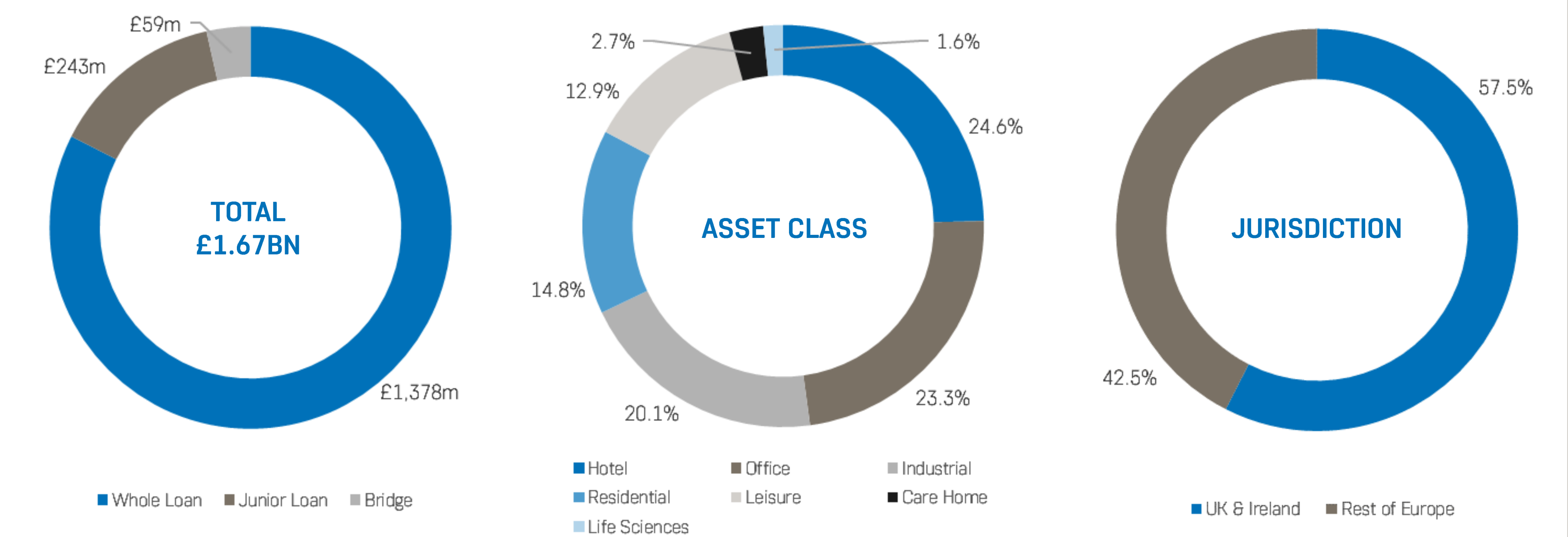
STARWOOD HAS A SUBSTANTIAL PIPELINE OF OPPORTUNITIES WHICH PRESENT ROBUST RISK ADJUSTED RETURNS

SWEF.LN was established post Global Financial Crisis (GFC) to take advantage of a changing lending landscape in Europe. As banks continue to retrench from structured real estate lending the non-bank lending segment of the real estate market has grown exponentially. In the last 10 years non-bank lenders have grown their market share from almost zero to ~12% in the UK. This penetration rate remains significantly below the USA which is a fully stabilised market.

As predicted in 2020 we are seeing a substantial increase in the European lending pipeline. Consistent with the original thesis, the company's addressable market continues to grow and our expectation is that the highly attractive deal flow will continue through 2021 and in to 2022.

At present the European lending team is assessing 23 deals totalling £1.67bn of lending opportunities and our expectation is that 2021 will be a record year at Starwood for European loan origination. The current pipeline displays robust risk adjusted returns.

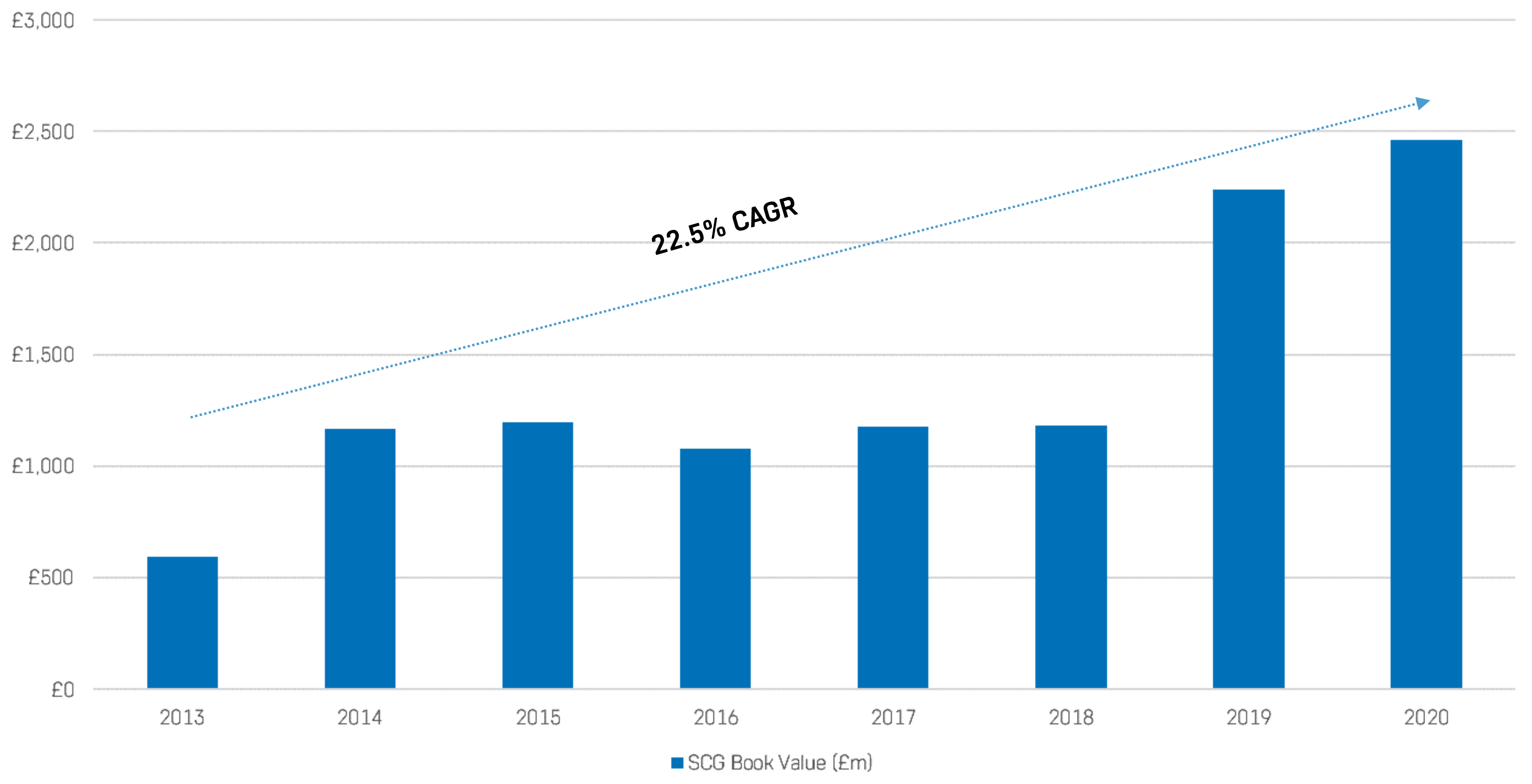
CURRENT PIPELINE



Starwood's European loan book

STARWOOD'S TOTAL EUROPEAN LOAN BOOK HAS GROWN AT A 22.5% CAGR SINCE 2013

TOTAL SCG EUROPEAN LOAN BOOK SINCE INCEPTION



1. £ figures in millions.
2. Past performance is not a guide to future performance.

Case Studies

Demonstrated success

HISTORY OF SUCCESSFUL DEALS WITH STRONG RETURNS ACROSS MULTIPLE ASSET CLASSES AT MODEST LEVERAGE

Aldgate Tower (2014)

Jurisdiction	London, UK
Asset Class	Office
Sponsor	Aldgate Developments
Loan Type	Senior
LTV Staples	0% - 58%
Commitment	£45m

In late 2014, Aldgate Developments (a well-known sponsor to Starwood) completed the speculative development of the 318,000 sq ft Aldgate Tower building, using contractor Brookfield Multiplex, and achieving practical completion on time and on budget.

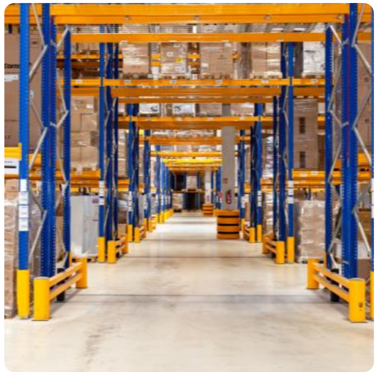
The building was very high quality and delivered into a tight occupational market but where there still some financing challenges as hangover of the GFC.

SEREF, together with SPT, funded a £200m refinance and lease-up loan in December 2014.

The building was fully leased within 14 months of practical completion to a variety of well-known multinational tenants at very strong rents for the location at the time.

The building was very successfully sold in April 2016 at £346m to a consortium of Brookfield and China Life.

Project Azure (2020)



Jurisdiction	UK and Germany
Asset Class	Logistics
Sponsor	Centrebridge and M7
Loan Type	Whole loan
LTV Staples	0% - 64%
Commitment	£17.8m

Originated in June 2020, Project Azure is a portfolio of 11 industrial and logistics assets located in the UK and Germany totalling 2.9m sq ft.

The portfolio was acquired by the sponsor from a subsidiary of Steinhoff International who have gone through a period of extensive restructuring. As a result, the portfolio has seen little asset management by the previous owners resulting in low occupancy and rolling leases. This provides substantial opportunities for the sponsor's business plan and is well placed with M7 as asset manager.

The portfolio has already seen the benefit of active asset management with over 400,000 sq ft of new leasing of vacant space since origination and multiple lease renewals.

The loan was made alongside SPT with SEREF holding 28% of the whole loan and SPT holding the remaining 72%.

1. Past performance is not a guide to future performance.

Demonstrated success

HISTORY OF SUCCESSFUL DEALS WITH STRONG RETURNS ACROSS MULTIPLE ASSET CLASSES AT MODEST LEVERAGE

22 Hanover Square (2018)

Jurisdiction	London, UK
Asset Class	Residential and Hotel
Sponsor	Clivedale
Loan Type	Mezzanine
LTV Staples	43% - 60%
Commitment	£49.9m

22 Hanover Square is the ground up development of a 50 key and 79 unit luxury hotel and residential scheme in Mayfair, London both branded Mandarin Oriental.

Originally SEREF and SPT wrote a £60.5m mezzanine loan on the development in December 2018 split 66:34. In September 2019 SPT then refinanced the existing senior lender giving Starwood full control of the debt capital stack. In February 2020, SEREF and SPT upsized the mezzanine loan by a further £20m split 50:50 owing to exception pre-sales of the residential units which now provide close to 100% cover on total debt.

The scheme is due to complete in December 2021 at which point the lenders will be repaid in full from residential sales proceeds.

22 Hanover Square is an excellent example of what can be achieved at scale working in tandem with SPT as a one stop financing shop. It also highlights the benefits of close sponsor relationships to extend additional debt at comfortable levels once risk metrics move in our favour.

Project Red 1 (2017)

Jurisdiction	UK
Asset Class	Mixed
Sponsor	Leading UK Bank
Loan Type	CLO
LTV Staples[1]	29% - 60%
Commitment	£21.8m

In late 2017, SEREF and SPT participated in a Significant Risk Transfer transaction on a leading UK bank's UK commercial real estate (CRE) lending book for 25 loans, totalling £1bn. The portfolio was comprised of a diversified pool of well-structured UK CRE loans with the W.A. LTV of 47%, the W.A. ICR of 3.6x and the W.A. Debt Yield of 10%. SEREF and SPT acquired the junior tranches representing in aggregate 9.5% first loss position with the bank retaining 5% vertical risk in each individual loan.

The deal was another successful investment for SEREF and the notes repaid fully in Q2 2020 with zero losses incurred on the underlying loan pool. Given the fully sequential repayment structure, the junior investors made substantial Whole Pound Profit on the deal.

This transaction was an excellent example of Starwood's access to diverse credit opportunities and its ability to successfully underwrite large pools of CRE loans. The firm's expertise in the UK CRE market meant that we were able to underwrite each underlying loan individually that gave us the advantage over pure SRT investors who primarily rely on third party advice, external credit ratings or statistical underwriting methods only.

1. Red 1 LTV staples shown as the point at which the tranche would incur losses vs. underlying real estate (i.e. the highest last £ LTV of the underlying loan pool). This compares to a W.A. LTV of 47%.
2. Past performance is not a guide to future performance.

Team

SCG debt platform

HIGHLY QUALIFIED EUROPEAN DEBT PLATFORM WELL SUPPORTED BY ALL FACETS OF THE STARWOOD NETWORK

Barry Sternlicht
Starwood Capital Group
Founder, Chairman, CEO

Jeff Dishner
Senior MD & President
Starwood Capital Europe

EUROPEAN DEBT PLATFORM

Lorcain Egan
Head of Lending

Callum Laithwaite
VP

Irakli Meshki
VP

Harvey Sandhu
Associate

Saad Sohail
Associate

Harrison Smith
Associate

Stephen Kostoglou
Associate

Irene Ryan
Head of Debt Asset Management

Samantha Farrell
Associate

Charlie Etheridge
Associate

Giovanni Guzzi
Analyst

SUPPORTED BY

Duncan MacPherson
Head of Capital Markets

David Smith
SVP

Andrew Coop
Associate

David Liu
Analyst

Thomas Tolley
General Counsel

Dan McLoughlin
Dep. Gen. Counsel

Natalie Milne
Legal Counsel

Sarah Broughton
CFO

Una Ni Dhonaill
Finance

Krysto Nikolic
Head of Real Estate Acquisitions

Cody Bradshaw
Head of Hotels

Federico Bianchi
Head of Real Estate Asset Management

KEY:

	Lending / Origination	Capital Markets	Finance
Senior Mgmt.	Debt Asset Management	Legal	Equity Platform

Experienced board

EXPERIENCED BOARD WITH COMBINED EXPERTISE ACROSS A VARIETY OF REAL ESTATE VEHICLES AND COMPANIES

STEPHEN SMITH

Stephen is Chairman of The PRS REIT which currently trades on the SFS of the London Stock Exchange. He is also a Director of AEW UK Long Lease REIT plc which trades on the Main Market of the London Stock Exchange. Previously, he was the Chief Investment Officer of British Land Company PLC, from January 2010 to March 2013. He was formerly Global Head of Asset Management and Transactions at AXA Real Estate Investment Managers, where he was responsible for the asset management of a portfolio of more than €40 billion on behalf of life funds, listed property vehicles, unit linked and closed end funds. Prior to joining AXA in 1999 he was Managing Director at Sun Life Properties for five years.

CHARLOTTE DENTON

During Charlotte's executive career she worked in various locations through roles in diverse organisations, including KPMG, Rothschild, Northern Trust, a property development start up and a privately held financial services group. She has served on boards for over fourteen years and is currently a Non-Executive Director of various entities including Butterfield Bank (Guernsey) Limited, the GP boards of Private Equity groups Cinven and Hitec and the Investment Manager for Next Energy. Charlotte is a Fellow of the Institute of Chartered Accountants and holds a degree in politics from Durham University. She is also a member of the Society of Trust and Estate Practitioners, a Chartered Director and a fellow of the Institute of Directors.

JOHN WHITTLE

John is a Fellow of the ICAEW and holds the IOD Diploma in Company Direction. He is a non-executive Director of International Public Partnerships Limited (FTSE 250), India Capital Growth Fund Limited, Globalworth Real Estate Investments Limited and Aberdeen Frontier Markets Fund Limited (all listed on AIM), Toro Limited (listed on SFS), and also acts as non-executive Director to several other Guernsey investment funds. He was previously Finance Director of Close Fund Services, a large independent fund administrator. Prior to moving to Guernsey he was at Price Waterhouse in London where he co-led the business turnaround of Talkland International (now Vodafone Retail) and subsequently worked on the £20million private equity acquisition of Ora Telecom.

SHELAGH MASON

Shelagh Mason is a solicitor specialising in English commercial property as a consultant with Collas Crill LLP. She is also non-executive Chairman of the Channel Islands Property Fund Limited. She sits on the Board of Riverside Capital PCC, Ruffer Investment Company Limited, and Skipton International Limited. She is a non-executive Director of the Renewables Infrastructure Fund. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust for 10 years. She is a past Chairman of the Guernsey Branch of the Institute of Directors and a member of the Chamber of Commerce, the Guernsey International Legal Association and she also holds the IOD Company Direction Certificate and Diploma with distinction.

- Collectively the board hold qualifications with the Institute of Chartered Accountants in England and Wales, Chartered Institute of Marketing, Institute of Directors, and the Chartered Institute for Securities and Investment. Board stability is a priority for the Company and succession plans are in place should a transition be required.

Investment committee

ROBUST INVESTMENT COMMITTEE PROCESS INVOLVING SENIOR PROFESSIONALS ACROSS THE STARWOOD NETWORK WITH AVERAGE EXPERIENCE OF 22 YEARS

INVESTMENT COMMITTEE

- Investment committee alone comprises 7 highly experienced real estate, finance and legal professionals with an average experience of 22 years with a global investment footprint.
- All deals are passed through the committee which serves as a robust test of the quality of lending, underwriting and legal structure.

		Position	Years experience	Years with Starwood
	Jeffrey G. Dishner	Senior Managing Director & Global Head of Real Estate Acquisitions, Starwood Capital Group	30 years	26 years
	Duncan MacPherson	Managing Director & Head of European Capital Markets, Starwood Capital Group	21 years	9 years
	Thomas Tolley	Managing Director & European General Counsel, Starwood Capital Group	19 years	9 years
	Lorcain Egan	Managing Director & Head of European Lending, Starwood Capital Group	13 years	7 years
	Jeffrey F. DiModica	President and Managing Director, Starwood Property Trust	27 years	6 years
	Andrew J. Sossen	Chief Operating Officer & General Counsel, Starwood Property Trust	18 years	10 years
	Dennis Schuh	Chief Originations Officer, Starwood Property Trust	25 years	4 years

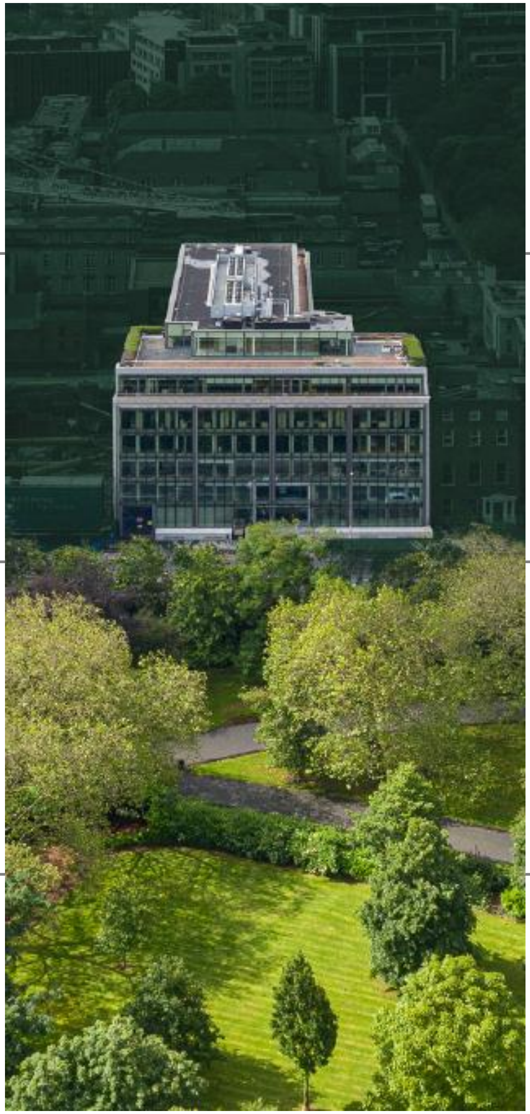
ESG

ESG investing

SEREF CONSISTENTLY ENDEAVORS TO FUND BUSINESSES WITH ESG IN MIND AND INTERNALLY FOCUSES ON MEETING HIGH LEVELS OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Authorised signatory to the UN Principles for Responsible Investments (UNPRI)

No Greenhouse Gas Emissions to report



Refurbishment loans often mitigate environmental impact

Majority of Directors based in Guernsey

Actively funding sectors with positive social impact

The Group aims to conduct itself responsibly, ethically and fairly; including in relation to social and human rights issues

STARWOOD
EUROPEAN REAL ESTATE FINANCE

Terms

Investment policy

	Policy	Investments as at 31 December 2020
Term	Medium term facilities, typically three to seven year terms, with a target average of five years	4.5 years
Loan type	Approximately 40-50% whole loans, 40-50% mezzanine, 0-20% other (e.g. bridge) Up to 25% in development loans	61.2% whole loan; 38.8% mezzanine; 12.1% development
Loan portfolio unlevered annualised total return[1]	No set target but supportive of dividend target	6.7%
Loan portfolio levered annualised total return[2]	No set target but supportive of dividend target	7.0%
Geography	Broadly spread across the EU – mainly Western Europe, with no more than 50% in a single country except the UK	41.7% UK; 30.0% Spain; 20.2% ROI
Asset LTV[3]	Typically 60-80% LTV and portfolio cap of 75% LTV at time of acquisition	W.A. LTV staple 18.2% to 61.8%
Sectors	Commercial – office, logistics, light industrial, hospitality, student, residential for sale and multifamily. No more than 30% of NAV in residential for sale. No more than 50% of NAV in any one sector in UK, except offices which is limited to 75%.	35.7% hospitality; 23.2% office; 15.7% residential for sale
Borrowers	Strong sponsors with no more than 20% to any single borrower. No single investment to be more than 20% of NAV	12.3% max single borrower and single investment exposure
Fixed vs floating	Suitability for both fixed and floating loans	79.2% floating[4]

1. The unlevered annualised total return is calculated on amounts outstanding at the reporting date, excluding undrawn commitments, and assuming all drawn loans are outstanding for the full contractual term. 15 of the loans are floating rate (partially or in whole and some with floors) and returns are based on an assumed profile for future interbank rates but the actual rate received may be higher or lower. Calculated only on amounts funded at the reporting date and excluding committed amounts (but including commitment fees) and excluding cash un-invested. The calculation also excludes the origination fee payable to the investment manager.
2. The levered annualised total return is calculated as per the unlevered return but takes into account the amount of net leverage in the Group and the cost of that leverage at current LIBOR / EURIBOR.
3. LTV to Group last £ means the percentage which the total loan drawn less any amortisation received to date (when aggregated with any other indebtedness ranking senior to it). For development projects the calculation includes the total facility available and is calculated against the assumed market value on completion of the project.
4. Calculated as a percentage of total invested capital and uses month end FX rates. See note 1 above, 15 of the loans are floating rate (partially or in whole and some with floors).

Key terms

Investment manager	Starwood Capital Group
Corporate broker	Jefferies International Limited
Structure	Guernsey domiciled closed-end investment company with premium listing on London Stock Exchange
Target dividend[1]	5.5p p.a. from financial year 2021
Share classes	GBP share class
Base currency / hedging	Sterling, with prudent FX hedging strategy for any non-sterling principal and interest
Management fee	0.75% p.a. of NAV
Performance fee	20% over 8% p.a. hurdle payable on each 2 year anniversary
Origination fee	0.75% of transaction value
Reporting / valuation	NAV published monthly, based on manager valuations and subject to annual audit. Loan impairment reviews by manager at least quarterly
Leverage	Limited to 30% of NAV in aggregate with longer term borrowings limited to 20% of NAV. Leverage limit excludes FX hedging liabilities
Realisation rights	Investors will have realisation rights for 75% of shares through orderly realisation and distribution of all or part of their pro rata net share of the Fund's investments subject to certain conditions and a structure presented in the prospectus. Such realisation rights will be triggered if the shares trade at an average discount that is greater than 5% of the Fund's net asset value during the last six months of the financial year ending 31 December 2022 and the realisation vote mechanism would apply (where the discount-triggered realisation mechanism has not been activated) by no later than 28 February 2023 and in each case on successive year anniversaries of such dates
Share buybacks	The Directors have authority to repurchase shares and will give consideration to repurchasing shares, but are not bound to do so, where the average discount exceeds 7.5% below the Net Asset Value per share for more than three months, subject to cash not otherwise required for working capital purposes or the payment of dividends in accordance with the Company's dividend policy

1. The target dividend payments are targets only and there is no guarantee that they can or will be achieved and they should not be seen as an indication of the Company's actual return. Accordingly, investors should not place any reliance on the target dividend whether to invest in ordinary shares. Cash receipts may be applied to dividend payments before they are fully recognised in the Company's income statement.

Fund Specific Risks

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. The investor may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Fund specific risks

SWEF invests in real estate debt including senior and subordinated loans and instruments.

Secured real estate loans typically benefit from asset specific security but are non-recourse to the ultimate owner and so loan performance is exposed to underlying real estate collateral and loan structures.

The timing and recovery of interest and capital payments are at risk if real estate collateral underperforms. Any inability of a borrower to make repayments on a loan may lead to losses on that loan.

Real estate loan repayment is typically made through sale of underlying collateral or refinancing. It is not certain that refinancing options will be available to borrowers prior to the maturity of a loan. If collateral value has underperformed, the sale of underlying assets may not yield sufficient capital to repay the loan in full or may otherwise result in a delay to the receipt of proceeds.

The value of the underlying real estate collateral that secures real estate loans and the income it produces may fluctuate as a result of factors which are outside the lender's control. Rental levels, operating income and market values of real estate are affected by many factors.

In particular, real estate values are dependent on factors including but not limited to current rental values and occupancy rates, future rental expectations, lease lengths, tenant creditworthiness and solvency, the availability of debt and investment yields together with the nature, location and physical condition of the real estate concerned.

The ability to repay a loan may be affected by many factors, such as the success of tenant businesses, property management decisions, changes in laws that increase operating expenses or transfer taxes or limit rents that may be charged, declines in regional or local real estate values or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, increases in unemployment and other asset specific or macro economic factors.

For subordinated loans, if a loss is incurred it will be proportionately higher than for a senior loan as subordinated positions absorb losses before senior loans.

For non-Sterling loans currency hedging arrangements may not be successful or available at an acceptable price - where the Company makes loans denominated in currencies other than Sterling it may, but is not obliged to, employ hedging techniques designed to reduce the risk of adverse movements in currency exchange rates.

Disclaimer

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