



REDEFINING REAL ESTATE INVESTING

CONFIDENTIAL INFORMATION - PROPRIETARY AND TRADE SECRET - DISTRIBUTION IS STRICTLY PROHIBITED



SALESFORCE TOWER, LONDON

ON THE COVER:
BACCARAT HOTEL & RESIDENCES NEW YORK
PENTHOUSE (artist's rendering)

Starwood Capital Group
is a 26-year-old private
investment firm with:

- A primary focus on global real estate.
- Assets under management of approximately \$56 billion.
- More than 3,600 employees in 11 offices worldwide, and over 9,000 additional employees involved with multiple portfolio operating companies.
- Seasoned executive and investment committees that have worked together an average of 16 years and possess an average of 25 years of industry experience.
- The investment flexibility to shift between real estate asset classes, geographies and positions in the capital stack as we perceive risk/return dynamics to be evolving.
- Extensive public markets expertise, having guided IPOs for eight companies.

Since its inception in 1991, the Firm has raised over \$44 billion of equity capital and currently has approximately \$56 billion of assets under management. Over the past 26 years, Starwood Capital has acquired over \$88 billion of assets across virtually every major real estate asset class,¹ including:

OFFICE:	78 million square feet
APARTMENTS/CONDOS:	170,000 units
RETAIL:	54 million square feet
HOTELS:	2,900
RESIDENTIAL:	50,000 lots
INDUSTRIAL:	40 million square feet
LOANS:	3,500
OPERATING COMPANIES:	30+

Starwood Capital Group is a private investment firm focused on real estate whose business is built upon innovation. The Firm’s creativity is its primary differentiator—and the source of its ability to unlock value on behalf of investors.

That spirit of innovation goes back to the Firm’s roots in the depths of the savings & loan crisis of the early 1990s. At that time, Chairman & CEO Barry Sternlicht founded Starwood Capital to capitalize on the unique opportunity to acquire non-performing loans and real estate assets from the U.S. government-owned Resolution Trust Corp. By purchasing several thousand multifamily units at a significant discount to replacement cost—in distressed markets that he believed were poised for recovery—Mr. Sternlicht established an investment template that Starwood Capital continues to follow to this very day.

In the 26 years since its inception, Starwood Capital has grown into a diversified investment company that today encompasses more than 3,600 employees, and over 9,000 employees involved with multiple portfolio operating companies. The Firm and its affiliates maintain offices in Amsterdam, Atlanta, Chicago, Greenwich, Hong Kong, London, Luxembourg, Los Angeles, Miami, San Francisco and Washington, D.C.

Throughout its history, the Firm has created a number of market-leading platforms to enhance operational efficiencies and maximize the value of its investments. These platforms include:

- One of the world’s largest public hotel companies—Starwood Hotels & Resorts (formerly NYSE: HOT, since merged with Marriott Hotels).
- Two of the biggest commercial mortgage finance companies in the United States—Starwood Property Trust (NYSE: STWD) and iStar (NYSE: STAR).
- One of the largest collections of multifamily apartments in the United States, with approximately 85,000 units currently under management.
- One of the largest portfolios of select-service hotels in the United States, with a current portfolio exceeding 500 properties.
- One of the largest homebuilders in the United States—TRI Pointe Homes (NYSE: TPH).
- One of the leading regional mall operators in the United States—Starwood Retail Partners, which currently manages more than 28 million square feet of retail space.
- One of the largest publicly traded owners and operators of single-family rental homes in the United States—Starwood Waypoint Homes (formerly NYSE: SFR, since merged with Invitation Homes).

- One of the leading providers of residential sites to the U.S. homebuilding industry—Starwood Land Ventures, with nearly 20,000 lots acquired (now Starwood Land Advisors).
- An innovative hotel management company, SH Group, that is introducing the 1 Hotels and Baccarat Hotels & Resorts brands to the market.
- One of the United Kingdom’s leading hotel operators (The Principal Hotel Company), with over 35 properties under management.

In its pursuit of the most compelling opportunities globally, Starwood Capital has invested in more than 30 countries, ranging from the Americas to Europe to Asia. Highlighting Starwood Capital’s international commitment and ability to shift geographies to capitalize on market dislocations, the Firm made the strategic decision in 2011 to enhance the Firm’s longstanding presence in Europe—in anticipation of a prolonged recovery across the region—by relocating the Firm’s Global Head of Acquisitions to London. Starwood Capital also relocated a Managing Director who sits on the Firm’s Investment Committee to Luxembourg to oversee all European investments in Starwood Capital funds.

Reflecting the success of its investment activities, Starwood Capital and its professionals have received numerous industry accolades over the years. Leading industry publication PERE recognized Starwood Capital’s strengths in 2016 by giving Barry Sternlicht their inaugural Lifetime Achievement Award. This followed the 2015 awards which presented Starwood Capital with numerous honors including:

- North American Firm of the Year.
- European Firm of the Year.
- Global Industry Figure of the Year.
- North American Industry Figure of the Year.
- North American Deal of the Year.

From the introduction of the Westin Hotels’ Heavenly Bed and Starwood Preferred Guest program, to the development of hotel brands inspired by nature (1 Hotels) and an iconic French crystal maker (Baccarat Hotels & Resorts), Starwood Capital has always challenged the conventional wisdom in its pursuit of value around the world. We invite you to partner with us as we continue...

Redefining Real Estate Investing.

¹ Data throughout as of Sept. 30, 2017

STARWOOD CAPITAL HISTORICAL HIGHLIGHTS

Barry Sternlicht launches Starwood Capital



Starwood Capital, via an affiliate, acquires a majority of the distressed senior debt of Hotel Investors Trust, thus setting the stage for the Firm's emergence as a global leader in the hospitality space

Starwood Mezzanine Investors closes at \$220M



805 Third Avenue, New York, Starwood Mezzanine

Starwood Opportunity Fund IV (SOF IV) closes at \$830M



Leo Burnett Building, Chicago, SOF IV

First W Hotel opens in New York



Starwood Opportunity Fund V (SOF V) closes at \$516M

Starwood Hotels & Resorts Worldwide is added to the S&P 500 Index

Starwood Capital, via an affiliate, takes National Golf Properties (NYSE: TEE) private



National Golf Ruffled Feathers Golf Course, Lemont Illinois, SOF VI



Hôtel du Louvre, Paris, Hotel I, SOF VII and SDL Co-Invest

Starwood Capital funds complete the \$3.2B acquisition of Groupe Taittinger and Société du Louvre

Mr. Sternlicht returns to Starwood Capital full time as Chairman and CEO



Mosaic II, Houston, SOF VIII and CB Co-Invest

Starwood Capital funds acquire Corus Bank's \$4.5B face-value loan portfolio from the FDIC in one of the government's largest distressed debt transactions during the Great Recession

The Visionaire, developed by Starwood Capital via an affiliate, becomes Manhattan's first Platinum LEED-certified condominium project

Starwood Global Opportunity Fund VIII (SOF VIII) closes at \$1.83B

Starwood Capital Global Hospitality Fund II (Hotel II) closes at \$965M

Starwood Capital, via an affiliate, makes the first in a series of acquisitions of leading regional malls in the U.S., and creates Starwood Retail Partners to manage the portfolio

Starwood Capital, via an affiliate, makes the first in a series of acquisitions that will establish the Firm as one of the largest operators of select-service and extended-stay hotels in the U.S.

Starwood Energy Infrastructure Fund II (SEIF II) closes at \$983M

Starwood Capital funds acquire Principal Hayley, which the Firm subsequently merges with Four Pillars and De Vere Venues to create a leading U.K. hotel platform



Starwood Waypoint Residential Trust (NYSE: SWAY), one of the largest owners of single-family rental homes in the U.S., goes public

China Life, China's largest life insurance company, along with some major sovereign wealth funds and insurance companies invest with Starwood Capital in approximately \$3.3B of U.S. select-service hotels

Starwood Capital via SOF VIII, goes public with Opus Bank (NASDAQ: OPB), a leading regional real estate lender

Starwood Global Opportunity Fund X (SOF X) closes at \$5.6B

Starwood Waypoint Residential Trust merges with Invitation Homes, creating the largest single-family landlord in the U.S.



Starwood Opportunity Funds I and IA (SOF I and IA) close at \$52M

Starwood Opportunity Fund II (SOF II) closes at \$102M



Starwood Capital creates Starwood Hotels & Resorts Worldwide (NYSE: HOT) and Mr. Sternlicht becomes Chairman and CEO

Starwood Capital purchases Westin Hotels & Resorts and begins a new growth phase for the business

Starwood Capital creates Starwood Financial, subsequently renamed iStar Financial (NYSE: STAR), which becomes one of the largest publicly traded real estate finance companies in the U.S.

Starwood Hotels & Resorts Worldwide completes the \$14B acquisition of ITT Sheraton, making the company the largest hotel operator in the world



Starwood Opportunity Fund VI (SOF VI) closes at \$567M



Les Docks, Marseille, France, SOF VI

Starwood Capital, via an affiliate, makes its first international investment, purchasing the distressed loans of condominiums in Bangkok

Starwood Capital Hospitality Fund I (Hotel I) closes at approximately \$900M

Starwood Capital opens an office in London—marking the beginning of the Firm's significant expansion of the Firm's international operations that also includes a Luxembourg hub with responsibility for all European investments in Starwood Capital funds



Pacific Shores Center, Redwood City, California, SOF VII

Starwood Global Opportunity Fund VII (SOF VII) closes at \$1.475B

Starwood Energy Infrastructure Fund (SEIF I) closes at \$433M

Starwood Capital, via an affiliate, launches Starwood Land Ventures, which goes on to become one of the leading providers of residential sites to the U.S. homebuilding industry

Starwood Debt Fund II (Debt II) closes at \$378M

Starwood Capital creates Starwood Property Trust (NYSE: STWD), a commercial mortgage REIT that is the largest blind pool company ever listed on the NYSE

Starwood Energy Group, via an affiliate, completes the Starwood SSM Project—one of the largest solar power plants in Canada



Starwood SSM Project, Ontario, Canada, SEIF I

Starwood Capital affiliate Starwood European Real Estate Finance (LSE: SWEF) goes public



SOF VIII's TRI Pointe Homes (NYSE: TPH) goes public and is later combined with a Weyerhaeuser subsidiary to create one of the largest homebuilders in the U.S.

Starwood Capital, via an affiliate, and Starwood Property Trust acquire LNR Property LLC (along with subsidiary Hatfield Philips International) for \$1.05B, thus expanding the Firm's distressed real estate expertise

Starwood Capital funds acquire a diverse portfolio of assets in Sweden and Norway for \$1.4B—the year's largest property transaction in Scandinavia

Starwood Distressed Opportunity Fund IX (SOF IX) closes at \$4.2B

Starwood Capital launches 1 Hotels and Baccarat Hotels & Resorts brands



Starwood Capital funds acquire Milestone Apartments REIT

Starwood Capital funds acquire a portfolio of apartments in the United States from Equity Residential in a transaction valued at \$5.4B

Starwood Capital funds acquire TMI Hospitality, one of the largest owners, managers and developers of select-service hotels in the U.S.

Starwood Capital has been organized into complementary business lines that feature executive sponsorship and dedicated teams of professionals, supported by the Firm’s general resources in acquisitions, asset management, finance, investor relations, accounting, tax and legal. These business lines include:

REAL ESTATE

Global Opportunistic Real Estate

Starwood Capital considers opportunistic real estate investing to be defined by minimizing downside risk and maximizing upside. In executing this strategy, the Firm’s seasoned team pursues global investment opportunities across all real estate asset classes and positions in the capital stack that offer compelling risk/return propositions. For example, Starwood Capital has been one of the most prolific investors in distressed debt since the global financial crisis, while acquiring cash-flowing office, residential, industrial, retail and hotel assets at discounts to replacement cost. The Firm has also successfully built platform strategies such as our land portfolio, retail malls and select-service hotels. Starwood Capital has fully raised 15 opportunistic real estate funds to date.

Performing Real Estate Debt

With total capital deployed since inception of more than \$37 billion, Starwood Property Trust (NYSE: STWD) is the largest commercial mortgage real estate investment trust in the U.S. Externally managed by Starwood Capital, Starwood Property Trust focuses on originating, acquiring, financing and managing commercial mortgage loans and other commercial real estate debt investments. Starwood European Real Estate Finance Ltd. (LSE: SWEF), also externally managed by Starwood Capital, pursues similar investment objectives to Starwood Property Trust, with a geographic focus on Europe.

Loan Servicing

Starwood Capital, through Starwood Property Trust’s 2013 acquisition of LNR Property LLC, also operates as a special loan servicer in the U.S., and has expanded its product

offerings to include fixed-rate and conduit loans. LNR provides Starwood Capital with unique insights into the distressed debt market, as it is the named special servicer on approximately 20% of all transactions in the CMBS universe. In Europe, Starwood Property Trust’s non-controlling minority interest in Situs—which acquired LNR subsidiary Hatfield Philips International in 2016—allows Starwood Capital to benefit from access to a market-leading primary and special servicing platform.

Hotel Brand Management

SH Group is a hotel brand management company with more than 1,100 employees owned by a fund sponsored by Starwood Capital that provides the Firm with significant proprietary investment opportunities and helps enhance the performance of fund hotel investments—including assisting Starwood Capital’s in-house design and hotel operations experts. Leveraging its marketing, design, operational and technological expertise, SH Group is the force behind some of the most groundbreaking and dynamic hotel brands in the world, including:

- **1 Hotels**
As a luxury lifestyle hotel brand inspired by nature, 1 Hotels cultivates the best of eco-conscious design and sustainable architecture, together with extraordinary comfort and an unrivalled level of service. 1 Hotels, which launched in 2015 with the opening of exclusive properties in Miami’s South Beach and Manhattan was developed with the simple idea that those who travel the world also care about it. 1 Hotels upholds this vision by channeling nature through design, culinary partnerships, connecting with the local community and taking small steps to make a big difference.



CLOCKWISE FROM TOP LEFT: 1 HOTEL CENTRAL PARK, NEW YORK CITY; NINE AT MARY BRICKELL VILLAGE, MIAMI, FLORIDA (artist’s rendering); HUDSON YARDS, NEW YORK CITY (artist’s rendering); STEPHENS RANCH WIND PROJECT, BORDEN AND LYNN COUNTIES, TEXAS; HELSFYR ATRIUM, OSLO, NORWAY



CLOCKWISE FROM TOP LEFT: BACCARAT HOTEL & RESIDENCES, NEW YORK CITY; BALTIMORE WHARF, LONDON; TRI POINTE HOMES, LOS ARBOLES, SIMI VALLEY, CALIFORNIA; LIBERTY CENTER, PITTSBURGH, PENNSYLVANIA; HOME2 SUITES BY HILTON, SAN ANTONIO, TEXAS; RED ROAD COMMONS, MIAMI, FLORIDA

▪ **Baccarat Hotels & Resorts**

Drawing upon the 250-year history of the iconic French crystal maker, Baccarat Hotels & Resorts delivers a distinctive, personalized experience in the world’s most illustrious locales. Baccarat Hotels & Resorts launched in March 2015 with the opening of its flagship property in New York City. Distinguished by a singular sense of glamour and celebration, as well as a groundbreaking vision of modern luxury, Baccarat Hotels & Resorts sets a new precedent for the ultimate lifestyle experience—reimagining excellence through impeccable service and inspired artistry..

Retail

Formed in 2012 to acquire, redevelop, lease, manage and operate the retail centers in Starwood Capital’s portfolio, Starwood Retail Partners has grown to become one of the largest mall enterprises in the United States. Starwood Retail Partners seeks to capitalize on opportunities in the rapidly changing retail landscape through a unique combination of talent, experience and execution capabilities in the regional mall, lifestyle, street retail and power center sectors. Through a variety of co-investments, joint-venture partnerships, stand-alone transactions and a closed-end core-plus fund, Starwood Retail Partners currently manages properties across the United States comprising 28 million square feet of gross leasable area. The organization has over 400 employees and brings hands-on experience in management, leasing and redevelopment to each of its investments.

Multifamily

In 2017 Starwood acquired a multifamily management company. Starwood currently owns ~85,000 units providing the Firm with asset and market information not accessible to competitors, which helps with deal sourcing, underwriting and asset management. The team’s expertise also is valuable with revenue/expense management and marketing.

ENERGY

Energy Infrastructure

Starwood Energy Group specializes in energy infrastructure investments, with a focus on the natural gas and renewable power generation and transmission sectors. Through its general opportunity funds, Starwood Energy Infrastructure Fund I and II (SEIF I and SEIF II), and other affiliated investment vehicles, Starwood Energy Group manages total equity commitments of over \$3 billion, and has executed transactions totaling more than \$6 billion in enterprise value. By leveraging its extensive operations, development, construction, acquisition and financing expertise, the team is well-positioned to capitalize on opportunities emerging in this rapidly evolving industry.

Oil & Gas

Starwood Oil & Gas invests in conventional and unconventional oil & gas assets in North America. In 2013, the group made a \$36 million investment in Northeast Natural Energy to fund the Charleston, WV-based company’s acreage acquisition and development program in one of the most prolific areas of the Marcellus Shale. In 2015, the team led a \$110 million investment in EagleRidge Energy, a Dallas-based oil & gas producer focused on one of the lowest-cost natural gas shale plays in Texas. In 2017, the group led a \$50 million investment in Ventana Exploration and Production to acquire non-operating working interests and minerals in the prolific STACK and SCOOP basins in Central Oklahoma. Leveraging its industry knowledge and extensive transactional experience, Starwood Oil & Gas is well-positioned to capitalize on the dramatic transformation of the energy sector.

Starwood Capital occupies a unique position in global real estate investing, based on the following differentiators:

Deep, Hands-On Real Estate Perspective

Starwood Capital has 26 years of experience covering virtually every real estate asset class. The Firm has acquired over \$66 billion of opportunistic real estate assets since inception, generating strong returns throughout that time. The Firm also operates the largest commercial mortgage REIT in the United States—Starwood Property Trust (NYSE: STWD), which has deployed over \$37 billion in capital since inception.

Investment Agility

A hallmark of Starwood Capital is its ability to pursue a wide variety of investment opportunities as they emerge—moving from asset class to asset class, shifting geographies from the United States to international markets, and changing positions in the capital stack as the team perceives risk/return dynamics to be evolving.

Scale and Creativity

As one of the largest institutional real estate investors in the world, Starwood Capital benefits from a worldwide sourcing engine—creating a robust deal flow, and accessing the majority of transactions on an off-market basis. In fact, over 80% of SOF X, SOF IX and SOF VIII’s investments were sourced off-market or via small auctions. The Firm also boasts a history of extraordinary creativity that extends to its innovative transaction structuring and execution capabilities.

Flexible Investment Sizing

Starwood Capital believes that it occupies a distinct niche in the market: Nimble enough to target transactions of \$50-125 million, yet large enough to capitalize on billion-dollar investment opportunities around the world by utilizing co-investment funds. For its sweet spot of mid-sized transactions, Starwood Capital believes that the Firm’s reputation, sophistication, speed, access to capital and ability to execute provide the Firm with a competitive advantage over smaller, more regional firms. On larger transactions, the Firm’s proven ability to conduct detailed due diligence using a vast network of resources and relationships results in an in-depth understanding of potential investments that few investors can match in a cost-efficient manner.

Operational Expertise

Starwood Capital has broad real estate operating experience, with asset management organized into dedicated teams by specialty. The Firm has created a number of platforms that were designed to enhance operational efficiencies and maximize the value of



LEFT TO RIGHT: STELLA TOWER, NEW YORK CITY; VERTIGO, LUXEMBOURG; THE PRINCIPAL EDINBURGH CHARLOTTE SQUARE, SCOTLAND

underlying assets. In addition, Starwood Capital’s in-house loan workout expertise gives the Firm the ability to manage large portfolios of NPLs.

Capital Markets Skills

The Firm’s capital markets expertise is a core competency that Starwood Capital believes sets it apart from more traditional real estate investors. Starwood Capital’s team constantly evaluates real estate in relation to the capital markets’ valuations in order to take advantage of pricing inefficiencies, and arbitrage between the public and private markets. When the public markets are willing to pay more for assets or platforms than could be generated from longer-term holds or individual asset sales, Starwood Capital has completed a number of successful public market executions, including:

- *Starwood Property Trust* (NYSE: STWD)
- *Starwood Hotels & Resorts Worldwide* (formerly NYSE: HOT, since merged with Marriott Hotels)
- *Equity Residential* (NYSE: EQR)
- *Starwood Waypoint Homes* (formerly NYSE: SFR, since merged with Invitation Homes)
- *TRI Pointe Homes* (NYSE: TPH)
- *iStar Financial* (NYSE: STAR)
- *Starwood European Real Estate Finance* (LSE: SWEF)
- *Opus Bank* (NASDAQ: OPB)

In addition, Starwood Capital has executed several privatizations, including National Golf Properties, Inc., Société du Louvre and Groupe Taittinger.

On the debt side, the Firm’s skilled in-house capital markets team has closed transactions totaling over \$68 billion since January 2010. The team’s expertise and global network of lending relationships has often allowed it to obtain best-in-market terms for investors, while using brokers only sparingly.

Global Reach

Starwood Capital’s track record as a global investor is well-established. Beginning with the purchase of distressed condominium loans in Bangkok in 1999, the Firm’s international investments have steadily grown to encompass more than 30 countries. In Europe alone, Starwood Capital has acquired more than \$18 billion of assets in over 60 transactions since 1999. To provide on-the-ground support for international investment opportunities as they develop, the Firm has opened a number of offices around the world. For example, the Firm and its affiliates have established offices in London and Luxembourg that are part of a pan-European operation. Today, Starwood Capital and its affiliates operate ten offices worldwide. This expansive network allows the Firm to efficiently evaluate the most compelling risk/return opportunities across the globe.

Distressed Investing in the Firm’s DNA

Starwood Capital was founded during the savings & loan crisis in the early 1990s, when the Firm acquired real estate holdings from the Resolution Trust Corp. The Firm has since capitalized on numerous opportunities to purchase distressed assets at deep discounts. Across its last three funds, the Firm has acquired over \$10 billion of unpaid principal balance NPLs, partially sourced by engaging domestic money center and regional banks, and forming strategic partnerships with the National Asset Management Agency (Ireland’s “bad bank”) and the FDIC (via the Corus Bank investment) to purchase some of their NPL pools, as well as purchasing a pool from Bankia (Spain’s amalgamation of seven troubled local banks). Starwood Capital also benefits from the distressed real estate expertise of affiliates LNR Property LLC and Hatfield Philips International, two of the largest special loan servicers.

Seasoned, Stable Team

Executive and investment committees at Starwood Capital have worked together for an average of 16 years, and has an average of 25 years of industry experience—across all real estate asset classes and stages of the investment cycle.

Strong Risk-Adjusted Performance

Starwood Capital’s disciplined investment approach has enabled the Firm to consistently deliver strong performance across its funds, with the Firm’s first seven funds 100% liquidated.

A History of Record-Setting Asset Valuation

Starwood Capital’s opportunistic real estate program is distinguished by the Firm’s proven ability to develop creative strategies to add value throughout the investment process—enabling the most advantageous exit. The success of this approach is underscored by the Firm’s sale of 13 assets in 11 different cities since 2010 that have set records for:

- A Paris hotel (Hôtel de Crillon).
- A downtown Manhattan condo (Walker Tower).
- Denver office buildings (One Union Station and The Triangle Building).
- A Brooklyn condo (Pierhouse at Brooklyn Bridge Park).
- An East London hotel (Ace Hotel London Shoreditch).
- A North American hotel (Baccarat Hotel New York).
- A Portland office property (Block 300).
- A Vancouver hotel (Westin Bayshore).
- A select-service hotel in D.C. (Hilton Garden Inn Washington, D.C./Georgetown).
- A North Carolina asset (One Wells Fargo Center).
- Land in Denver (16 Chestnut)
- A Czech Republic office transaction (The Park).

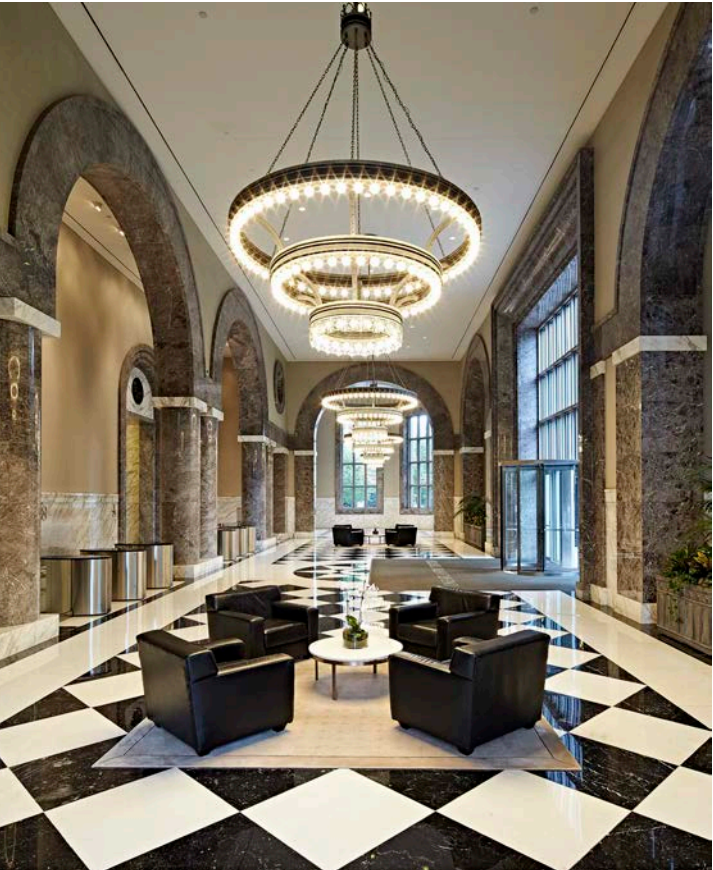


Design Leadership

Starwood Capital believes that it possesses an expertise in the design of real estate assets that is unsurpassed in the private equity industry. This sensibility starts at the top: CEO Barry Sternlicht is a member of the Interior Design Hall of Fame. A number of Starwood Capital’s assets have been acclaimed for their aesthetics, which ultimately help drive value for the Firm’s investors.

Commitment to Eco-Conscious Investment

The Firm continues to set a new standard for the private equity industry in environmentally responsible investment and development, across all real estate asset classes. Nowhere is this commitment more apparent than 1 Hotels. Operated by Starwood Capital affiliate SH Group, this luxury lifestyle brand represents hospitality with a purpose: To celebrate nature while encouraging sophisticated travelers to live well, do better and connect with the world around them.



CLOCKWISE FROM TOP RIGHT: ONE ATLANTIC CENTER, ATLANTA, GEORGIA; GRAN HOTEL ATLANTIS BAHIA REAL, LAS PALMAS, SPAIN; ONE UNION STATION, DENVER; THE CLOISTER AT SEA ISLAND, GEORGIA

An Information Advantage

The expertise developed through Starwood Capital’s symbiotic business lines enhances the team’s judgment throughout the underwriting process. These platforms provide critical bottom-up intelligence that helps set the agenda for the Firm’s investment strategy:

- **Starwood Property Trust:** The largest commercial mortgage REIT in the United States by market capitalization, this affiliate helps Starwood Capital underwrite transactions by providing information on where loans are being executed in the market. The team also shares market data with the Firm to help create more accurate underwriting projections. As one of the largest loan special servicers in the United States (through affiliate LNR), as well as an investor in a leading debt advisory and loan servicing platform in Europe (through Starwood Property Trust’s non-controlling minority stake in Situs, which acquired LNR subsidiary Hatfield Philips International in 2016), the team supplies Starwood Capital with market information on both regions, as well as provides appropriate insight into troubled real estate projects.
- **Starwood Multifamily Portfolio:** With approximately 85,000 units under management, Starwood Capital is not only one of the largest apartment owners in the United States, but also among the largest within a number of select markets. This critical mass in targeted markets provides the Firm with information on asset performance that other investors simply do not possess.
- **SH Group:** Starwood Capital’s hotel brand management team brings operational expertise in the areas of revenue management, marketing, food & beverage, systems and cost management to the hotel underwriting and asset management teams.
- **Starwood Retail Partners:** Starwood Capital’s team of retail experts gives the Firm an edge in evaluating malls, power centers and lifestyle centers. The team has built strong relationships with tenants and can provide accurate operating metrics to help fine-tune asset cash flow projections.

OUR APPROACH

Starwood Capital seeks to deliver consistent, robust returns while placing a premium on preserving capital. The team performs a comprehensive risk/return analysis on each potential transaction, and only invests in assets with asymmetrical return potential. Guided by common sense, discipline and the recognition that intellectual humility is the foundation of successful investing, the Firm adheres to the following core principles:

Invest When New Supply Is Low

Target markets with high barriers to entry and little to no competitive supply planned or under construction. Since the economic recovery has generally been slow and steady, Starwood Capital has not seen the type of aggressive supply that would typically result from the recent rent growth and strength of the markets.

Anticipate Capital Flows

Seek to get ahead of capital flows in areas where economic growth is projected to drive tenant demand but new supply is not yet on the horizon. The Starwood Capital team has found that capital flows often influence asset valuations as much as—or more than—the impact of local market supply and demand trends. Once these target markets are identified, the team works on the “micro” side to pinpoint opportunities for asymmetrical return potential through value-add asset management.

Buy Below Replacement Cost

Purchase—at favorable prices—fundamentally sound assets that have lacked capital, attention or effective management. Buying below replacement cost offers a margin of safety, typically ensuring that no new construction/competition will be completed until values rise to justify new product. Starwood Capital's recent transactions demonstrate that opportunities continue to arise to acquire assets at discounted prices.

Utilize Appropriate Debt to Generate Positive Leverage

Seek to use proper leverage—in amount and duration—to reflect the stability of each asset's cash flow. In the current market, Starwood Capital can typically buy property at yields in excess of the cost of debt and generate strong cash-on-cash yields during the hold period. Positive leverage allows the investment team to be patient for a recovery, lessening the reliance on the residual value to achieve strong returns. In most cases, Starwood Capital can secure debt longer than the expected hold period—thus creating a potential asset upon exit if interest rates rise.

Construct Diversified Portfolios

Actively manage concentrations of fund capital by diversifying exposures across risk profiles, geographic areas, asset classes and positions in the capital structure.

Add Value to Investments Through Hands-On Asset Management

Acquire undermanaged or undercapitalized assets that the Starwood Capital team can stabilize and refurbish, and implement a dynamic asset management plan in order to position each investment for sale at the maximum price. In appropriate cases, the Firm can create a growth platform through the acquisition of complementary assets and/or portfolios.

Maintain Investment Discipline

Seek to enhance returns in both cyclical downturns and upswings by maintaining a disciplined approach to assets and their value. For example, prior to the market crash in 2008, Starwood Capital minimized its acquisitions and maximized dispositions of assets—whereas in subsequent years, the Firm shifted its focus toward a higher volume of acquisitions. By the same token, the Firm took advantage of a number of distressed investment opportunities in the wake of the Great Recession but shifted toward more defensive asset classes in recent years.

Capitalize on the Firm's Disposition Expertise

Design optimal exit strategies that can generate maximum asset value, with options including an individual asset sale, portfolio sale, operating company sale or public market execution—all of which Starwood Capital has extensive experience in executing.

Align Interests with Investors

Treat Starwood Capital investment partners' capital as the Firm's own—because a meaningful portion of it is the Firm's own. Starwood Capital's partners invest alongside its LPs in every transaction that they sponsor. Further, Starwood Capital does not earn transaction fees in its opportunistic funds.



THE COLONNADE, GOLDEN VALLEY, MN



INDEPENDENCE, ORLANDO, FLORIDA

Our funds generally take an opportunistic approach to global real estate investing. Across widely disparate economic environments, we have consistently focused on acquiring assets at a discount to replacement cost with the potential to benefit from improving fundamentals. Following are some notable investments over our history:

PRIVATE TRANSACTIONS



ARIA, SAN DIEGO, CA



PARAMOUNT BAY, MIAMI, FL

Corus Bank

In October 2009, a consortium led by Starwood Capital acquired a \$4.5 billion face-value distressed loan portfolio owned by the former Corus Bank. The \$2.7 billion purchase of the portfolio from the Federal Deposit Insurance Corp. was one of the government’s largest distressed debt transactions during the Great Recession. The portfolio at acquisition consisted of more than 100 loans and owned real estate assets linked to high-quality condominiums, multifamily housing, office properties and land. Our strategy included “reworking” more than 40 large, non-performing loan positions and creating a dedicated entity (ST Residential) to manage the 13-asset multifamily portfolio. The team subsequently created an innovative branded lifestyle message for the multifamily properties that allowed it to raise prices and rents while achieving healthy absorption rates, followed by a successful program of loan payoffs, condo sales and asset sales. In March 2015, the Firm sold the last major asset in the portfolio.

Now, as Starwood Capital focuses on managing the end of the life of this partnership, we team can look back on what has proven to be an extraordinary investment for investors and the U.S. government.

LNR Property LLC

Starwood Capital has long demonstrated the ability to tackle complex investments that offer attractive risk/return potential. Such was the case when the Firm teamed up with affiliate Starwood Property Trust (NYSE: STWD) on the \$1.05B acquisition of the largest special servicer in the U.S., LNR Property LLC, in April 2013.

While Starwood Property Trust’s purchase of LNR greatly enhanced its expertise in the distressed marketplace and added Starwood Mortgage Capital, a commercial real estate conduit loan origination platform, Starwood Capital through an affiliated fund also acquired two important components.



ENTRADA OFFICE, VALENCIA, CA

The first was LNR’s Commercial Property Group, a real estate portfolio consisting of 26 assets in nine states, concentrated in land suitable primarily for single and multifamily development. The second component was an interest in Auction.com, which sells owned real estate and loans on behalf of financial institutions, corporations and individual owners. In 2014, Google

Capital invested \$50 million in Auction.com and committed to helping the company take advantage of its unique platform.

LNR’s position as the largest special servicer in the United States—and the named special servicer on approximately 20% of all CMBS transactions in the industry—enables it to provide unique insights into specific investment opportunities, sectors and markets. In addition, Starwood Property Trust’s non-controlling minority interest in Situs—which acquired LNR subsidiary Hatfield Philips International in 2016—provides Starwood Capital with important visibility into the continued untangling of the region’s distressed real estate loan inventory.

The Principal Hotel Company

In February 2013, Starwood Distressed Opportunity Fund IX, alongside a limited partner co-investment vehicle, acquired Principal Hayley Group and its extraordinary pan-U.K. collection of 22 grande-dame style hotels, as well as a London conference center. This purchase represented an opportunity to invest in an entire hotel company, including its management team, brands and technology platform.

The platform expanded in January 2014 through the acquisition of Four Pillars Hotels—a portfolio of five hotels located in and around the historic city of Oxford. The portfolio grew further in March 2014 with the acquisition of De Vere Venues, which added 23 owned and leased hotels, as well as several conference centers in London.



THE PRINCIPAL LONDON

After realizing significant cost synergies, delivering robust operating performance and investing more than £200 million of capital across the portfolio, Starwood Capital announced a rebranding of its collection of U.K. hotels under the name of The Principal Hotel Company. The new brand comprises Principal—city-center hotels based in landmark buildings in

exceptional locations, and De Vere—modern country estate hotels with mansion houses at their heart.

The Principal brand launched in November 2016 with a trio of properties—The Principal Manchester (formerly The Palace Hotel), The Principal Edinburgh George Street (formerly The George Hotel) and The Principal York (formerly The Royal York Hotel).

The distinctive heritage and resulting relationships between the properties and their surrounding communities are the cornerstones of the Principal brand. Each hotel has a story to tell—of its history, its design and architecture, its quirks and its characters, and its role in shaping the city in which it resides. These stories represent the antithesis of the mass-produced chain hotel, and provide Principal with a canvas on which to curate a unique sense of place.

National Multifamily Portfolio

In January 2016, SOF X and a Starwood Capital co-invest acquired an institutionally owned, Class A multifamily portfolio that included assets in South Florida, Denver, Washington, D.C., Seattle and the Inland Empire, California. The portfolio consisted of 23,262 units across 72 garden style and mid-rise communities—operated as 66 distinct assets post-close. These Class A assets had an average vintage of 1996, limited deferred maintenance and amenities such as 9-foot ceilings, in-unit washers and dryers, and parking garages. With this acquisition—together with SOF X’s purchase of Landmark Apartment Trust (17,624 units), also completed in January 2016—Starwood Capital became one of the largest owners of market-rate multifamily housing in the United States.

At its \$5.4B purchase price, the transaction was the largest non-hotel acquisition in Starwood Capital’s history. We purchased the portfolio at a 10-15% discount to replacement cost. Starwood Capital’s close, longstanding relationship with the seller created an opportunity to purchase these assets off-market. The seller was focused on a quick, certain execution and only approached a few bidders that could complete such a large transaction.

All five markets represented within the portfolio had very strong fundamentals—including three of the 20 fastest-growing U.S. cities in 2015, according to Forbes. The population growth in these markets was twice the national average over the two years prior to



MIDTOWN 24, MIAMI, FL

acquisition. Employment growth also exceeded the national average over the same period. Further bolstering the value of this multifamily portfolio is the significant expense of home ownership in all of these markets. At acquisition, the average annual cost of owning a single-family home was 40% higher than renting in these markets and required a down payment equivalent to 22 months of rent—which is unattainable for most renters.

Our conservative underwriting assumed an increase in expenses above historical rates. We also assumed rent growth below what our other properties have achieved in these markets, and underwrote upgrades for approximately 35% of the units—even though we believe that the renovation potential could be much greater.

OUR INVESTMENTS

Westin Hotels & Resorts

In 1993, Japanese construction company Aoki Corp. was under pressure from its lenders to shed non-core operations, including Westin Hotels & Resorts. The hotel company had been struggling, and a reputation for poor operating performance had prevented it from adding new management contracts. After extensive negotiations, funds managed by Starwood Capital acquired Westin in May 1995 for \$537 million. The team quickly installed a new management team to execute a strategy of operational enhancements, brand marketing and growth.

As a result of these efforts, Westin saw its managed or franchised hotels increase from approximately 70 to more than 120, before Starwood Hotels & Resorts (NYSE: HOT) purchased the business for \$1.6 billion in January 1998. This transaction served as an early example of the Firm’s skill in identifying undervalued assets and enhancing operations through its asset management expertise—and helped establish the Firm as a global leader in the hospitality space.



THE WESTIN CALGARY, ALBERTA, CANADA



1 HOTEL & HOMES SOUTH BEACH, MIAMI, FLORIDA

1 Hotel & Homes South Beach

With the 2009 acquisition via SOF VIII and and a limited partner co-investment vehicle of Corus Bank’s loan portfolio, Starwood Capital became the second-largest condo owner in Miami. As a result, the team was intimately familiar with the city and its massive potential. All that was needed was the right opportunity to capitalize upon—and the team found it with the Gansevoort, an unloved property blessed with a perfect location on South Beach.

In February 2012, SOF VIII and an LP co-investment vehicle purchased the fee-simple interest in property in a 50/50 joint venture with one of New York’s most successful private developers. After an approximately \$250 million renovation, Starwood Capital celebrated the opening of the newly rebranded 1 Hotel South Beach in March 2015. The opening also marked the launch of 1 Hotels, a new lifestyle hotel brand that cultivates the best of eco-conscious design and sustainable architecture, together with extraordinary comfort and an unrivaled level of service.

NAMA Loan Portfolio

In August 2013, SOF IX purchased—at a significant discount to par—an €809.4 million (\$1.0 billion) non-performing loan portfolio from the National Asset Management Agency (NAMA), the Irish “bad bank.” Consisting of 18 loans secured by 39 Irish commercial properties, the portfolio was the first sale of Irish assets by NAMA. The pool—heavily concentrated in Dublin, Ireland’s largest and most liquid market—comprised retail, industrial and residential properties, offices, parking garages and land/development sites.

The transaction highlights our focus on the increasing number of distressed debt investment opportunities in Europe, and it positioned us to benefit from the recovering Irish real estate market in general, and Dublin in particular.



WATERFORD SHOPPING CENTRE, DUBLIN, IRELAND



THE PRINCIPALMANCHESTER

Starwood Land Ventures

Anticipating an opportunity that would emerge following the financial crisis, the Firm in 2008 began to selectively acquire both small and large assemblages of finished and semi-finished residential lots in some of the nation’s most distressed markets that the team nonetheless believed were positioned for recovery. To pursue this strategy, Starwood Capital created Starwood Land Ventures (now Starwood Land Advisors), which teamed up on an exclusive basis with best-in-class, local residential land experts in Arizona, California, Colorado and Florida.

Starwood Land Ventures on behalf of multiple funds has purchased nearly 20,000 lots. Among its acquisitions, Starwood Land Ventures purchased the remaining 635 fully entitled lots in the gated community of Country Club East within the master-planned community of Lakewood Ranch in Sarasota, Florida—the top-selling master-planned community in the state at the time.



TERRAIN, CASTLE ROCK, COLORADO



WALKER TOWER, NEW YORK CITY

Walker Tower

With its Walker Tower investment, Starwood Capital was able to position itself to capitalize on the New York City luxury condo boom. In December 2010, the team negotiated a 50% interest in a 19-story condominium complex located at 212 West 18th Street, between 7th and 8th avenues, in New York City’s stylish Chelsea neighborhood. At the time of acquisition, the Firm’s outlook for high-end luxury development in the downtown Manhattan area was extremely positive, due to decreasing supply, a stable price environment, increasing sales volumes and limited new construction.

Originally built in 1929 for Bell Telephone Company, the property was designed by Ralph Thomas Walker—named “the architect of the century” by The New York Times. Walker Tower presented an exciting redevelopment opportunity, due to its 13’6” average ceiling heights, art

deco architecture, space for residential terraces, unobstructed views of the Empire State Building, Hudson River, New York Harbor and both midtown and downtown, neighborhood amenities and existing development rights. The transformation of the asset into 47 high-end residential condominiums involved a gut renovation of the entire building, as well as the construction of four additional floors.

Starwood Capital’s in-house design staff, in collaboration with the Firm’s development partners, produced what we believed to be an extraordinary product. Clearly, the market agreed with the team’s assessment—extremely high demand allowed Walker Tower to sell out at an average of \$3,750 per square foot. A full-floor penthouse unit in the building sold in January 2014 for \$51 million, or nearly \$8,400 per square foot—setting a new record for a downtown Manhattan condominium transaction.



150 West 34th Street

In 2014, SOF IX acquired 150 West 34th Street, a 78K square foot retail building 100% leased to Old Navy. The Fund purchased the property—situated in the heart of New York City’s 34th Street retail corridor, between Sixth and Seventh avenues—from a seller that was determined to close quickly. Thus, the Starwood Capital team was able to showcase the ability to rapidly and thoroughly analyze and finalize what it viewed as a fantastic opportunity to acquire a prime retail asset—with an investment-grade tenant and valuable optionality through development rights—in one of NYC’s top shopping districts.

At acquisition, the 34th Street corridor was experiencing a major rejuvenation—some of its most prominent stores, such as the Macy’s and H&M flagships, were undergoing significant renovations. Due to the disparity in rents between 34th Street and the Times Square, Madison Avenue and Fifth Avenue shopping districts, the team believed that tenants would increasingly be attracted to this corridor. With Penn Station down the block, foot traffic averaged up to 12,000 pedestrians per hour at peak times—and the team knew the neighborhood was well-positioned to reap the additional benefits of Hudson Yards and other nearby development and improvement projects.

With market participants recognizing the increasing strength of the 34th Street retail corridor in New York, the team elected to realize those gains by selling 150 West 34th Street for significantly more than its purchase price—barely one year after SOF IX’s acquisition of the asset.

U.S. Suburban Office Portfolio

In April 2015, SOF X purchased a 6.7 million square-foot, high-quality, welllocated suburban office portfolio in an off-market transaction for \$1.125 billion. The vast majority of assets were located in the high-growth markets of Raleigh, Nashville and South Florida.

The portfolio at acquisition included 61 existing buildings and 57 acres of land, as well as a building under construction in Raleigh. The buildings were based in markets with minimal supply under construction, with the majority of that new construction pre-leased—thus greatly reducing the negative impact new supply might have on the portfolio. Starwood Capital’s asset management team is positioning the portfolio’s assets to capitalize on strong cash flow and maximize profit by investing in high-return amenities, actively engaging tenants on



PERIMETER ONE, RALEIGH, NORTH CAROLINA

early renewals and increasing rents to market levels.

The team has also taken advantage of opportunities to generate upside through early asset sales—including selling non-strategic properties for prices well above initial allocations. This investment demonstrated Starwood Capital’s ability to identify an attractive point in the cycle to enter markets that were well-positioned for growth.



TRIANGLE BUILDING, DENVER, COLORADO

Denver Union Station Assemblage

In 2011, Starwood Capital via SOF VIII capitalized on the opportunity to form a joint venture with the master developer for the 50-acre Union Station project in Denver, Colorado—the largest transit-oriented development in the U.S. The Firm believed that Denver was poised for a resurgence, and that the Lower Downtown (LoDo) area in particular—which includes the Union Station neighborhood—was primed to emerge as the new city center.

As part of the JV, SOF VIII’s partner contributed several undeveloped land parcels that were all located within steps of the historic Union Station, which has become Denver’s new transit hub. The first building that the JV developed, One Union Station, was sold in 2014—and established a new high-water mark for Denver office pricing on a per-square-foot basis. The second, the Triangle building, was completed in August 2015, and sold in May 2017. The third property, 16 Chestnut, was sold to an institutional core investor in June 2016, prior to the start of construction—setting a record for the highest price per buildable square foot ever paid for land in Denver, and locking in profits without ever putting a shovel in the ground. The building was 81% pre-leased to DaVita Healthcare Partners, the leading provider of kidney services in the United States.



HAMPTON INN, SAN BERNARDINO, CALIFORNIA



DOUBLETREE BY HILTON HOTEL, WEST PALM BEACH AIRPORT, FLORIDA

Select-Service Hotel Portfolio

In 2015, Starwood Capital took a major step in the Firm’s continuing expansion into the select-service space with Starwood Global Opportunity Fund X’s acquisition, alongside a limited partner co-investment vehicle, of TMI Hospitality, one of the largest owners, managers and developers of select-service hotels in the United States, with 184 operating hotels and more than a dozen in the development pipeline. This follows joint ventures that Starwood Capital has established across multiple recent funds that target select-service hotels with strong cash-on-cash yields that can be acquired at significant discounts to replacement cost. As a result, the Firm has assembled one of the largest collections of select-service hotels in the United States. In October 2016, a Chinese life insurance company announced that it would serve as the anchor and leading investor for a 280-asset, 24,000-key select-service portfolio alongside a consortium of other investors that Starwood Capital assembled.

Starwood Capital created value throughout all phases of the investment period for these select-service properties. The assets in the sold portfolio were acquired at favorable entry points and aggregated into a portfolio well-diversified by brand, geography and demand drivers. The Firm’s dedicated select-service asset management team implemented strategies to improve revenue, control costs and strategically invest capital to improve guest-facing areas—to maximize return on investment and profitability. In addition, the team executed an exit strategy of a private portfolio sale to investors seeking a well-diversified portfolio of strong cash flow-generating hotels.

PUBLIC OFFERINGS

TRI Pointe Homes

By 2010, amid a rather grim macroeconomic climate, the Starwood Capital investment team believed that many of California’s housing markets had hit cyclical lows, and long-term demographics, household formation and population growth all implied a positive course ahead. Therefore, the team thought that a pure-play homebuilder focused on California would be extremely well-positioned in the market.

SOF VIII created a vertically integrated homebuilder focused on California, led by Doug Bauer, the former President and COO of William Lyon Homes. An opportunistic niche builder and land developer, TRI Pointe Homes’ approach focused on constructing single-family detached and attached homes, targeting entry-level and move-up buyers in proven, fast-growing markets. TRI Pointe Homes (NYSE: TPH) went public in 2013—the first IPO for a homebuilder in almost a decade. In 2014, TRI Pointe Homes combined its assets with Weyerhaeuser’s homebuilding subsidiary, WRECO, in a transformative transaction for the company—for which Starwood Capital CEO Barry Sternlicht served as



CROSS CREEK RANCH, HOUSTON, TEXAS

Chairman—that promised to accelerate the company’s growth. With nearly 28,000 lots owned and controlled, TRI Pointe Homes had grown to become one of the largest homebuilders in the United States. In March 2017, the team sold SOF VIII’s remaining stock position in the company, fully realizing this investment.

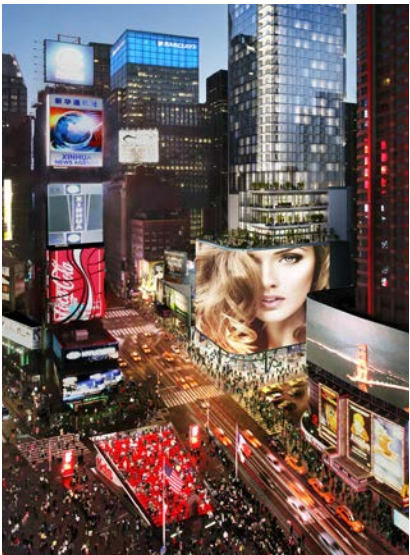
Starwood Property Trust

Amid the depths of the Great Recession, Starwood Capital recognized that traditional commercial lenders were withdrawing from the marketplace and a significant need had emerged for alternative commercial mortgage financings. In August 2009, Starwood Capital created Starwood Property Trust, Inc. (NYSE: STWD), a publicly traded real estate finance company focusing on originating, acquiring, financing and managing commercial mortgage loans and other commercial real estate debt investments. With an initial market capitalization of \$950 million, Starwood Property Trust was, at the time of its IPO, the largest blind pool company ever created and traded on the NYSE.

In conjunction with Starwood Capital, Starwood Property Trust in April 2013 acquired LNR Property LLC and subsidiary LNR Partners LLC, the largest special servicer in the U.S., thus gaining significant expertise in the distressed marketplace while also adding substantial scale and sophistication to the company’s

operations. LNR subsidiary Hatfield Philips International, one of the largest loan servicers in Europe, also helped position Starwood Property Trust to capitalize on the unwinding of European banks’ real estate lending portfolios. In November 2016, Starwood Property Trust sold Hatfield Philip to Situs, while retaining a non-controlling minority interest in Situs—thus positioning the team to benefit from the scale and opportunities supplied by a leading global provider of advisory and loan servicing solutions. In addition, Starwood Property Trust in early 2014 spun off its single-family residential operations into a separate entity, one of the largest publicly traded investors, owners and operators of single-family rental homes in the U.S.

The business has grown dramatically since inception, and Starwood Property Trust today is the nation’s largest commercial mortgage REIT by market capitalization. With total capital deployed since inception of more than \$37 billion, Starwood Property Trust continues to solidify its position as one of the world’s leading non-bank real estate finance companies.



20 TIMES SQUARE, NEW YORK, NEW YORK (artist’s rendering)



CHELSEA PIERS, NEW YORK CITY

iStar Financial, Inc.

In the mid-1990s, Starwood Capital recognized that the abundance of real estate capital, led by the growing REIT sector, was driving up pricing on traditional asset classes, and thus shifted its acquisition focus to mezzanine lending.

After executing more than \$1 billion in financings within a four-year period, the Firm capitalized on its sizable, well-seasoned portfolio and took the business public in 1998 by creating Starwood Financial, Inc. (NYSE: SFI). The Firm contributed the assets to a small, public REIT that it controlled and provided a dedicated management team to the entity. Barry Sternlicht became Chairman of the Board and several other executives of the Firm assumed Board seats. Starwood Capital subsequently expanded the company by closing on more than \$1.1 billion of new financing commitments and by merging with TriNet Corporate Realty Trust.

To eliminate market confusion, Starwood Financial was subsequently renamed iStar Financial, Inc., and grew to be one of the largest publicly traded finance companies focused exclusively on commercial real estate, with an enterprise value of more than \$16 billion at its peak.

Starwood Waypoint Residential Trust

Consistent with Starwood Capital's longstanding approach of investing capital at attractive return levels relative to risk, the investment team identified an opportunity to buy, renovate and lease a large assemblage of single-family homes across the United States. Leveraging the efforts of Starwood Capital, affiliate Starwood Property Trust (NYSE: STWD) constructed a portfolio of over 7,000 single-family homes and distressed and nonperforming residential mortgage loans. The team built this portfolio using a network of local partners who managed the renovation and leasing of these homes and the resolution of the loans. Starwood Capital also used its real estate acumen to build scale in select geographic markets that the team believed had the greatest potential for long-term appreciation, and in which the team could buy homes at the largest discounts to replacement cost.

The success of these efforts was reflected in the fact that the portfolio grew to almost \$800 million, or 13% of Starwood Property Trust's equity base. Once the team decided to spin off these assets, it scoured the country to find a best-in-class management team to build an industry-leading company. To that end, Starwood Capital acquired Waypoint Homes, a veteran of this newly institutional asset class. In 2014, Starwood Capital and Starwood Property Trust completed the spinoff of the single-family rental business and created Starwood Waypoint Residential Trust (NYSE: SWAY).

In 2016, Starwood Waypoint merged with Colony American Homes, bringing together two industry pioneers and creating a portfolio of over 30,000 homes. In 2017, Starwood Waypoint Homes (NYSE: SFR) merged with Invitation Homes (NYSE: INVH) and the combined company is the largest publicly traded investors, owners and operators of single-family rental homes in the United States.

Starwood European Real Estate Finance

In 2012, the Firm created Starwood European Real Estate Finance (LSE: SWEF). Starwood European Real Estate Finance originates, executes and services commercial real estate loans for institutional-quality investors throughout Europe. The company built a diversified portfolio of debt investments, collateralized by assets that has included the historic Claridge's, Connaught and Berkeley hotels in London, the Salesforce Tower and Centre Point office buildings in London, the Battersea Place senior assisted living facility in London, a Finnish retail platform, and Dutch and Danish light industrial assets.

Leveraging the comprehensive real estate expertise of its investment manager and a flexible investment strategy, Starwood European Real Estate Finance is well-positioned to address the changing dynamics of the European financing



CENTRE POINT, LONDON

markets. This investment represents an example of Starwood Capital's longtime focus on businesses with strong potential returns, diversification benefits and significant downside protection.



THE ST. REGIS HOTEL, NEW YORK CITY

Starwood Hotels & Resorts Worldwide

Starwood Capital is perhaps best known for creating and building Starwood Hotels & Resorts. This leading global hotel company has its origins in Starwood Capital's initial investment in publicly traded Hotel Investors Trust (NYSE: HOT) in 1994. At that time, HOT had an equity market capitalization of just \$8 million and needed an immediate recapitalization. Through a series of complex negotiations, Starwood Capital affiliates acquired a majority interest in HOT, and completed a restructuring and reorganization of the company. Between 1994 and 1998, Starwood Capital dramatically expanded the rebranded Starwood Hotels—highlighted by the acquisition of two major hotel companies, Westin Hotels & Resorts and ITT Sheraton. Following these transactions, Starwood Hotels in three short years had become the largest hotel company in the world, with more than 120,000 employees at its peak, 895 properties in 100 countries, and ownership of brands such as W Hotels, Westin, Sheraton, The St. Regis, Le Méridien and The Luxury Collection.

Barry Sternlicht became the Chairman and Chief Executive Officer of the renamed Starwood Hotels & Resorts in 2000. Mr. Sternlicht created W Hotels, generally regarded as the world's most successful "boutique" brand, built St. Regis Hotels from a single hotel to a global brand, and is credited with industry innovations including the Westin Heavenly® Bed and line of related products and Starwood Preferred Guest, the industry's first "no-blackout" frequent-stay program.

Equity Residential

At its inception in 1991, Starwood Capital was focused on the disarray in the real estate markets resulting from the savings and loan crisis of the late 1980s and early 1990s.

Over approximately 18 months, the Firm acquired 7,000 multifamily units at a fraction of replacement cost through the purchase of equity and distressed debt from the Resolution Trust Corp., FDIC and troubled lending institutions. In assembling this portfolio, Starwood Capital focused on newer properties in fundamentally sound secondary markets, with the strategic view that the recovery would be both imminent and dramatic. In August 1993, the Starwood Capital funds contributed approximately 6,400 multifamily units to Sam Zell's Equity Residential (NYSE: EQR) at its IPO.

EQR went on to become the largest publicly traded apartment owner in the country, with Barry Sternlicht serving on its Board of Directors for several years. This transaction marked the first of numerous investments in which the Firm created leading real estate platforms or companies in order to enhance value for its investors.



ESTATES AT MAITLAND SUMMIT, ORLANDO, FLORIDA

PRIVATIZATIONS



HÔTEL DE CRILLON, PARIS

Société du Louvre

In December 2005, Starwood Capital funds completed the \$3.2 billion acquisition of Groupe Taittinger and Société du Louvre (SDL), a family-controlled French conglomerate. At acquisition, SDL's assets included one of Europe's largest hotel networks—a unique collection of 15 luxury hotels, the most famous of which was the

Hôtel de Crillon in Paris, and more than 800 budget hotels under three brands. SDL also owned several luxury goods businesses, including famed champagne producer Taittinger, iconic crystal maker Baccarat and Annick Goutal perfumes.

The Firm's track record with this complex investment includes a number of milestones: a revamp and expansion of the Louvre Hotels budget business that spurred dramatic market share gains, and eventually led to the sale of the business; the sale of the Taittinger Champagne and Annick Goutal businesses; the sale of a 22% stake in Baccarat and an enhancement of the brand in conjunction with its 250-year anniversary that included the launch in March 2015 of the ultra-luxury Baccarat Hotel & Residences New York; the execution of a sale-leaseback transaction for 32 budget hotels in France at an



HARCOURT, BACCARAT CRYSTAL

attractive yield; and the careful disposition of the portfolio's luxury hotels at compelling prices.

This investment displays many of the hallmarks of Starwood Capital—creativity, agility and tenacity—and enabled the Firm to leverage its expertise in the hospitality industry, as well as its branding and operational savvy, to maximize the value of the portfolio.

Starwood Capital is led by seasoned professionals who have successfully navigated all stages of the real estate investment cycle. The Firm's executive and investment committees have worked together for an average of 16 years, and possess an average of 25 years of experience in the industry. We believe that our team collectively represents exceptional real estate talent—and, at all levels of the organization, we continue to seek out energetic, self-motivated individuals with fresh ideas and the ability to help implement innovative solutions that ultimately benefit our investors.



OUR MISSION

At Starwood Capital Group, our mission is simple: To be the best investment firm in the world. We are relentless in identifying value that others may overlook, while seeking to deliver superior results through rigorous financial and risk discipline. The longstanding relationships that we have enjoyed with many of our business partners, lenders and investors are a testament to our success in meeting the highest standards of fairness, cooperation and transparency.

Harnessing both skill and innovation in the pursuit of compelling investment opportunities has been a hallmark of Starwood Capital from the very beginning—and we have never been more committed to serving as the stewards of our investors' hard-earned capital than we are today. We look forward to continue building lasting partnerships with those who share our vision of Redefining Real Estate Investing.

NORTH AMERICA

Atlanta

Starwood Asset Management
400 Galleria Parkway, Suite 1450
Atlanta, GA 30339
Phone: 770.541.9046

Chicago

Starwood Retail Partners
One East Wacker Drive, Suite 2600
Chicago, IL 60601
Phone: 312.242.3200

Greenwich, CT

Starwood Capital Group
591 West Putnam Avenue
Greenwich, CT 06830
Phone: 203.422.7700

Los Angeles

Starwood Capital Group and
SPT Management
11611 San Vicente Boulevard, Suite 920
Los Angeles, CA 90049
Phone: 310.893.2781

Miami

Starwood Capital Group and LNR
1601 Washington Avenue, Suite 800
Miami Beach, FL 33139
Phone: 305.695.5500

San Francisco

Starwood Capital Group and
SPT Management
100 Pine Street, Suite 3000
San Francisco, CA 94111
Phone: 415.247.1220

Washington, D.C.

Starwood Capital Group
1255 23rd Street NW, Suite 675
Washington, D.C. 20037
Phone: 202.507.6710

For investor relations inquiries,
please contact:

Jerome Silvey

Vice Chairman and Chief Financial Officer
silveyj@starwood.com

Lanhee Yung

*Managing Director, Co-Head of Fundraising
and Investor Relations*
lyung@starwood.com

John McCarthy

*Managing Director, Fundraising
and Investor Relations*
jmccarthy@starwood.com

Michael Lefton

*Managing Director, Fundraising
and Investor Relations*
mlefton@starwood.com

James K. Broder

*Director, Fundraising
and Investor Relations*
jbroder@starwood.com

EUROPE

London

Starwood Capital Europe Advisers, LLP
One Eagle Place, 2nd Floor
St. James's
London, SW1Y 6AF
United Kingdom
Phone: +44.207.016.3650

Luxembourg

Starwood Capital Funds – Luxembourg
2-4 rue Eugène Ruppert
L-2453 Luxembourg
Phone: +352.26.64.51.21

Amsterdam

Starwood Capital Funds – Amsterdam
Beechavenue 54
1119 PW Schiphol-Rijk
The Netherlands
Phone: +31.20.658.65.20

ASIA

Hong Kong

Starwood Capital Asia
Somptueux Central, 20/F
52-54 Wellington Street
Hong Kong
Phone: +852.2824.8716

For acquisitions inquiries, please contact:

Jeffrey Dishner

*Senior Managing Director and Global Head of Real Estate
Acquisitions*
dishnerj@starwood.com

Christopher Graham

*Senior Managing Director and Head of Real Estate
Acquisitions for the Americas*
grahamc@starwood.com

For human resources inquiries, please contact:

Starwood Capital Group Human Resources
Candidates@starwood.com

