



LIGHTSTONE

LIGHTSTONE REAL ESTATE INCOME TRUST INC.

DEVELOPMENT FINANCE REIT

The properties pictured are not owned by the issuer or its affiliates, but are representative of some of the types of properties that the issuer may finance.

THIS SALES AND ADVERTISING LITERATURE MUST BE READ IN CONJUNCTION WITH THE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. A COPY OF THE PROSPECTUS MUST BE MADE AVAILABLE TO YOU IN CONNECTION WITH THIS OFFERING.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described herein. An offering is made only by prospectus. This literature must be preceded or accompanied by a current prospectus. An investment in Lightstone Real Estate Income Trust Inc. should be made only after a careful review of the prospectus. All information contained in this material is qualified in its entirety by the terms of the current prospectus. The achievement of any goals is not guaranteed. For more complete information about investing in Lightstone Real Estate Income Trust Inc., including risks, charges and expenses, refer to our prospectus.

Summary of Risk Factors:

Investing in our Common Shares involves a high degree of risk. Refer to the prospectus to read about risks you should consider before buying our Common Shares. These risks include the following:

- We and our advisor have no operating history and the performance of the prior real estate investment programs of our sponsor may not be indicative of our future results.
- This is a “blind pool” offering, so you will not have the opportunity to evaluate all our investments before you invest.
- There is no established trading market for our Common Shares, and there may never be one; therefore, it will be difficult for you to sell your Common Shares except pursuant to our share repurchase program. If you sell your Common Shares to us under our share repurchase program, you may receive less than the total price you paid for the Common Shares.
- We have paid, and expect to continue to pay, some of or all our distributions from sources other than our cash flow from operations, including from the proceeds of this offering or other offerings, cash advances to us by our advisor, cash resulting from a waiver of fees, and borrowings, including borrowings secured by our assets; this will reduce our funds available for investments and your overall return may be reduced.
- We expect to have a concentration of related-party investments. Therefore, if adverse business developments were to occur with respect to our sponsor or its related parties, our results of operations and the value of your Common Shares could be adversely affected.
- We will be subject to the general market risks associated with real estate construction and development.
- Our financial performance will depend on the successful development and redevelopment of properties that serve as security for the loans we make to developers or that are owned by entities in which we make preferred equity investments.
- Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.
- Payment of fees to our advisor and its affiliates will reduce cash available for investment and payment of distributions.
- If we are unable to raise substantial funds, we will not be able to diversify our portfolio.
- If we internalize our management functions, your interest in us could be reduced, and we could incur other significant costs associated with being self-managed.
- Our sponsor’s other public programs may be engaged in competitive activities, including the origination and acquisition of our targeted investments.
- Our advisor will face conflicts of interest with respect to related-party investments, which could result in a disproportionate benefit to our sponsor, its affiliates or other Lightstone-sponsored real estate investment programs.
- Our obligations under the subordinated agreement with our sponsor will entitle our sponsor to repayment of the outstanding advances under the subordinated agreement and accrued interest, in addition to the liquidation distributions to which our sponsor is entitled, that will reduce the liquidation distributions available to holders of our Common Shares.
- A limit on the number of shares a person may own may discourage a takeover of our company.
- Your interest could be diluted if we issue additional securities.
- We have broad authority to incur debt, and high debt levels could hinder our ability to pay distributions and could decrease the value of your investment.
- Our failure to qualify or remain qualified as a REIT would subject us to U.S. federal income tax and potentially state and local tax, and would adversely affect our operations and the market price of our Common Shares.





LIGHTSTONE

Lightstone believes development projects are surfacing as a compelling
Investment Opportunity
for income oriented investors

Investing In “Development Financing”

Since the economic dislocation that occurred in the United States from approximately 2007–2010, development finance opportunities for investors has surfaced as the market has experienced the following:

- Lenders have tightened lending standards, making it difficult for developers to obtain traditional financing post 2008.
- Demand for development and/or redevelopment projects is increasing in key markets.
- Private equity is serving to finance development projects vs. traditional sources.

Investments Objectives¹

- Primary investment objectives are to pay stable cash distributions to our stockholders and to preserve and protect investors’ capital contributions. We may also seek to realize growth in the value of our investments and to optimize the timing of their sale.
- Intend to begin the process of achieving a liquidity event no later than 5 years after the termination of the offering²

¹ We have wide latitude to make other investments, and may invest in whatever types of real estate-related investments that we believe are in our best interests.

² There is no guaranty of a liquidity event.

Offering Details³

- Pay **8% annualized distribution rate** paid on a monthly basis.⁴
- Return invested capital in 5th year following the conclusion of the offering period.⁵

³ There can be no assurances that the Investment Objectives will be met, or that Lightstone will be able to execute on its Investment Strategy.

⁴ There is no guarantee of distributions. We will make some of or all our distributions from sources other than cash flow from operations, including the proceeds of our public offering or from borrowings (including borrowings secured by our assets); our organizational documents do not limit the amount of distributions we can fund from sources other than operating cash flow. From LREIT's inception through September 30, 2016, distributions totaled \$1,381,789 and were paid from offering proceeds (approximately \$246,007 or 18%), cash flows provided by operations (\$808,446, or 58%) and excess cash proceeds from the issuance of common stock through the distribution reinvestment program (\$327,336, or 24%). This will reduce our funds available for investments and your overall return may be reduced.

⁵ There is no guaranty of a liquidity event.

Investment Strategy⁶

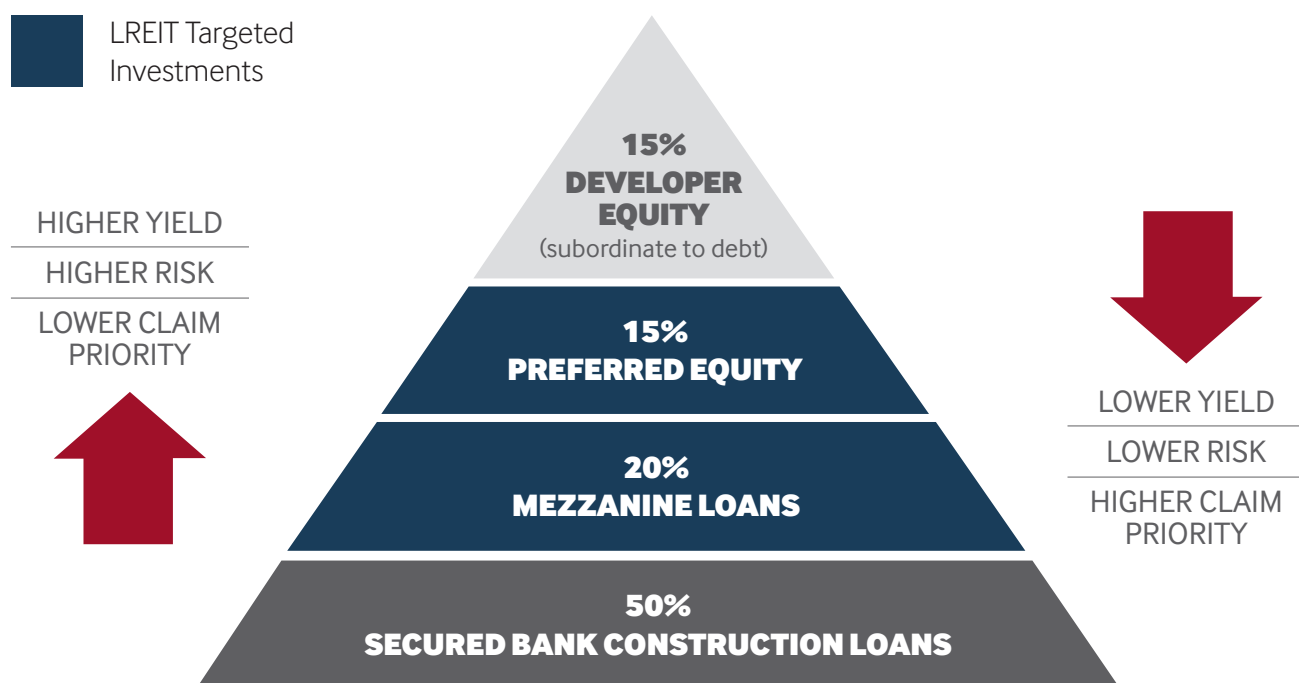
- Originate mezzanine loans or preferred equity investments in development projects including related-party investments
- Participate in loan portfolios with third parties

⁶ There can be no assurances that the Investment Objectives will be met, or that Lightstone will be able to execute on its Investment Strategy.

Lightstone Real Estate Income Trust

intends to focus on investing in debt obligations that finance development or redevelopment opportunities.

Example of Typical Development Finance Structure





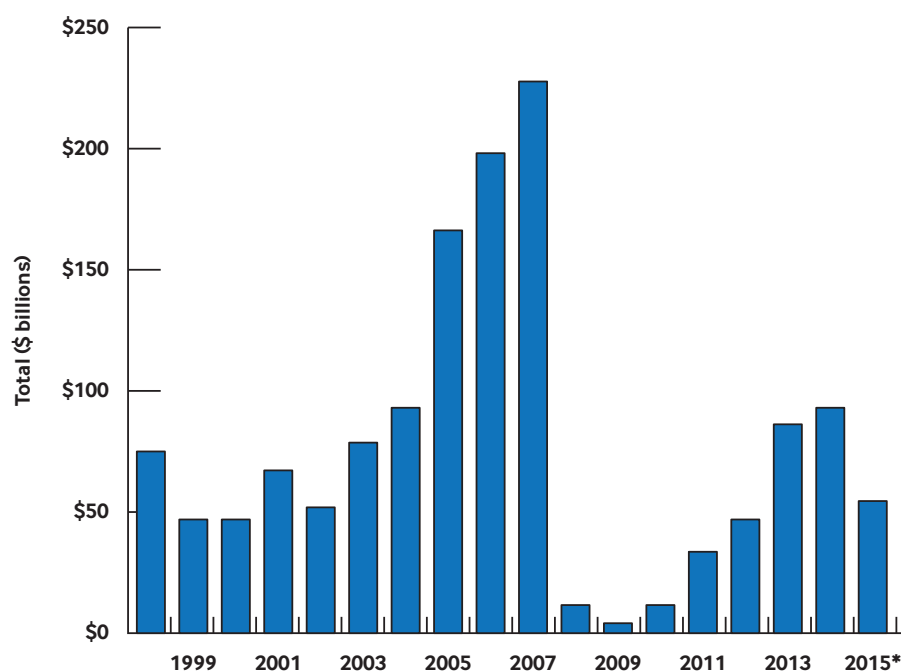
PwC's Emerging Trends in Real Estate, states that banks' lending practices are more conservative today due to increased regulatory constraints and that many face hurdles that limit lending because of 'loan-to-value' constraints that are much more rigid than limits previously in place prior to the global financial crisis.⁷

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⁷ "Emerging Trends in Real Estate", PwC (2016).

U.S. CMBS Issuance*

HISTORIC
LENDING HAS
DECLINED
POST 2008



* Total through
June 30, 2015.

Lightstone's Real Estate Experience

EXPERIENCED MANAGEMENT TEAM

Lightstone was founded in 1988 and since 2008, either on its own account or on behalf of affiliates and investment programs it sponsors, has acquired over \$2 billion in assets.

Sector	Assets ⁸
Residential Units	11,000
Outlet Malls	25 locations/8 million sq. ft.
Hotel Keys	3,843
Land Lots	12,000
Commercial	Over 6 million sq. ft

REAL ESTATE & FINANCING EXPERIENCE

Our sponsor has structured over \$1 billion in financing for its sponsored development projects since 2007.

Development Experience⁹



2003 to 2011

Lightstone redeveloped and operated a portfolio of 22 outlet centers valued at \$2.3 billion.



2011 to 2015

**GANTRY PARK LANDING,
LONG ISLAND CITY, NEW YORK**

- *Developed, 12 story luxury boutique residential building featuring 199 apartments and high end property amenities*
- *100% leased within 8 months at above market rates*
- *\$82 million budget*

**365 BOND STREET,
BROOKLYN, NEW YORK**

- *A luxury residential community with 429 units in a full service rental*
- *Surrounded by a beautiful waterfront park and esplanade*
- *\$209 million budget*



**Current
NEW YORK CITY
PROJECT PIPELINE¹⁰**

- *8 projects including 1,117 residential units and 1,499 hotel rooms*
- *Total project budget over \$2.5 billion*

⁸ As of September 30, 2016.

⁹ These projects were undertaken by Lightstone and its affiliates for its own account. The first two properties pictured are owned or were owned by Lightstone, not by the issuer. Investors in this offering will not obtain ownership interests in such properties. The properties shown in the third picture are not owned by the issuer or its affiliates, but are representative of some of the types of properties that the issuer may finance.

¹⁰ The issuer currently has an indirect ownership interest in one such project. The issuer may or may not in the future invest in one or more other such projects.

Investment Process

Our advisor will source our investments from our sponsor, its personnel and affiliates, the former and current financing and investment partners of our sponsor and its affiliates, third-party intermediaries, competitors of our sponsor who are looking to share risk and securitization or lending departments of major financial institutions.

In selecting investments, our advisor will utilize its established investment and underwriting process, which focuses on ensuring that each prospective investment is being evaluated appropriately. The criteria that our advisor will consider when evaluating prospective investment opportunities may include, as applicable:

- the borrower's plans for exiting its investment or refinancing its indebtedness;
- the market in which the property underlying the investment is located, such as local supply constraints, the quality and nature of the local workforce and prevailing local real estate values;
- the development and operating expertise and financial strength of the sponsor, borrower or tenant;
- the development project budget, sources and uses of financing, including the level of equity invested in the project by the borrower and any co-venturers, and construction and lease-up timelines;
- real estate and leasing market conditions affecting the underlying real estate collateral;
- the underlying property and its operating performance, including tenant rosters, lease terms, zoning, operating costs and the asset's overall competitive position in its market;
- the cash flow in place and projected to be in place over the term of the investment;
- the appropriateness of estimated costs and timing associated with capital improvements of the property;
- the investment's value, the investment's basis relative to its value and the ability to liquidate an investment through a sale or refinancing of the underlying asset;
- third-party reports, including appraisals, engineering reports and environmental reports;
- physical inspections of the property; and
- the overall structure of the investment and rights in the collateral documentation.

If the underwriting criteria are met, our advisor will review the proposed transaction structure, including security, reserve requirements, cash flow sweeps, call protection and recourse provisions. We will generally not complete any investment until the successful completion of due diligence, which includes the satisfaction of all applicable elements of our investment and underwriting process and a Phase I assessment of any property underlying our debt.

Lightstone Real Estate Income Trust Inc.

Offering Details

Offering Size: \$300 million¹¹

Initial Price per Share: \$10.00¹²

Minimum Initial Investment: \$1,000 (\$2,500 for NY investors)

Investor Suitability¹³: \$70,000 income + \$70,000 net worth¹² or \$250,000 net worth¹⁴

Distributions: 8% per annum, paid monthly¹⁵

Lightstone's Co-Investment Commitment

The Lightstone Group, LLC, which is the sponsor of Lightstone Real Estate Income Trust Inc. and is majority-owned by David Lichtenstein, who is the CEO of both The Lightstone Group, LLC and Lightstone Real Estate Income Trust Inc., has committed to lend up to \$36 million to Lightstone Real Estate Income Trust Inc.

Subordinated Loan:¹⁶

- Sponsor investment is subordinate to investors
- Valued at \$0 until estimated NAV exceeds the aggregate amount received from investors plus a cumulative, pre-tax, non-compounded annual return of 8%.
- In liquidation scenario, investors receive 100% return of net investment plus 8% cumulative, pre-tax, non-compounded annual return¹⁷
- Sponsor receives 100% return of net investment plus 8% cumulative, pre-tax, non-compounded annual return after investors return of net investment plus preferred
- Thereafter, 85%/15% (Investors/Sponsor)

Learn more at: lightstonecapitalmarkets.com | 800.304.0210

¹¹ Exclusive of DRIP

¹² It is anticipated that the Offering Price Per Share will be updated quarterly, based on the estimated appraised value of the portfolio. On July 25, 2016, LREIT adjusted its offering price to \$10.00 per Common Share in its primary offering, which is equal to the estimated net asset value per Common Share as of June 30, 2016. Price per share is subject to discount for some categories of investor.

¹³ The following states have additional suitability requirements: AL, CA, IA, KS, KY, MA, ME, MI, MO, ND, NE, NJ, NM, NY, OH, OR, PA, TN, VT, and WA.

¹⁴ Excluding the value of an investor's home, furnishings and automobiles.

¹⁵ There is no guarantee of distributions. We will make some of or all our distributions from sources other than cash flow from operations, including the proceeds of our public offering or from borrowings (including borrowings secured by our assets); our organizational documents do not limit the amount of distributions we can fund from sources other than operating cash flow. From LREIT's inception through September 30, 2016, distributions totaled \$1,381,789 and were paid from offering proceeds (approximately \$246,007 or 18%), cash flows provided by operations (\$808,446, or 58%) and excess cash proceeds from the issuance of common stock through the distribution reinvestment program (\$327,336, or 24%). This will reduce our funds available for investments and your overall return may be reduced.

¹⁶ Lightstone's sponsor has committed to loan up to \$36 million on a subordinated basis to LREIT with the intention of helping to maintain an estimated per share net asset value ("NAV") close to the initial share offering price of \$10.00.

¹⁷ We cannot guarantee that this return will be achieved, but disclose it solely in order to describe the comprehensive arrangements to which LREIT is subject. Past performance is not indicative of future results.

Forward-Looking Statements: All statements contained in this brochure, other than statements of historical fact, are forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "believe," "expect," "intend," "anticipate," "estimate," "project," or similar expressions or variations thereof. These statements are based on LREIT's current plans and expectations and involve risks and uncertainties that could cause actual future events or results to be different than those described in or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on any forward-looking statements.

Securities offered through Orchard Securities, LLC, member FINRA/SIPC. Lightstone Capital Markets is a branch office of Orchard Securities, LLC.

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