STARWOOD PROPERTY TRUST, INC.
Form 424B5
April 16, 2015

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Stock, par value $0.01 per share	13,800,000	$23.85	$329,130,000	$38,245

(1) Assumes exercise in full of the underwriters' option to purchase up to an additional 1,800,000 shares of common stock.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

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Filed pursuant to Rule 424(b)(5)
Registration No.: 333-186561

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 11, 2013)

12,000,000 Shares

Starwood Property Trust, Inc.

Common Stock

We are offering 12,000,000 shares of our common stock.

The underwriters have agreed to purchase our common stock from us at a price of $23.6335 per share, which will result in approximately $283.6 million of total net proceeds to us before expenses. The underwriters may offer the shares of our common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See "Underwriting."

We have granted the underwriters an option to purchase up to 1,800,000 additional shares of our common stock within 30 days from the date of this prospectus supplement.

Our common stock, par value $0.01 per share, is listed on the New York Stock Exchange under the trading symbol "STWD." The last reported sale price of our common stock on the New York Stock Exchange on April 14, 2015 was $24.44 per share.

To assist us in maintaining our qualification as a real estate investment trust for U.S. federal income tax purposes, subject to certain exceptions, no person may own more than 9.8% by value or number of shares, whichever is more restrictive, of our outstanding shares of common stock, or of our outstanding capital stock. You should read the information under the section entitled "Description of Capital Stock Restrictions on Ownership and Transfer" in the accompanying prospectus for a description of these restrictions.

Investing in our common stock involves certain risks. See "Risk Factors" beginning on page S-4 of this prospectus supplement and in the reports we file with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, incorporated by reference in this prospectus supplement and the accompanying prospectus, to read about factors you should consider before making an investment in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about April 20, 2015 through the book-entry facilities of The Depository Trust Company.

Morgan Stanley	**Citigroup**	**J.P. Morgan**	**Wells Fargo Securities**

April 14, 2015

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You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations, liquidity and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to or updates the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about our common stock and other securities that do not pertain to this offering of common stock. To the extent that the information contained in this prospectus supplement conflicts with any information in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control. The information in this prospectus supplement may not contain all of the information that is important to you. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully before deciding whether to invest in our common stock.

Unless otherwise indicated or the context requires otherwise, references in this prospectus supplement to "the Company," "our company," "we," "us" and "our" mean Starwood Property Trust, Inc. and its consolidated subsidiaries.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain certain forward-looking statements, including, without limitation, statements concerning our operations, economic performance and financial condition. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are developed by combining currently available information with our beliefs and assumptions and are generally identified by the words "believe," "expect," "anticipate" and other similar expressions. Forward-looking statements do not guarantee future performance, which may be materially different from that expressed in, or implied by, any such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates.

These forward-looking statements are based largely on our current beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control, and which could materially affect actual results, performance or achievements. Factors that may cause actual results to vary from our forward-looking statements include, but are not limited to:

- factors described in the section captioned "Risk Factors" in this prospectus supplement, as well as in our Annual Report on Form 10-K for the year ended December 31, 2014, including those set forth under the captions "Risk Factors" and "Business";
- defaults by borrowers in paying debt service on outstanding indebtedness;
- impairment in the value of real estate property securing our loans;
- availability of mortgage origination and acquisition opportunities acceptable to us;
- our ability to fully integrate LNR Property LLC, a Delaware limited liability company, or LNR, which was acquired on April 19, 2013, into our business and achieve the benefits that we anticipate from this acquisition;
- potential mismatches in the timing of asset repayments and the maturity of the associated financing agreements;
- national and local economic and business conditions;
- general and local commercial and residential real estate property conditions;
- changes in federal government policies;
- changes in federal, state and local governmental laws and regulations;
- increased competition from entities engaged in mortgage lending and securities investing activities;
- changes in interest rates; and

the availability of and costs associated with sources of liquidity.

In light of these risks and uncertainties, there can be no assurances that the results referred to in the forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein will in fact occur. Except to the extent required by applicable law or regulation, we undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, changes to future results over time or otherwise.

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SUMMARY

This summary highlights information about us and the shares of our common stock being offered by this prospectus supplement and the accompanying prospectus. This summary is not complete and may not contain all of the information that you should consider prior to investing in our common stock. For a more complete understanding of our company, we encourage you to read this entire document, including the information incorporated by reference into this document and the other documents to which we have referred.

Overview

We are a Maryland corporation that commenced operations in August 2009, upon the completion of our initial public offering. We are focused primarily on originating, acquiring, financing and managing commercial mortgage loans and other commercial real estate debt investments, commercial mortgage-backed securities, or CMBS, and other commercial real estate-related debt investments in both the U.S. and Europe. We refer to the following as our target assets:

- commercial real estate mortgage loans, including preferred equity interests;
- CMBS; and
- other commercial real estate-related debt investments.

Our target assets may also include residential mortgage-backed securities, certain residential mortgage loans, distressed or non-performing commercial loans, commercial properties subject to net leases and equity interests in commercial real estate. As market conditions change over time, we may adjust our strategy to take advantage of changes in interest rates and credit spreads as well as economic and credit conditions.

On April 19, 2013, we acquired the equity of LNR and certain of its subsidiaries. Immediately prior to the acquisition, an affiliate of ours acquired the remaining equity comprising LNR's commercial property division. The portion of the LNR business acquired by us includes the following: (i) servicing businesses in both the U.S. and Europe that manage and work out problem assets; (ii) an investment business that is focused on selectively acquiring and managing real estate finance investments, including unrated, investment grade and non-investment grade rated CMBS, including subordinated interests of securitization and re-securitization transactions, and high yielding real estate loans; and (iii) a mortgage loan business which originates conduit loans for the primary purpose of selling these loans into securitization transactions.

Our objective is to provide attractive risk-adjusted returns to our investors over the long-term, primarily through dividends and secondarily through capital appreciation. We intend to achieve our objective by originating and acquiring target assets to create a diversified investment portfolio that is financed in a manner that is designed to deliver attractive returns across a variety of market conditions and economic cycles. We employ leverage, to the extent available, to fund the acquisition of our target assets, increase potential returns to our stockholders, or provide temporary liquidity. We are organized as a holding company and conduct our business primarily through our various wholly-owned subsidiaries.

We are externally managed and advised by SPT Management, LLC, or our manager, pursuant to the terms of a management agreement. Our manager is controlled by Barry Sternlicht, our Chairman and Chief Executive Officer. Our manager is an affiliate of Starwood Capital Group Global, L.P., or Starwood Capital Group, a privately-held private equity firm founded and controlled by Mr. Sternlicht.

We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2009. We also operate our

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business in a manner that will permit us to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act.

Our corporate headquarters office is located at 591 West Putnam Avenue, Greenwich, Connecticut 06830, and our telephone number is (203) 422-8100.

Recent Developments

Dividend Declaration

On February 25, 2015, our board of directors declared a dividend of $0.48 per share for the quarter ending March 31, 2015. The dividend is payable on April 15, 2015 to common stockholders of record as of March 31, 2015. Purchasers of shares of common stock in this offering will not be entitled to receive this dividend.

Pending Acquisition of Portfolio of Office and Residential Properties

In March 2015, we entered into agreements to acquire a portfolio of nine office properties and one residential property located in Dublin, Ireland. The completion of the acquisition of this portfolio is subject to our entrance into definitive agreements to acquire three additional office properties also located in Dublin. The aggregate purchase price for all 13 properties, which collectively comprise approximately 630,000 square feet, is approximately €452.5 million. The portfolio is located in prime locations in Dublin's central business district. As of March 31, 2015, the portfolio was 99.9% leased and the office properties were leased primarily to multinational and government tenants and had a weighted average lease term of 6.2 years. The transaction was sourced by Starwood Capital Group's acquisitions professionals in Europe and expands our core-plus equity investment strategy, which complements our primary business segments and is focused on high quality, well-occupied real estate assets with strong tenant rosters, using only modest leverage. Starwood Capital Group has been invested in the greater Dublin market for over two years.

In connection with these transactions, we expect to obtain a five-year, €294 million unsecured term loan from an affiliate of Morgan Stanley & Co. LLC, one of the underwriters in this offering, the proceeds of which we anticipate using to finance a portion of the aggregate purchase price for the properties. We expect to fund the remainder of the aggregate purchase price from cash on hand and a portion of the net proceeds from this offering. See "Use of Proceeds." In addition to the requirement to enter into definitive agreements for the three additional properties described above, the acquisition of the initial portfolio is (and the acquisition of the three additional properties would be) subject to customary closing conditions. We expect to complete all of the acquisitions in the second quarter of 2015, although there can be no assurance that we will be able to enter into definitive agreements for the additional three properties, that we will be able to obtain the term loan described above or that any of the acquisitions will be completed on the terms described or at all.

Repurchase of Convertible Notes

During the first quarter of 2015, we repurchased approximately $104.1 million aggregate principal amount of our 4.00% Convertible Senior Notes due 2019 pursuant to our repurchase program at a total cost of $119.8 million. Our repurchase program allows for the repurchase of up to $250 million of our outstanding common stock and convertible senior notes through September 26, 2015.

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The Offering

Issuer	Starwood Property Trust, Inc.
Common stock offered by us	12,000,000 shares of our common stock, par value $0.01 per share (13,800,000 shares of our common stock if the underwriters' option to purchase additional shares is exercised in full)
Shares of common stock to be outstanding after this offering[(1)]	236,325,659 shares of our common stock (238,125,659 shares of our common stock if the underwriters' option to purchase additional shares is exercised in full)
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $282.9 million (or approximately $325.4 million if the underwriters' option to purchase additional shares is exercised in full), after deducting our estimated expenses. We intend to use the net proceeds from this offering to originate and purchase additional commercial mortgage loans and other target assets and investments, including to fund a portion of the purchase price for our pending acquisition of the portfolio of office and residential properties described above under " Recent Developments Pending Acquisition of Portfolio of Office and Residential Properties." We may also use a portion of the net proceeds for other general corporate purposes, including, but not limited to, the payment of liabilities and other working capital needs. See "Use of Proceeds."
Ownership limit	Subject to certain exceptions, our charter restricts ownership of more than 9.8% by value or number of shares, whichever is more restrictive, of our outstanding shares of common stock, or of our outstanding capital stock, in order to protect our status as a REIT for U.S. federal income tax purposes. See "Description of Capital Stock Restrictions on Ownership and Transfer" in the accompanying prospectus.
Listing	Our common stock is listed on the New York Stock Exchange under the trading symbol "STWD."
Risk factors	An investment in our common stock involves risks, and prospective investors should carefully consider the matters discussed under "Risk Factors" beginning on page S-4 of this prospectus supplement and the reports we file with the SEC pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act, incorporated by reference into this prospectus supplement and the accompanying prospectus, before making a decision to invest in our common stock.

(1) The number of shares of our common stock to be outstanding after this offering is based on 224,325,659 shares of our common stock outstanding as of April 9, 2015, which excludes: (i) 1,568,307 shares of our common stock that are issuable upon the vesting of restricted stock units previously granted to our manager; (ii) 3,740,710 shares of our common stock reserved for issuance under our equity incentive plans; and (iii) 62,374,740 shares of our common stock reserved for issuance upon conversion of our 3.75% Convertible Senior Notes due 2017, our 4.55% Convertible Senior Notes due 2018 and our 4.00% Convertible Senior Notes due 2019, which we refer to herein collectively as our Convertible Notes (in each case, based on the conversion rates in effect at April 9, 2015).

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RISK FACTORS

Investing in our common stock involves risks. You should carefully read and consider the risks described below as well as the risks described in the sections entitled "Item 1. Business" and "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014. You should also carefully read and consider the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risks described above in "Cautionary Statement Regarding Forward-Looking Statements," before making a decision to invest in our common stock. Each of these risks could materially and adversely affect our business, financial condition, results of operations, liquidity and prospects, and could result in a partial or complete loss of your investment.

Risks Related to This Offering

The market price and trading volume of our common stock could be volatile and the market price of our common stock could decline, resulting in a substantial or complete loss of your investment.

The stock markets, including the New York Stock Exchange, which is the exchange on which our common stock is listed, have experienced significant price and volume fluctuations. Overall weakness in the economy and other factors have recently contributed to extreme volatility of the equity markets generally, including the market price of our common stock. As a result, the market price of our common stock has been and may continue to be volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. Some of the factors that could negatively affect our stock price or result in fluctuations in the price or trading volume of our common stock include:

- our actual or projected operating results, financial condition, cash flows and liquidity, or changes in business strategy or prospects;
- actual or perceived conflicts of interest with our manager or Starwood Capital Group and individuals, including our executives;
- equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur;
- actual or anticipated accounting problems;
- publication of research reports about us or the real estate industry;
- changes in market valuations of similar companies;
- adverse market reaction to the level of leverage we employ;
- additions to or departures of our manager's or Starwood Capital Group's key personnel;
- speculation in the press or investment community;
- our failure to meet, or the lowering of, our earnings estimates or those of any securities analysts;

increases in market interest rates, which may lead investors to demand a higher distribution yield for our common stock and would result in increased interest expenses on our debt;

failure to maintain our REIT qualification;

uncertainty regarding our exemption from the Investment Company Act;

price and volume fluctuations in the stock market generally; and

general market and economic conditions, including the current state of the credit and capital markets.

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In the past, securities class action litigation has often been instituted against companies following periods of volatility in their share price. This type of litigation could result in substantial costs and divert our management's attention and resources.

There may be future dilution of our common stock as a result of additional issuances of our securities, which could adversely impact our stock price.

Our board of directors is authorized under our charter to, among other things, authorize the issuance of additional shares of our common stock or the issuance of shares of preferred stock or additional securities convertible or exchangeable into equity securities, without stockholder approval. The issuance of additional shares of our common stock in this offering and in connection with conversions of our outstanding Convertible Notes, or other future issuances of our common stock or shares of preferred stock or securities convertible or exchangeable into equity securities, may dilute the ownership interest of our existing stockholders. Because our decision to issue additional equity or convertible or exchangeable securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. Additionally, any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common stock. Also, we cannot predict the effect, if any, of future sales of our common stock, or the availability of shares for future sales, on the market price of our common stock. Sales of substantial amounts of common stock or the perception that such sales could occur may adversely affect the prevailing market price for our common stock.

We have not established a minimum distribution payment level and no assurance can be given that we will be able to make distributions to our stockholders in the future at current levels or at all.

We are generally required to distribute to our stockholders at least 90% of our taxable income each year for us to qualify as a REIT under the Internal Revenue Code of 1986, as amended, which requirement we currently intend to satisfy through quarterly distributions of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. We have not established a minimum distribution payment level, and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus. Although we have made, and anticipate continuing to make, quarterly distributions to our stockholders, our board of directors has the sole discretion to determine the timing, form and amount of any future distributions to our stockholders, and such determination will depend on our earnings, financial condition, debt covenants, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to continue to pay distributions to our stockholders:

- the profitability of the investment of the net proceeds from our equity offerings;
- our ability to make profitable investments;
- margin calls or other expenses that reduce our cash flow;
- defaults in our asset portfolio or decreases in the value of our portfolio; and
- the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that we will be able to continue to make distributions to our stockholders in the future or that the level of any future distributions we do make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect us.

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In addition, distributions that we make to our stockholders are generally taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our common stock.

Investing in our common stock may involve a high degree of risk.

The investments that we make in accordance with our investment objectives may result in a high amount of risk, resulting in a complete loss of principal, when compared to alternative investment options. Our investments may be highly speculative and aggressive, and therefore an investment in our common stock may not be suitable for someone with lower risk tolerance.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $282.9 million (or approximately $325.4 million if the underwriters' option to purchase additional shares is exercised in full), after deducting our estimated expenses. We intend to use the net proceeds from this offering to originate and purchase additional commercial mortgage loans and other target assets and investments, including to fund a portion of the purchase price for our pending acquisition of the portfolio of office and residential properties described above under "Summary Recent Developments Pending Acquisition of Portfolio of Office and Residential Properties." In the event that the pending acquisition does not close, we intend to use such proceeds to originate and purchase other target assets and investments. We may also use a portion of the net proceeds for other general corporate purposes, including, but not limited to, the payment of liabilities and other working capital needs.

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CAPITALIZATION

The following table sets forth our consolidated capitalization (i) as of December 31, 2014 and (ii) as of December 31, 2014, as adjusted to give effect to the sale of the 12,000,000 shares of common stock offered hereby (assuming the underwriters' option to purchase additional shares is not exercised).

	As of December 31, 2014	
	Historical	As Adjusted(1)
	(Dollars in thousands)	
Debt:[(2)]		
Secured financing agreements, net	$ 3,137,789	$ 3,137,789
Convertible senior notes, net	1,418,022	1,418,022
Total debt	4,555,811	4,555,811
Stockholders' equity:		
Common stock, par value $0.01 per share, 500,000,000 shares authorized; 224,752,053 shares issued and 223,538,303 shares outstanding, historical, and 236,752,053 shares issued and 235,538,303 shares outstanding, as adjusted[(3)]	2,248	2,368
Preferred stock, par value $0.01 per share; 100,000,000 shares authorized and 0 shares issued and outstanding, historical and as adjusted		
Additional paid-in capital	3,835,725	4,118,457
Treasury stock (1,213,750 shares historical and as adjusted)	(23,635)	(23,635)
Accumulated other comprehensive income	55,896	55,896
Accumulated deficit	(9,378)	(9,378)
Total stockholders' equity	3,860,856	4,143,708
Non-controlling interests in consolidated subsidiaries	22,056	22,056
Total equity	3,882,912	4,165,764
Total capitalization	$ 8,438,723	$ 8,721,575

(1) Does not reflect the payment of our regular quarterly dividend or the incurrence of debt subsequent to December 31, 2014.

(2) Does not include variable interest entity (VIE) liabilities or liabilities resulting from failed sales, both of which are liabilities that are included in our consolidated balance sheets in accordance with accounting principles generally accepted in the United States (GAAP).

(3) Excludes the following common stock issuances made subsequent to December 31, 2014: (w) 110,387 restricted shares of our common stock granted pursuant to our equity incentive plans; (x) 3,392 shares of our common stock issued pursuant to our dividend reinvestment and direct stock purchase plan; (y) 387,299 shares of our common stock issued to our manager as partial payment of its quarterly incentive fee; and (z) 286,278 shares of our common stock issued upon the vesting of restricted stock units previously granted to our manager. In addition, this amount excludes: (i) 1,568,307 shares of our common stock that are issuable upon the vesting of restricted stock units previously granted to our manager; (ii) 3,740,710 shares of our common stock reserved for issuance under our equity incentive plans; and (iii) 62,374,740 shares of our common stock reserved for issuance upon conversion of our Convertible Notes (in each case, based on the conversion rates in effect at April 9, 2015).

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SUPPLEMENTAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion supplements the discussion under the section entitled "U.S. Federal Income Tax Considerations" in the accompanying prospectus and is subject to the qualifications set forth therein. Terms used in this section but not defined in this section have the meanings ascribed to them elsewhere in this prospectus supplement or in the section entitled "U.S. Federal Income Tax Considerations" in the accompanying prospectus. You should refer to the discussion in the accompanying prospectus under "U.S. Federal Income Tax Considerations" for a discussion of the tax consequences of our election to be taxed as a REIT and additional information regarding the tax consequences to owners of our common stock.

Recent Changes in U.S. Federal Income Tax Withholding

This paragraph supplements the discussion in the accompanying prospectus under the heading "U.S. Federal Income Tax Considerations Taxation of Stockholders Taxation of Foreign Stockholders HIRE Act." Pursuant to final Treasury Regulations and recent IRS guidance, this 30% withholding tax will apply to payments on dividends on our common stock, and to payments of gross proceeds from a sale or disposition of our common stock on or after January 1, 2017. In addition, the United States and other governments have entered into, and are in the process of negotiating, intergovernmental agreements with respect to the HIRE Act. These intergovernmental agreements and the implementation of local country laws and regulations may modify the withholding and reporting requirements described in the accompanying prospectus. Prospective investors are urged to consult their tax advisors regarding the effect of the HIRE Act on an investment in our common stock.

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UNDERWRITING

Morgan Stanley & Co. LLC, Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are acting as underwriters of this offering. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

Underwriter	Number of Shares
Morgan Stanley & Co. LLC	3,000,000
Citigroup Global Markets Inc.	3,000,000
J.P. Morgan Securities LLC	3,000,000
Wells Fargo Securities, LLC	3,000,000
Total	12,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if they purchase any of the shares.

The underwriters have agreed to purchase the shares of common stock from us at a price of $23.6335 per share, which will result in net proceeds to us, after deducting estimated expenses related to this offering, of approximately $282.9 million assuming no exercise of the option to purchase additional shares granted to the underwriters, and $325.4 million assuming full exercise of the option.

The underwriters may offer the shares of common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. In connection with the sale of the shares of common stock offered hereby, the underwriters may be deemed to have received compensation in the form of underwriting discounts. The underwriters may effect such transactions by selling shares of common stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or purchasers of shares of common stock for whom they may act as agents or to whom they may sell as principal.

We estimate that our total expenses for this offering will be approximately $750,000.

If the underwriters sell more shares than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 1,800,000 additional shares at $23.6335 per share. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

We, each of our officers and directors, our manager, each of our manager's officers and SPT Investment, LLC have agreed that, for a period of 45 days from the date of this prospectus supplement, subject to certain exceptions (including sales of shares of common stock by our directors and officers to satisfy tax obligations in connection with the granting or vesting of equity awards acquired pursuant to one or more of our equity incentive plans, certain transfers of shares by our manager to its employees and advisors and the issuance and sale of shares of common stock by us pursuant to our dividend reinvestment and stock purchase plan), we and they will not, without the prior written consent of Morgan Stanley & Co. LLC, offer, sell, contract to sell, pledge or otherwise dispose

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of or hedge any shares of common stock or any securities convertible into or exchangeable for our common stock. Morgan Stanley & Co. LLC, in its sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

The shares are listed on the New York Stock Exchange under the symbol "STWD."

In connection with this offering, the underwriters may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the option to purchase additional shares, and stabilizing purchases.

- Short sales involve secondary market sales by the underwriters of a greater number of shares than they are required to purchase in this offering.

  - "Covered" short sales are sales of shares in an amount up to the number of shares represented by the underwriters' option to purchase additional shares.

  - "Naked" short sales are sales of shares in an amount in excess of the number of shares represented by the underwriters' option to purchase additional shares.

- Covering transactions involve purchases of shares either pursuant to the option to purchase additional shares or in the open market after the distribution has been completed in order to cover short positions.

  - To close a naked short position, the underwriters must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering.

  - To close a covered short position, the underwriters must purchase shares in the open market after the distribution has been completed or must exercise the option to purchase additional shares. In determining the source of shares to close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

- Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the shares. They may also cause the price of the shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwrite