

Schroder Real Estate Investment Trust

30 September 2023

Investment Objective

The investment objective of the Company is to provide Shareholders with an attractive level of income together with the potential for income and capital growth through investing predominantly in UK commercial real estate.

The investment policy of the Company is to own a diversified portfolio of UK real estate underpinned by good fundamental characteristics. The Group invests principally in the industrial, office and retail sectors and will also consider other sectors including mixed-use, residential, hotels, healthcare and leisure.

Investment Strategy

The Company's strategy is to own and actively manage a diversified portfolio of properties located in the UK's Winning Cities and Regions. These locations are benefitting from higher economic growth resulting from structural changes such as urbanisation, rapid changes and growth of technology, changing demographics and social as well as positive impact themes. These locations have diversified local economies, sustainable occupational demand and favourable supply and demand characteristics. These properties offer good long-term fundamentals in terms of location, specification and sustainability performance, and are let at affordable rents, with the potential for income and capital growth due to good stock selection and asset management. We aim to grow income and enhance shareholder returns through good stock selection, active management and operational excellence.

Risk Considerations

The trust may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the fund, both up and down, which may adversely impact the performance of the fund.

The Company may borrow money to invest in further investments, this is known as gearing. Gearing will increase returns if the value of the assets purchased increase in value by more than the cost of borrowing, or reduce the returns if they fail to do so.



The EPRA Sustainability Best Practices Recommendations (sBPR) Guidelines provide a consistent way of measuring sustainability performance in the same way that BPR for financial reporting have made the financial statements of listed real estate companies in Europe clearer and more comparable. sBPR are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe.



The Global Real Estate Sustainability Benchmark (GRESB) is a mission-driven and industry-led organisation that provides actionable and transparent environmental, social and governance (ESG) data to financial markets. GRESB provides a consistent framework to measure the ESG performance of individual assets and portfolios based on self-reported data.



Fund Manager

Nick Montgomery

Schroders managed fund since

13 January 2012

Fund launch date

16 July 2004

Net Asset Value ('NAV')

£296.0 million (as at 30 September 2023)

NAV per share

60.5 pps

Portfolio net initial yield

5.8%¹

Net loan to value

36.6%²

Share price

41.1p³

Dividend yield

8.1%⁴

Premium/(discount) to NAV

(32.1)%⁵

GRESB

3 Green Stars 79/100⁶

Ongoing charges

2.38%⁷

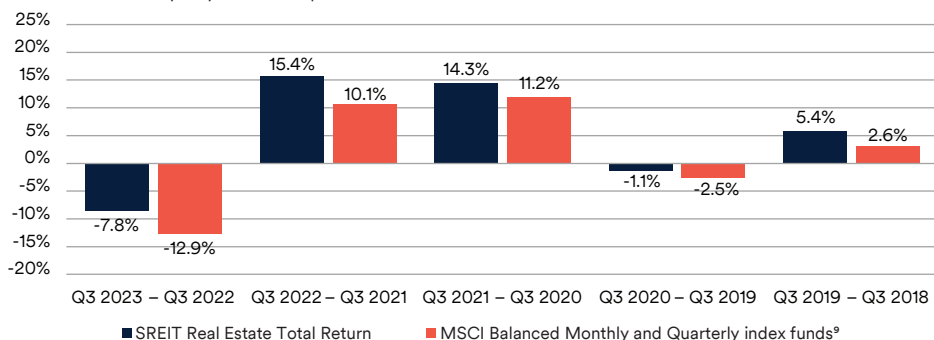
Source: Schroders unless otherwise stated.

- 1 Based on CBRE valuations.
- 2 Approximate net of cash loan to value on the basis of the CBRE portfolio valuations.
- 3 Source: Datastream, price at close 30 September 2023.
- 4 Quarterly dividend of 0.836 pps for the period 1 July 2023 – 30 September 2023 to be paid on 22 December 2023.
- 5 Based on NAV as at 30 September 2023, published on 21 November 2023 and share price as at close 30 September 2023.
- 6 All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.
- 7 Ongoing charges are total expenses (fund expenses and direct property expenses) as a percentage of average net assets.

Performance Analysis

Real Estate Portfolio Performance

Q3 2018 - Q3 2023 yearly total return performance



Performance (%)	3 months	6 months	1 year
Share Price ⁸	4.3	-2.0	-4.7
Net Asset Value Total Return ⁹	-0.4	1.1	-14.8
SREIT Real Estate Total Return ¹⁰	0.6	1.9	-7.8
MSCI Balanced Monthly and Quarterly index funds ¹⁰	-0.7	-0.6	-12.9

Performance (%)	3 years p.a.	5 years p.a.	Since launch	Average p.a. since launch
Share Price ⁸	15.4	-2.1	36.8	1.6
Net Asset Value Total Return ⁹	6.1	1.4	70.5	2.8
SREIT Real Estate Total Return ¹⁰	6.7	4.9	271.0	7.0
MSCI Balanced Monthly and Quarterly index funds ¹⁰	2.2	1.3	174.7	5.4

Discrete Yearly Performance (%)	Q3 2022 Q3 2023	Q3 2021 Q3 2022	Q3 2020 Q3 2021	Q3 2019 Q3 2020	Q3 2018 Q3 2019
Share Price ⁸	-4.7	-0.3	61.8	-39.5	-3.2
Net Asset Value Total Return ⁹	-14.8	18.5	18.3	-12.6	2.8
SREIT Real Estate Total Return ¹⁰	-7.8	15.4	14.3	-1.1	5.4
MSCI Balanced Monthly and Quarterly index funds ¹⁰	-12.9	10.1	11.2	-2.5	2.6

Issued in December 2023.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested.

REIT Status

The Company is a Real Estate Investment Trust ('REIT') and benefits from the various tax advantages offered by the UK REIT regime. The Company continues to be declared as an authorised closed-ended investment scheme by the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 2020, as amended and the Authorised Closed-ended Investment Schemes Rules and Guidance, 2021.

⁸ Source: Schroders, Datastream, bid to bid price with net income reinvested in GBP.

⁹ The Company completed the refinancing of its £129.6 million loan with Canada Life in October 2019. This extended the average maturity from 8.5 to 16.5 years and reduced the interest rate from 4.4% to 2.5% per annum. The refinancing generated an immediate interest saving of £2.5 million per annum. The refinancing incurred costs of £27.4 million.

¹⁰ Source: MSCI Balanced Monthly and Quarterly Index funds (including indirect investments on a like-for-like basis).

Top 10 Holdings

Holdings		Value (£m) ¹¹	% [*]
1	Milton Keynes, Stacey Bushes Industrial Estate	51.6	11.1
2	Leeds, Millshaw Park Industrial Estate	46.5	10.0
3	Cheadle, Stanley Green Trading Estate	39.5	8.5
4	London, University of Law Campus (50% share)	37.0	7.9
5	Manchester, City Tower (25% share)	30.6	6.6
6	Bedford, St John's Retail Park	30.3	6.5
7	Chippenham, Langley Park Industrial Estate	25.5	5.5
8	Norwich, Union Park Industrial Estate	22.3	4.8
9	Leeds, Headingley Central	20.4	4.4
10	Manchester, St Ann's House	12.5	2.7
Sub total		316.2	68.0
Total number of holdings: 40			

Source: Schroders. ¹¹As per third party valuation reports unadjusted for IFRS lease incentive amounts.

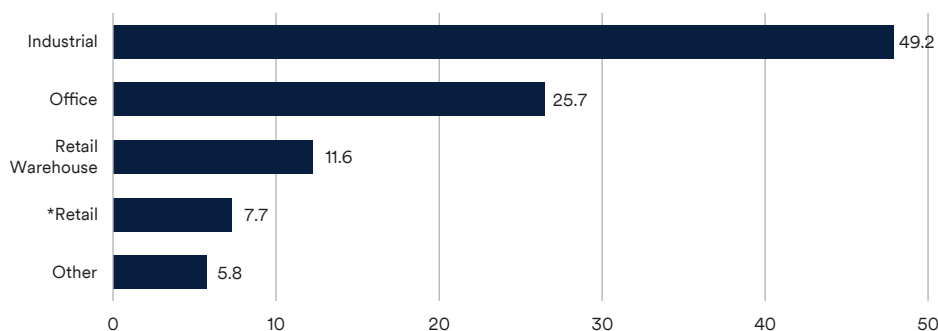
^{*}Percentage of total real estate portfolio.

Top 10 Tenants

Tenants		Rent p.a (£m)	% [*]
1	University of Law Limited	2.00	6.94
2	Siemens Mobility Limited	1.22	4.24
3	Express Bi Folding Doors Limited	0.65	2.26
4	Jupiter Hotels Limited	0.65	2.26
5	Buckinghamshire New University ¹²	0.58	2.01
6	Matalan Retail Limited	0.57	1.98
7	The Secretary of State	0.54	1.88
8	Cineworld Cinema Properties Limited	0.52	1.81
9	TK Maxx HomeSense	0.51	1.77
10	Premier Inn Hotels Limited	0.47	1.63
Sub total		7.71	26.78

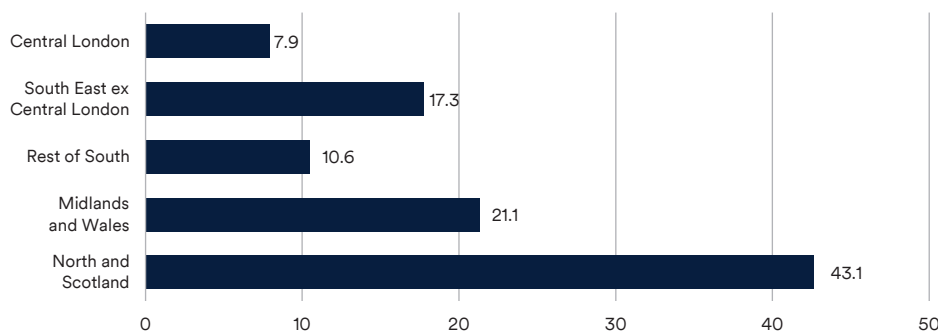
Source: Schroders. ^{*}Percentage of total portfolio rent. ¹²With effect from January 2024 the rent increases to £1.3 million per annum, making the university our second largest tenant by annual rent.

Sector Weightings



Source: Schroders. Percentage of total real estate portfolio value. ^{*}Of which 5.0% has retail as part of mixed use assets and 2.7% has retail as sole use.

Regional Weightings



Source: Schroders. Percentage of total real estate portfolio value.

Information

Schroder Real Estate Investment Management Limited
1 London Wall Place, London
EC2Y 5AU, United Kingdom

Tax Status	UK Real Estate Investment Trust
LSE Ticker	SREI
SEDOL	B01HM14
Bloomberg	SREI:LN
Reuters	SREI.L
ISIN	GB00B01HM147
Fund Base Currency	GBP
Ex Dividend Date	30 November 2023, 7 March 2024
Dealing	Ordinary shares can be purchased on the London Stock Exchange
Dividend Payment Date	22 December 2023, 28 March 2024
Investment Management Fee	0.9% per annum of Company's NAV
ISA Eligible	Yes

Important information

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested. Third party data is owned or licensed by the data provider and may not be reproduced or extracted and used for any other purpose without the data provider's consent. Third party data is provided without any warranties of any kind. The data provider and issuer of the document shall have no liability in connection with the third party data. Schroder Real Estate Investment Trust is listed on the London Stock Exchange with UK-REIT status meaning that its profits (i.e. income and gains) from its Qualifying Property Rental Business should be exempt from UK income tax and corporation tax. The Company continues to be an Authorised Closed Ended Investment Scheme in Guernsey with the register of members also maintained in Guernsey. This factsheet should not be taken

as any indication the company held any particular investments at any particular date other than the stated date. Nothing in this factsheet should be construed as advice and is therefore not a recommendation to buy or sell shares. If you are interested in this fund you should contact your usual financial adviser before making any investment decision. In addition you can contact one of our Investor Services team on 0800 718 777 for further information. Please note that Schroders is unable to give you specific investment advice. For investors' security calls to this number may be recorded. The data contained in this document has been sourced by Schroders and should be independently verified before further publication or use. Issued by Schroder Real Estate Investment Management Limited, 1 London Wall Place London, EC2Y 5AU. Registered No: 1188240 England. Authorised and regulated by the Financial Conduct Authority.

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