



Schroder Real Estate Investment Trust

30 June 2024

Marketing material.
For distribution in UK only.

Investment objective and policy⁸

The investment objective of the Company is to provide shareholders with an attractive level of income and the potential for income and capital growth from owning and actively managing a diversified portfolio of UK commercial real estate, while achieving meaningful and measurable improvements in the sustainability profile of the majority of the portfolio's assets (considered against a range of objective environmental, social and governance metrics).

The investment policy of the Company is to own a diversified portfolio of UK commercial real estate assets which are underpinned by good fundamental characteristics, and whose sustainability profiles can be improved while they are owned by the Company. The Company may invest across the full range of commercial real estate sectors.

Investment strategy

The Company's strategy is focused on delivering sustainable dividend growth by improving the quality of its underlying portfolio through a disciplined, research-led approach to transactions and active asset management, focused on delivering sustainability improvements and operational excellence. This activity is complemented by maintaining a robust balance sheet and efficient management of costs.

The Company aims to own a diversified portfolio of properties delivering an above average income return and benefitting from structural changes driving income and capital growth such as urbanisation, innovation in technology and changing demographics. These properties may benefit from favourable supply and demand characteristics and by improving their environmental performance, the Company can capture the rental and valuation premium that buildings with genuine green credentials can command, sometimes called the 'Green Premium'.

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.

There can be no guarantee that a formalised approach to sustainable investing will enable the Company to achieve its investment objective, including the target of providing shareholders with an attractive level of income with the potential for income and capital growth.

EPRA and GRESB



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. In 2023 the Company achieved its sixth consecutive EPRA Gold Award for its annual report for the year-ended 31 March 2023.



G R E S B
★ ★ ★ ☆ ☆ 2023

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 real estate companies and funds.

Fund Manager
Nick Montgomery

Schroders managed fund since
13 January 2012

Fund launch date
16 July 2004

Net Asset Value ('NAV')
£289.0 million (as at 30 June 2024)

NAV per share
59.1 pps

Portfolio net initial yield
6.1%¹

Net loan to value
36.9%²

Share price
44.6p³

Dividend yield
7.7%⁴

Premium/(discount) to NAV
(24.5%)⁵

GRESB
2023: 3 Green Stars, scored 79/100⁶

Ongoing charges (fund only costs)⁷
1.23%

Ongoing charges (fund and property expenses)⁷
2.87%

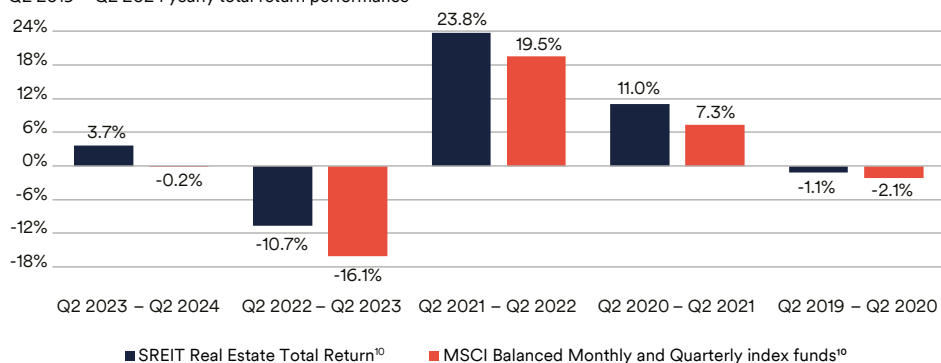
Source: Schroders unless otherwise stated.

- 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 28 June 2024.
- 4 Quarterly dividend of 0.853 pps for the period 1 April 2024 – 30 June 2024 to be paid on 30 August 2024.
- 5 Based on NAV as at 30 June 2024, published on 31 July 2024 and share price as at close 28 June 2024.
- 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 Fund only costs include, but are not limited to, investment management, directors, audit, tax, depositary, administrator, and broker fees. Property expenses include, but are not limited to, non-recoverable costs such as service charges, business rates, and insurance, together with professional fees pursuant to asset management activity such as new lettings to tenants and lease renewals. Both are expressed as a percentage of average net assets.
- 8 The Investment Objective and Policy of the Company is effective from 1 April 2024 having passed on a poll by shareholders at the EGM of 15 December 2023.

Performance analysis

Real Estate Portfolio Performance

Q2 2019 – Q2 2024 yearly total return performance



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.

Performance (%)	3 months	6 months	1 year
Share Price ⁹	8.5	4.2	19.9
Net Asset Value Total Return ¹⁰	2.0	3.6	1.5
SREIT Real Estate Total Return ¹¹	1.8	3.3	3.7
MSCI Balanced Monthly and Quarterly index funds ¹¹	1.2	1.8	-0.2

Performance (%)	3 years p.a.	5 years p.a.	Since launch	Average p.a. since launch
Share Price ⁹	3.8	1.7	57.2	2.3
Net Asset Value Total Return ¹⁰	2.9	1.4	73.8	2.8
SREIT Real Estate Total Return ¹¹	4.7	4.7	282.6	6.9
MSCI Balanced Monthly and Quarterly index funds ¹¹	0.0	1.0	177.9	5.2

Discrete Yearly Performance (%)	Q2 2023 Q2 2024	Q2 2022 Q2 2023	Q2 2021 Q2 2022	Q2 2020 Q2 2021	Q2 2019 Q2 2020
Share Price ⁹	19.9	-17.4	12.7	70.7	-42.8
Net Asset Value Total Return ¹⁰	1.5	-18.2	31.2	13.2	-13.1
SREIT Real Estate Total Return ¹¹	3.7	-10.7	23.8	11.0	-1.1
MSCI Balanced Monthly and Quarterly index funds ¹¹	-0.2	-16.1	19.5	7.3	-2.1

Issued in August 2024.

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.

⁹ Source: Schroders, Datastream, bid to bid price with net income reinvested in GBP.

¹⁰ 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.

¹¹ Source: MSCI Balanced Monthly and Quarterly Index funds (including indirect investments on a like-for-like basis).

Top 10 holdings

Holdings	Value (£m) ¹²	%*
1. Milton Keynes, Stacey Bushes Industrial Estate	51.5	11.2
2. Leeds, Millshaw Park Industrial Estate	45.5	9.9
3. Cheadle, Stanley Green Trading Estate	40.2	8.7
4. London, University of Law Campus (50% share)	38.4	8.3
5. Bedford, St. John's Retail Park	30.1	6.5
6. Manchester, City Tower (25% share)	28.7	6.2
7. Chippenham, Langley Park Industrial Estate	25.2	5.5
8. Norwich, Union Park Industrial Estate	22.9	5.0
9. Leeds, Headingley Central	20.9	4.5
10. Telford, Horton Park Industrial Estate	13.8	3.0
Sub total	317.2	68.8
TOTAL NUMBER OF HOLDINGS: 39		

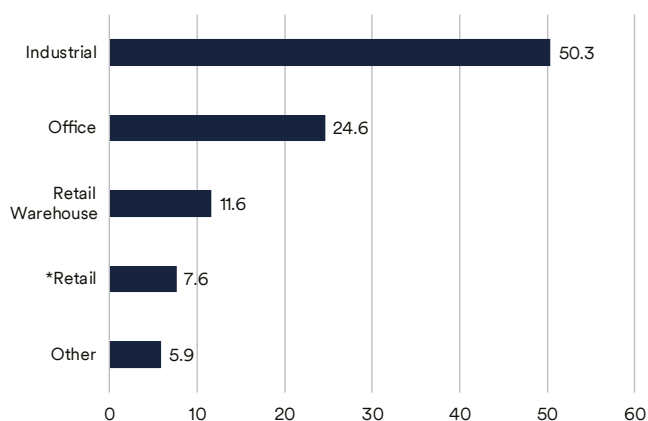
Source: Schroders. ¹²As per third party valuation reports unadjusted for IFRS lease incentive amounts. *Percentage of total real estate portfolio.

Top 10 tenants

Tenants	Rent p.a (£m)	%*
1. The University of Law Limited	2.02	6.71
2. Buckinghamshire New University	1.30	4.32
3. Siemens Mobility Ltd	1.23	4.09
4. Public Sector Income	0.66	2.19
5. Express Bi Folding Doors Limited	0.65	2.16
6. Jupiter Hotels Limited	0.65	2.16
7. Matalan Retail Ltd	0.57	1.89
8. TJX UK Limited – t/a Homesense	0.51	1.69
9. Premier Inn Hotels Ltd	0.47	1.56
10. IXYS UK Westcode Ltd	0.47	1.56
Sub total	8.53	28.33

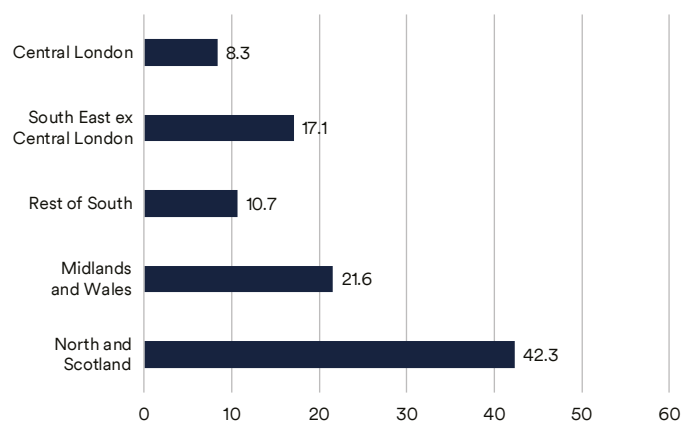
Source: Schroders. *Percentage of total portfolio rent.

Sector weightings



Source: Schroders. Percentage of total real estate portfolio value. *Of which 4.9% has retail as part of mixed use assets and 2.8% 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	8 August 2024
Dealing	Ordinary shares can be purchased on the London Stock Exchange
Dividend Payment Date	30 August 2024
Investment Management Fee	0.9% per annum of Company's NAV*
ISA Eligible	Yes

*To align the Investment Manager's compensation with the delivery of the investment objective, there is the potential for a 0.05% increase or decrease in the Investment Management Fee subject to delivery of two criteria. There will be a 0.05% increase in the Investment Management Fee dependent on both (i) delivering the sustainability KPI targets in the revised investment policy to the Board's satisfaction, and (ii) the delivery of an income return ahead of the MSCI Benchmark, because the new strategy is designed to deliver more sustainable long-term income. Conversely, failure to deliver both (i) and (ii) above, will lead to a decrease of 0.05% in the Investment Management Fee.

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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.