

Schroder Real Estate Investment Trust

30 June 2022

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')

£388.6 million (as at 30 June 2022)

NAV per share

79.1 pps

Portfolio net initial yield

5.2%¹

Net loan to value

29.0%²

Share price

52.0p³

Dividend yield

6.2%⁴

Premium/(discount) to NAV

(34.3%)⁵

GRESB

3 Green Stars 75/100

Ongoing charges

1.72%⁶

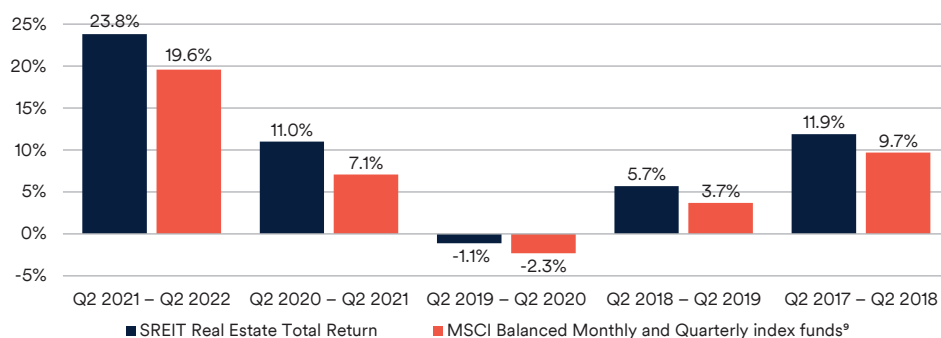
Source: Schroders unless otherwise stated.

- 1 Based on Knight Frank and BNP Paribas valuations.
- 2 Approximate net of cash loan to value on the basis of the Knight Frank and BNP Paribas portfolio valuations.
- 3 Source: Datastream, price at close 30 June 2022.
- 4 Following continued progress with rent collection and discussions with occupiers the Board increased the quarterly dividend to 0.803 pps for the period 1 April 2022 – 30 June 2022 to be paid on 19 August 2022.
- 5 Based on NAV as at 30 June 2022, published on 27 July 2022 and share price as at close 30 June 2022.
- 6 Ongoing charges are total expenses. (including direct property expenses) as a percentage of average net assets.

Performance Analysis

Real Estate Portfolio Performance

Q2 2017 – Q2 2022 yearly total return performance



| Performance (%) | 3 months | 6 months | 1 year |
|--|----------|----------|--------|
| Share Price ⁷ | -8.7 | 0.0 | 12.7 |
| Net Asset Value Total Return ⁸ | 5.4 | 14.7 | 31.2 |
| SREIT Real Estate Total Return ⁹ | 4.5 | 11.4 | 23.8 |
| MSCI Balanced Monthly and Quarterly index funds ⁹ | 3.1 | 8.1 | 19.6 |

| Performance (%) | 3 years p.a. | 5 years p.a. | Since launch | Average p.a. since launch |
|--|--------------|--------------|--------------|---------------------------|
| Share Price ⁷ | 3.2 | 0.6 | 58.6 | 2.6 |
| Net Asset Value Total Return ⁸ | 8.8 | 8.0 | 109.3 | 4.2 |
| SREIT Real Estate Total Return ⁹ | 10.8 | 10.0 | 313.2 | 8.2 |
| MSCI Balanced Monthly and Quarterly index funds ⁹ | 7.8 | 7.3 | 229.3 | 6.8 |

| Discrete Yearly Performance (%) | Q2 2021 Q2 2022 | Q2 2020 Q2 2021 | Q2 2019 Q2 2020 | Q2 2018 Q2 2019 | Q2 2017 Q2 2018 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Share Price ⁷ | 12.7 | 70.7 | -42.8 | -6.9 | 0.4 |
| Net Asset Value Total Return ⁸ | 31.2 | 0.0 | -13.1 | 2.9 | 10.8 |
| SREIT Real Estate Total Return ⁹ | 23.8 | 11.0 | -1.1 | 5.7 | 11.9 |
| MSCI Balanced Monthly and Quarterly index funds ⁹ | 19.6 | 7.1 | -2.3 | 3.7 | 9.7 |

Issued in August 2022.

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 as well as the potential for improved liquidity as a result of being able to access a wider shareholder base. The Company is an authorised closed-ended collective investment scheme, regulated by the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-ended Collective Investment Schemes Rules 2008.

⁷ Source: Schroders, Datastream, bid to bid price with net income reinvested in GBP.

⁸ 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.

⁹ Source: MSCI Balanced Monthly and Quarterly Index funds (including indirect investments on a like-for-like basis).

Top 10 Holdings

| Holdings | | Value (£m) ¹ | %* |
|-------------------------------------|--|-------------------------|-------------|
| 1 | Milton Keynes, Stacey Bushes Industrial Estate | 67.3 | 12.2 |
| 2 | Leeds, Millshaw Park Industrial Estate | 58.0 | 10.6 |
| 3 | London, Store Street, Bloomsbury (50% share) | 42.5 | 7.7 |
| 4 | Manchester, City Tower (25% share) | 40.7 | 7.4 |
| 5 | Bedford, St. John's Retail Park | 35.5 | 6.5 |
| 6 | Chippenham, Langley Park Industrial Estate | 27.8 | 5.1 |
| 7 | Cheadle, Stanley Green Trading Estate | 26.3 | 4.8 |
| 8 | Norwich, Union Park Industrial Estate | 26.0 | 4.7 |
| 9 | Leeds, Headingley Central | 23.8 | 4.3 |
| 10 | Telford, Horton Park Industrial Park | 15.2 | 2.8 |
| Sub total | | 363.1 | 66.1 |
| Total number of holdings: 42 | | | |

Source: Schroders. ¹As per third party valuation reports unadjusted for IFRS lease incentive amounts.

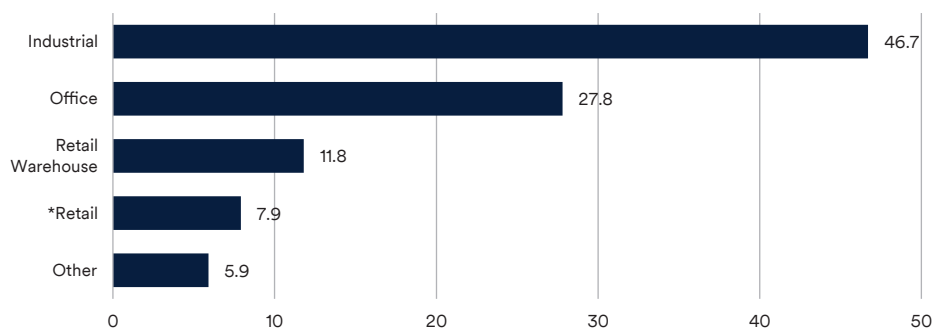
*Percentage of total real estate portfolio.

Top 10 Tenants

| Tenants | | Rent p.a (£m) | %* |
|------------------|------------------------------------|---------------|--------------|
| 1 | University of Law Limited | 2.00 | 6.49 |
| 2 | Siemens Mobility | 1.22 | 3.96 |
| 3 | Buckinghamshire New University | 1.15 | 3.73 |
| 4 | The Secretary of State | 0.88 | 2.86 |
| 5 | Matalan Retail Limited | 0.57 | 1.85 |
| 6 | Express Bi Folding Doors Limited | 0.54 | 1.75 |
| 7 | TJX UK Limited T/A Homesense | 0.51 | 1.66 |
| 8 | Jupiter Hotels Limited T/A Mercure | 0.46 | 1.49 |
| 9 | Premier Inn Hotels | 0.42 | 1.36 |
| 10 | Lidl | 0.42 | 1.36 |
| Sub total | | 8.17 | 26.51 |

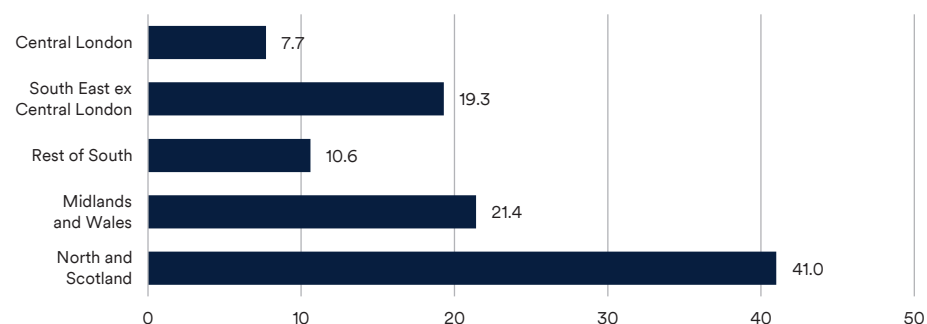
Source: Schroders. *Percentage of total portfolio rent.

Sector Weightings



Source: Schroders. Percentage of total real estate portfolio value. *Of which 5.1% 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 | 4 August 2022; 24 November 2022 |
| Dealing | Ordinary shares can be purchased on the London Stock Exchange |
| Dividend Payment Date | 19 August 2022; 9 December 2022 |
| 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.

605264 - Q2 2022