

Schroder European Real Estate Investment Trust Plc

30 June 2018

The company investing in European growth cities and regions

Investment Objective

To provide shareholders with a regular and attractive level of income return together with the potential for long term income and capital growth through investing in commercial real estate in Continental Europe.

Investment Strategy

The Company invests in European growth cities and regions, specifically good quality, income producing commercial real estate in major continental European cities and regions. Target markets must be mature and liquid and have growth prospects exceeding those of their domestic economy.

The Company targets office, retail, logistics / light industrial, leisure investments and assets which offer the potential for multiple uses.

The risk profile of the investments is balanced between stabilised, income producing real estate supporting dividend (sometimes referred to as core/core plus investments) representing circa 70% of the portfolio with the remaining 30% in value add opportunities e.g. refurbishments, changes of use etc. where capital returns are a larger component of the total investment return.

Manager's Commentary

While recent headlines have been focused on potential threats to the European economies (tariffs/trade, Italian fiscal policy), the current economic momentum continues with growth above long-term trend. Unemployment continues to fall supporting office demand and consumer spending. This is supportive of our strategy of investing in real estate located in winning cities and regions across Europe which are capturing this growth more pronounced than their domestic economies. Office demand remains high with ongoing strong volumes of take-up in major markets while supply remains tight with in some cases record low levels of vacancy, especially for modern Grade-A office space in well-connected locations that occupiers are keen to secure. With vacancy low, the expected increase in supply from 2020 onwards is unlikely to produce oversupply. Rental levels continue to rise in a number of markets and growth has spread into many non-CBD submarkets. The Company has established a high quality, income-producing portfolio in growth cities and regions and as such is well positioned for long term earnings growth. The Company targets new investment opportunities that are accretive to earnings and provide additional diversification.

Discrete Yearly Performance (%)	Q2 2017 – Q2 2018 ⁴	Q2 2016 – Q2 2017 ⁴	Q2 2015 – Q2 2016 ⁴	Q2 2014 – Q2 2015 ⁴	Q2 2013 – Q2 2014 ⁴
Share Price Total Return (GBP) ¹	-3.0	8.8	-	-	-
NAV Total Return (Euro) ²	9.7	5.2	-	-	-
NAV Total Return (converted to GBP) ³	10.7	10.5	-	-	-

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.

¹ Source: Schroders, Datastream, bid to bid price with net income reinvested in GBP.

² Source: Schroders, NAV to NAV (per share) plus dividends paid.

³ Source: Schroders, NAV to NAV (per share) plus dividends paid. Converted into GBP.

⁴ Performance data does not exist for periods before launch in December 2015.

Company launch date

9 December 2015

Net asset value (NAV)

€187.2 million

Ungeared property income return – annualised

6.7% p.a

Net loan to value

28%

NAV per share

140.0 cps/123.9 pps

Share price

110.5 pps

Premium/(discount) to NAV

(10.8%)

Ongoing charges

1.93%*

Source: Schroders unless otherwise stated.

* Ongoing charges calculated in accordance with AIC recommended methodology as a percentage of average NAV over the period.

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 or 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 returns if they fail to do so.

The trust can be exposed to different currencies. Changes in foreign exchange rates could create losses.

The dividend yield is an estimate and is not guaranteed.

All data and Schroders' views expressed as at 30 June 2018.

Issued in August 2018

Top 10 Properties

Properties	Sector	%*
1 Paris (Saint-Cloud), France	Office	21
2 Paris (Boulogne Billancourt), France	Mixed	15
3 Apeldoorn, France	Office	15
4 Seville, Spain	Retail	13
5 Berlin, Germany	Retail	10
6 Biarritz, France	Retail	8
7 Rennes, France	Retail	6
8 Stuttgart, Germany	Office	5
9 Frankfurt, Germany	Retail	4
10 Hamburg, Germany	Office	3
Total number of properties 10		100

Source: Schroders. * Shown as a percentage of total contracted rent. Data subject to rounding.

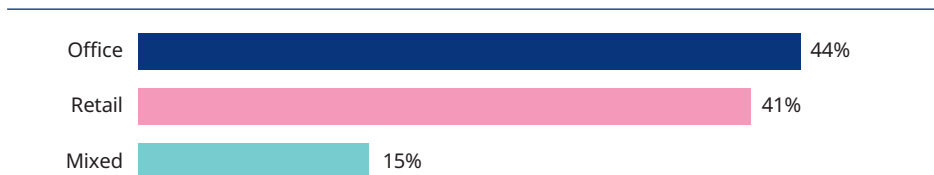
Top 10 Tenants

Properties	%*
1 KPN	15
2 Alten	15
3 Casino	12
4 Hornbach	10
5 Filassistance	5
6 Land Baden Württemberg	4
7 Thesee	4
8 Ethypharm	3
9 Moody's	2
10 Outscale	2

Source: Schroders.

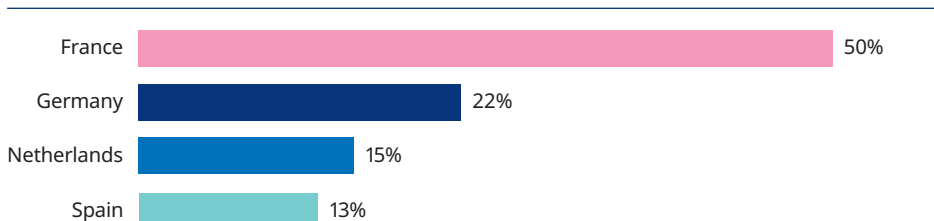
*Shown as a percentage of total contracted rent.

Sector Weightings



Source: Schroders. Shown as a percentage of total contracted rent.

Regional Weightings



Source: Schroders. Shown as a percentage of total contracted rent.

Information

Schroder Real Estate Investment Management Limited
31 Gresham Street, London EC2V 7QA

Tax Status	Investment company
JSE Ticker	SCD
LSE Ticker	SERE
SEDOL	BY7R8K7
Bloomberg	SERE: LN
Reuters	SERE: L
ISIN	GB00BY7R8K77
Currency	Euro. Shares are traded in GBP and South African Rand. Dividends are declared in Euro.
Ex Dividend Date	January, March, June, August
Dealing	Ordinary shares can be purchased on the London Stock Exchange or the Johannesburg Stock Exchange
Dividend Payment Date	January, April, July, September
Investment Management Fee	1.1% of the EPRA NAV where the EPRA NAV is less than or equal to £500 million (1.0% thereafter)
ISA Eligible	Yes

Important information: The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall. **Past performance is not a guide to future performance and may not be repeated.** 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. The Company has a premium listing on the Official List of the UK Listing Authority and its shares are traded on the Main Market of the London Stock Exchange (ticker: SERE). It also has a secondary listing on the Main Board of the Johannesburg Stock Exchange (ticker: SCD). This factsheet should not be taken as any indication the

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