

# Ground Rents Income Fund plc

31 March 2022

## Investment Objective

Ground Rents Income Fund plc ('GRIIO' or the 'Company') seeks to generate consistent income returns for shareholders by investing in a diversified portfolio of ground rents including freeholds and head leases of residential, retail and commercial properties located in the United Kingdom.

## Risk Considerations

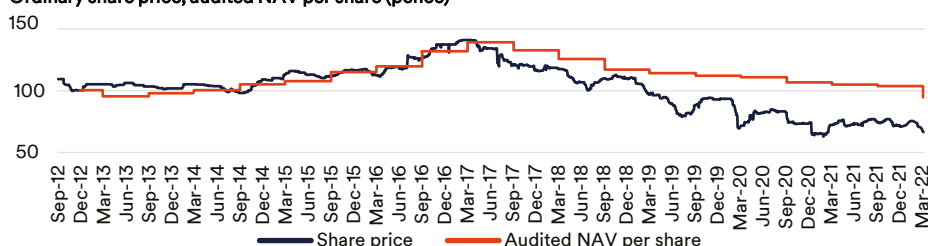
The Company may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the company, both up and down, which may adversely impact the performance of the company.

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 increases in value by more than the cost of borrowing, or reduces the returns if they fail to do so.

The Government has been considering reforms to the residential leasehold system and building safety regime since 2017. This has led to an uncertainty clause being included in the asset valuations issued by the Company's independent valuer which may in turn impact the Company's valuation. Further details are included in the Report and Accounts. The final outcome of future legislation remains unclear and could negatively impact the Company's portfolio further. The Board of the Company and Schroders Capital as Investment Manager are working to protect shareholders' interests and further details are contained in interim results to 31 March 2022 at [www.schroders.com/grio](http://www.schroders.com/grio).

## Performance Analysis

Ordinary share price, audited NAV per share (pence)



| Performance (%)                       | 3 months | 6 months | 1 year | 3 years p.a. | 5 years p.a. | Since launch | Average p.a. since launch |
|---------------------------------------|----------|----------|--------|--------------|--------------|--------------|---------------------------|
| Share Price <sup>7</sup>              | -6.8     | -11.5    | -8.7   | -12.1        | -14.2        | -34.4        | -4.5                      |
| Shareholder Total Return <sup>8</sup> | -5.8     | -9.7     | -4.4   | -8.1         | -10.7        | -7.2         | -0.8                      |
| NAV Total Return <sup>19</sup>        | na       | -7.8     | -7.3   | -3.0         | -4.5         | 27.3         | 2.6                       |

| Discrete Yearly Performance (%)       | Q1 2021<br>Q1 2022 | Q1 2020<br>Q1 2021 | Q1 2019<br>Q1 2020 | Q1 2018<br>Q1 2019 | Q1 2017<br>Q1 2018 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Share Price <sup>7</sup>              | -8.7               | 0.7                | -26.0              | -17.8              | -16.8              |
| Shareholder Total Return <sup>8</sup> | -4.4               | 6.2                | -23.6              | -14.6              | -14.1              |
| NAV Total Return <sup>19</sup>        | -7.3               | -1.5               | -0.1               | -6.0               | -7.2               |

### Investment Manager<sup>2</sup>

Chris Leek

### Schroders appointed Manager

13 May 2019

### Fund launch date

13 August 2012

### Latest published Net Asset Value (NAV)<sup>1</sup>

£89.5 million

### Net loan to value<sup>3</sup>

19.1%

### Latest published NAV per ordinary share<sup>1</sup>

93.6p (basic)/93.9p (diluted)

### Share price<sup>4</sup>

65.25p

### Dividend yield<sup>5</sup>

5.33%

### Premium/(discount) to latest published NAV<sup>1</sup>

(30.3%)

### Ongoing costs<sup>6</sup>

2.4%

Source: Schroders Capital unless otherwise stated. <sup>1</sup>NAV is as at the most recent announcement (for year end 30 September or half year end 31 March) and the diluted per ordinary share figure incorporates the exercise of warrants in issue. <sup>2</sup>Chris Leek appointed 6 October 2021. <sup>3</sup>Approximate net of cash loan to value on the basis of the Savills portfolio valuation. <sup>4</sup>Source: Factset, price at close. <sup>5</sup>Historic rolling annual dividend as a percentage of the current share price. <sup>6</sup>Ongoing costs are total expenses (excluding finance costs) as a percentage of average net assets. Most recent Key Information Document provides for ongoing costs of 3.0%. <sup>7</sup>Source: Schroders Capital, Datastream, bid to bid price with net income reinvested in GBP. <sup>8</sup>Source: Schroders Capital, Datastream, bid to bid price. <sup>9</sup>Source: Schroders Capital, NAV to NAV (per share) plus dividends paid.

## REIT Status

The Company is a Real Estate Investment Trust ('REIT'). The UK REIT regime affords the Company a number of potential efficiencies in its tax affairs including exemption from UK corporation tax on profits and gains from its UK property rental business. The Company intends to comply with the rules of the REIT regime in order to achieve these potential benefits.

**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.**

Issued in July 2022.

## Top 10 Assets

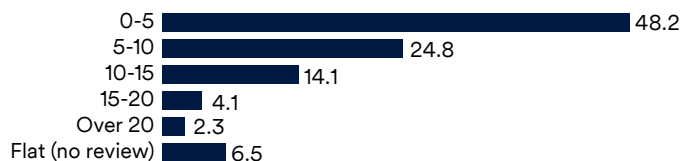
| Assets  | Ground rent p.a. (£'000) | %*          | Value (£m)  | %**         |
|---|--------------------------|-------------|-------------|-------------|
| 1. Lawrence Street Student Village, York            | 274                      | 7.0         | 7.8         | 7.1         |
| 2. Wiltshire Leisure Village, Royal Wootton Bassett | 113                      | 2.8         | 3.4         | 3.1         |
| 3. First Street, Manchester                         | 98                       | 2.5         | 3.2         | 2.9         |
| 4. Rathbone Market, London                          | 122                      | 2.7         | 3.2         | 2.9         |
| 5. One Park West, Liverpool                         | 150                      | 2.9         | 3.1         | 2.9         |
| 6. Masshouse Plaza, Birmingham                      | 136                      | 2.8         | 3.0         | 2.7         |
| 7. Richmond House, Southampton                      | 86                       | 2.1         | 2.4         | 2.1         |
| 8. Brewery Wharf, Leeds                             | 100                      | 1.8         | 1.9         | 1.7         |
| 9. Portland House, Exeter                           | 62                       | 1.5         | 1.7         | 1.5         |
| 10. City Island, Leeds                              | 81                       | 1.4         | 1.7         | 1.5         |
| <b>Total</b>  | <b>1,222</b>             | <b>27.5</b> | <b>31.4</b> | <b>28.4</b> |

Source: Schroders Capital. \*Percentage of total portfolio ground rent income. \*\*Percentage of total portfolio valuation.

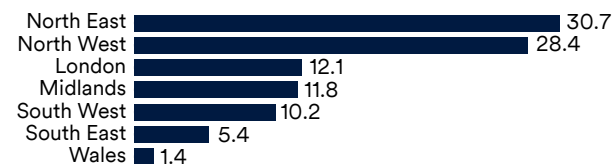
## Rent Review Weightings (%)\*



## Years to Next Review (%)\*



## Regional Weightings (%)\*



## Unit Weightings (%)\*



Source for 4 charts: Schroders Capital. \*Based on total portfolio ground rent income.

\*\*Only 2.5% of portfolio ground rent income may be deemed 'onerous' or residential ground rents that double more frequently than every 20 years.

## Information

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

|                           |   |
|---------------------------|---|
| Tax Status                | UK Real Estate Investment Trust   |
| Fund Base Currency        | GBP   |
| Ex Dividend Date          | March, June, September, December  |
| Dealing                   | Both ordinary shares and warrants can be purchased on the London Stock Exchange (LSE) and The International Stock Exchange (TISE) |
| Dividend Payment Date     | March, June, September, December  |
| Investment Management Fee | 1.0% of NAV per annum up to £200 million, 0.9% of NAV per annum between £200 million and £400 million and 0.8% thereafter         |
| Ordinary Share            | Warrant   |
| LSE Ticker                | GRIO  |
| TISE Ticker               | GRIW  |
| SEDOL (LSE)               | B8KOLM4 (SETSqx)  |
| SEDOL (TISE)              | B715WG2   |
| Bloomberg                 | GRIW:LN   |
| Reuters                   | GRIW.L  |
| ISIN                      | GB00B715WG26  |
| ISA Eligible              | Yes   |

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