



# Schroder Real Estate Investment Trust

30 September 2024

Marketing material.  
For distribution in UK only.

## Investment objective and policy

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 2024 the Company achieved its seventh consecutive EPRA Gold Award for its annual report for the year-ended 31 March 2024.



G R E S B

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')**  
£290.7 million (as at 30 September 2024)

**NAV per share**  
59.4 pps

**Portfolio net initial yield**  
6.1%<sup>1</sup>

**Net loan to value**  
37.3%<sup>2</sup>

**Share price**  
51.8p<sup>3</sup>

**Dividend yield**  
6.8%<sup>4</sup>

**Premium/(discount) to NAV**  
(12.8%)<sup>5</sup>

**GRESB**  
2024: 3 Green Stars, scored 79/100<sup>6</sup>

**Ongoing charges (fund only costs)<sup>7</sup>**  
1.20%

**Ongoing charges (fund and property expenses)<sup>7</sup>**  
2.60%

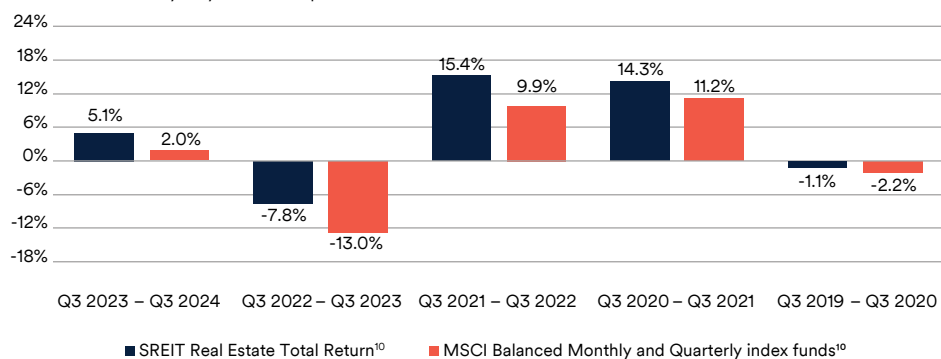
Source: Schroders unless otherwise stated.

- 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 2024.
- 4 Quarterly dividend of 0.879 pps for the period 1 July 2024 – 30 September 2024 to be paid on 20 December 2024.
- 5 Based on NAV as at 30 September 2024, published on 26 November 2024 and share price as at close 30 September 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, depository, 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.

## Performance analysis

### Real Estate Portfolio Performance

Q3 2019 – Q3 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 <sup>8</sup>	18.3	28.4	36.0
Net Asset Value Total Return <sup>9</sup>	2.0	4.0	4.0
SREIT Real Estate Total Return <sup>10</sup>	1.9	3.8	5.1
MSCI Balanced Monthly and Quarterly index funds <sup>10</sup>	1.4	2.6	2.0

Performance (%)	3 years p.a.	5 years p.a.	Since launch	Average p.a. since launch
Share Price <sup>8</sup>	9.0	4.8	86.0	3.1
Net Asset Value Total Return <sup>9</sup>	1.7	1.7	77.2	2.9
SREIT Real Estate Total Return <sup>10</sup>	3.8	4.8	289.9	7.0
MSCI Balanced Monthly and Quarterly index funds <sup>10</sup>	-0.8	1.2	181.8	5.2

Discrete Yearly Performance (%)	Q3 2023 Q3 2024	Q3 2022 Q3 2023	Q3 2021 Q3 2022	Q3 2020 Q3 2021	Q3 2019 Q3 2020
Share Price <sup>8</sup>	36.0	-4.7	-0.3	61.8	-39.5
Net Asset Value Total Return <sup>9</sup>	4.0	-14.8	18.5	18.3	-12.6
SREIT Real Estate Total Return <sup>10</sup>	5.1	-7.8	15.4	14.3	-1.1
MSCI Balanced Monthly and Quarterly index funds <sup>10</sup>	2.0	-13.0	9.9	11.2	-2.2

Issued in January 2025.

**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.**

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

<sup>9</sup> 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.

<sup>10</sup> Source: MSCI.

## Top 10 holdings

Holdings	Value (£m) <sup>1</sup>	%*
1. Milton Keynes, Stacey Bushes Industrial Estate	51.8	11.1
2. Leeds, Millshaw Park Industrial Estate	45.8	9.8
3. Cheadle, Stanley Green Trading Estate	41.3	8.9
4. London, University of Law Campus (50% share)	38.4	8.2
5. Bedford, St. John's Retail Park	31.6	6.8
6. Manchester, City Tower (25% share)	28.5	6.1
7. Chippenham, Langley Park Industrial Estate	25.2	5.4
8. Norwich, Union Park Industrial Estate	22.9	4.9
9. Leeds, Headingley Central	20.9	4.5
10. Telford, Horton Park Industrial Estate	14.0	3.0
<b>Sub total</b>	<b>320.4</b>	<b>68.8</b>
<b>Total number of holdings: 39</b>		

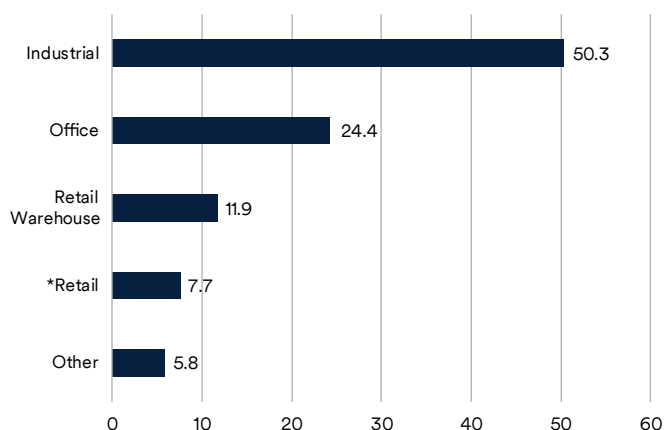
Source: Schroders. <sup>1</sup>As per third party valuation reports unadjusted for IFRS lease incentive amounts. \*Percentage of total real estate portfolio.

## Top 10 tenants

Tenants	Rent p.a (£m)	%*
1. The University of Law Limited	2.04	6.78
2. Buckinghamshire New University	1.30	4.32
3. Siemens Mobility Ltd	1.23	4.09
4. Express Bi Folding Doors Limited	0.72	2.39
5. Public Sector Income	0.66	2.19
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
<b>Sub total</b>	<b>8.62</b>	<b>28.63</b>

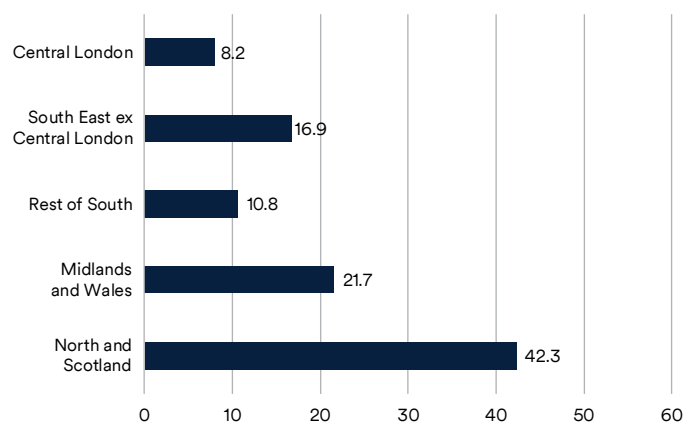
Source: Schroders. \*Percentage of total portfolio rent.

## 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	5 December 2024
Dealing	Ordinary shares can be purchased on the London Stock Exchange
Dividend Payment Date	20 December 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.

**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.** This document may contain "forward-looking" information, such as forecasts or projections. Please note that any such information is not a guarantee of any future performance and there is no assurance that any forecast or projection will be realised. 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.