

Schroder Real Estate Investment Trust

Reuters: SREI.L Bloomberg: SREI:LN

Fund Managers

Nick Montgomery/Duncan Owen

Managed fund since

16 July 2004

Fund launch date

16 July 2004

Net asset value

£320.3 million

Net initial yield

5.6%*

Net loan to value

28.6%**

NAV per share

61.8p

Share price

57.0p***

Premium/(discount) to NAV

(7.8%)

Ongoing charges

0.97%****

Source: Schroders unless otherwise stated.

*Based on Knight Frank and BNP Paribas valuations.

**Approximate net of cash loan to value on the basis of the Knight Frank and BNP Paribas portfolio valuations.

***Source: Factset, price at close.

****Ongoing charges are total expenses (excluding direct property expenses) as a percentage of average net assets.

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.

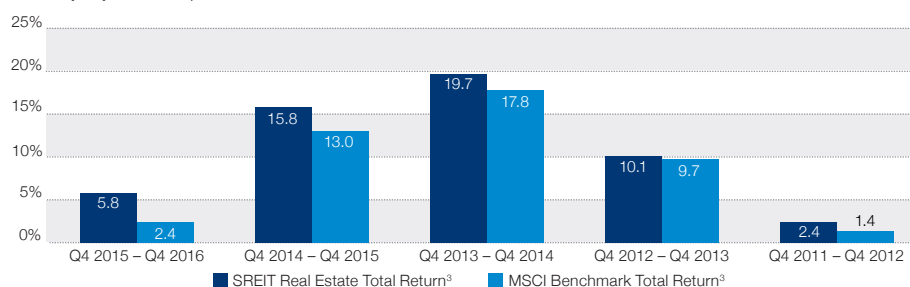
The portfolio is principally invested in the three main UK commercial real estate sectors of office, industrial and retail, and may also invest in other sectors including, but not limited to, residential, leisure, healthcare and student accommodation. Over the real estate market cycle the portfolio aims to generate an above average income return with a diverse spread of lease expiries.

Risk Considerations

Companies which invest in a smaller number of assets carry more risk than those spread across a larger number of assets. The Company will invest solely in property located in one country or region. This can carry more risk than investments spread over a number of countries or regions. 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.

Performance Analysis – Real Estate Portfolio

Discrete yearly total return performance



REIT Conversion

On 1 May 2015 the Company converted to Real Estate Investment Trust ('REIT') status in order to reduce the overall burden of UK taxation and increase the net income and overall profitability of the Company. Full details of the REIT conversion proposal are contained in the Circular available on the Company's website. Shareholders who are in any doubt concerning the taxation implications of the conversion should consult their professional advisors.



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: MSCI Quarterly Version of Balanced Monthly Index Funds (including indirect investments on a like-for-like basis).

Performance (%)	3 mths	6 mths	1 year
Share Price ¹	1.5	16.5	0.0
Net Asset Value Total Return ²	2.2	0.2	3.1
SREIT Real Estate Total Return ³	2.4	1.9	5.8
MSCI Quarterly Version of Balanced Monthly Index Funds ³	2.5	-0.1	2.4

Performance (%)	3 years p.a.	5 years p.a.	Since launch	Average p.a. since launch
Share Price ¹	9.5	18.9	36.2	2.5
Net Asset Value Total Return ²	14.2	11.2	33.2	2.3
SREIT Real Estate Total Return ³	13.6	10.6	140.9	7.3
MSCI Quarterly Version of Balanced Monthly Index Funds ³	10.9	8.7	104.0	5.9

Discrete Yearly Performance (%)	Q4 2015	Q4 2014	Q4 2013	Q4 2012	Q4 2011
	Q4 2016	Q4 2015	Q4 2014	Q4 2013	Q4 2012
Share Price ¹	0.0	4.7	25.2	37.7	31.6
Net Asset Value Total Return ²	3.1	16.0	24.5	8.7	5.2
SREIT Real Estate Total Return ³	5.8	15.8	19.7	10.1	2.4
MSCI Quarterly Version of Balanced Monthly Index Funds ³	2.4	13.0	17.8	9.7	1.4



Schroders

Top 10 Holdings

Holdings	Value (£m)	%*
1. Manchester, City Tower (25% interest)	41.6	9.2
2. London, Bloomsbury, Store Street (50% interest)	35.3	7.8
3. Bedford, St. John's Retail Park	34.2	7.5
4. Brighton, Victory House	29.8	6.6
5. Leeds, Millshaw Industrial Estate	25.0	5.5
6. Leeds, Headingley, The Arndale Centre	21.2	4.7
7. Milton Keynes, Stacey Bushes Industrial Estate	20.7	4.6
8. Uxbridge, 106 Oxford Road	18.2	4.0
9. Salisbury, Churchill Way West	14.5	3.2
10. Luton, The Galaxy	14.3	3.2

Total number of holdings 47

Source: Knight Frank and BNP Paribas. *Percentage of total real estate portfolio.

Top 10 Tenants

Tenants	Rent p.a. (£'000)	%*
1. University of Law Limited	1,583	5.9
2. Wickes Building Supplies Limited	1,092	4.0
3. Norwich Union Life and Pensions Limited	1,039	3.8
4. The Buckinghamshire New University	1,018	3.8
5. BUPA Insurance Services Limited	961	3.6
6. Mott MacDonald Limited	790	2.9
7. Rectical SA	731	2.7
8. The Secretary of State	684	2.5
9. Matalan Retail Limited	676	2.5
10. Sportsdirect.com Retail Limited	657	2.4

Source: Schroders. *Percentage of total portfolio rent.

Sector Weightings

Offices	40.3
Industrial	23.2
Retail	31.1
Other	5.4

Source: Schroders.

Regional Weightings

Central London	7.8
South East ex Central London	28.1
Rest of South	8.4
Midlands and Wales	27.2
North and Scotland	28.5

Source: Schroders.

Information

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

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 (2017)	09 Feb 2017, 04 May 2017, 10 Aug 2017, 23 Nov 2017
Dealing	Ordinary shares can be purchased on the London Stock Exchange
Dividend Payment Date (2017)	28 Feb 2017, 31 May 2017, 31 Aug 2017, 06 Dec 2017
Investment Management Fee	1.1% per annum of Company's NAV
ISA Eligible	Yes

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, 31 Gresham Street, London EC2V 7QA. Registered No: 1188240 England. Authorised and regulated by the Financial Conduct Authority. RC61129