

# Schroder European Real Estate Investment Trust Plc

30 June 2023

## 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 institutional quality, income-producing commercial real estate in major continental European cities and regions. Target markets are 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.

### 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 and tax jurisdictions. Changes in foreign exchange rates could create losses.

We continue to operate in an environment where the pricing of risk, value and liquidity is challenging. All sectors are seeing re-pricing, driven largely by higher discount rates, partially as a result of the change in the availability and cost of debt. The immediate focus is on maintaining a strong and healthy balance sheet, de-risking upcoming re-financings and actively managing the investments with an increasing operational mindset that makes the assets more relevant in this changing environment.



G R E S B  
★★★★☆ 2022

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.



Source: AJ Bell, Fund and Investment Trust Awards 2022.

#### Fund Manager

Jeff ODwyer

#### Company launch date

9 December 2015

#### Net Asset Value ('NAV')

€174.4m

#### NAV per share

130.4 cps/111.9 pps<sup>1</sup>

#### Portfolio net initial yield

6.4%

#### Loan to value

31% LTV (23% net of cash)

#### Share price

79.6 pps<sup>2</sup>

#### Dividend yield

6.5%<sup>3</sup>

#### Premium/(discount) to NAV

(28.9%)<sup>4</sup>

#### GRESB

4 Green Stars 83/100

#### Ongoing charges

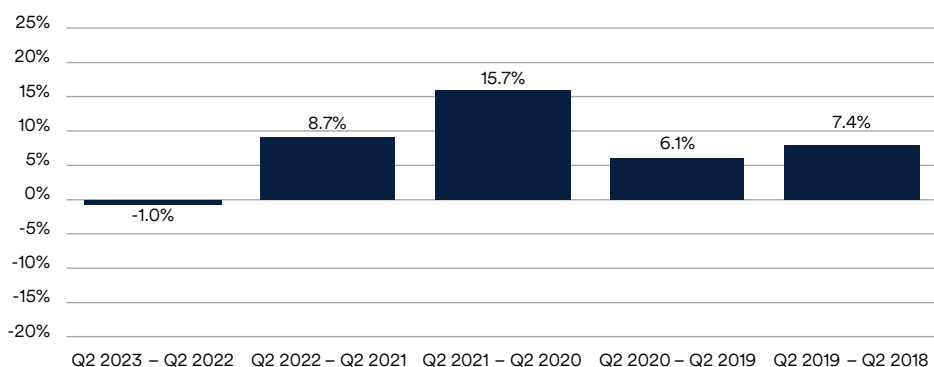
2.41%<sup>5</sup>

Source: Schroders unless otherwise stated.

- 1 Exchange rate as at 30 June 2023 GBP:EUR 1.165.
- 2 Schroders, Datastream.
- 3 Annualised yield based on the announced quarterly dividend of 1.48 cps/1.27 pps for the period 1 April 2023 – 30 June 2023 and a share price of 79.6 pps on 30 June 2023.
- 4 Based on NAV as at 30 June 2023, published in September 2023 and share price as at 30 June 2023.
- 5 Ongoing charges calculated in accordance with AIC recommended methodology as a percentage of average NAV over the period.

## Performance Analysis

### Real Estate Portfolio Performance<sup>6</sup>



Performance (%)	3 months	6 months	1 year
Share Price Total Return (GBP) <sup>7</sup>	1.0	4.8	-11.4
Net Total Return (Euro) <sup>8</sup>	-0.1	-1.4	-3.8
NAV Total Return (converted to GBP) <sup>9</sup>	-2.5	-4.6	-4.2
SEREIT Real Estate Total Return <sup>6</sup>	0.5	0.7	-1.0

Performance (%)	3 years p.a.	5 years p.a.	Since launch	Average since launch
Share Price Total Return (GBP) <sup>7</sup>	14.3	1.5	27.4	3.3
Net Total Return (Euro) <sup>8</sup>	6.3	5.0	39.0	4.5
NAV Total Return (converted to GBP) <sup>9</sup>	4.4	4.3	63.4	6.7
SEREIT Real Estate Total Return <sup>6</sup>	7.6	9.0	n/a	n/a

Discrete Yearly Performance (%)	Q2 2022 – Q1 2023	Q2 2021 – Q1 2022	Q2 2020 – Q1 2021	Q2 2019 – Q1 2020	Q2 2018 – Q1 2019
Share Price Total Return (GBP) <sup>7</sup>	-11.4	14.5	47.3	-29.5	2.3
Net Total Return (Euro) <sup>8</sup>	-3.8	8.0	15.5	2.7	3.3
NAV Total Return (converted to GBP) <sup>9</sup>	-4.2	8.6	9.2	3.9	4.6
SEREIT Real Estate Total Return <sup>6</sup>	-1.0	8.7	15.7	6.1	7.4

Issued in September 2023.

**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.**

## Company summary

SEREIT invests in European growth cities and regions. It is a UK closed-ended real estate investment company incorporated on 9 January 2015. The Company has a premium listing on the Official List of the UK Listing Authority and its shares have been trading on the Main Market of the London Stock Exchange (ticker: SERE) since 9 December 2015. It also has a secondary listing on the Main Board of the Johannesburg Stock Exchange (ticker: SCD).

<sup>6</sup> Source: Schroders, Real Estate Portfolio performance is internally calculated and reflects the portfolio's time-weighted property performance history. Returns are net of capex and tenant incentives, but are excluding the effect from transaction costs.

<sup>7</sup> Source: Schroders, Datastream, bid to bid price plus dividends paid.

<sup>8</sup> Source: Schroders, NAV to NAV (per share) plus dividends paid.

<sup>9</sup> Source: Schroders, NAV to NAV (per share). Converted into GBP.

## Top 10 Holdings

Rank	Property	Country	Sector	% of Total Portfolio*
1	Paris (Saint-Cloud)	France	Office	16%
2	Berlin	Germany	Retail/DIY	12%
3	Hamburg	Germany	Office	10%
4	Stuttgart	Germany	Office	8%
5	Rennes	France	Industrial	8%
6	Apeldoorn	Netherlands	Mixed	6%
7	Venray	Netherlands	Industrial	5%
8	Alkmaar	Netherlands	Industrial	5%
9	Frankfurt	Germany	Retail/Grocery	5%
10	Rumilly	France	Industrial	4%
<b>Subtotal 10 (of 15 properties)</b>				<b>79%</b>

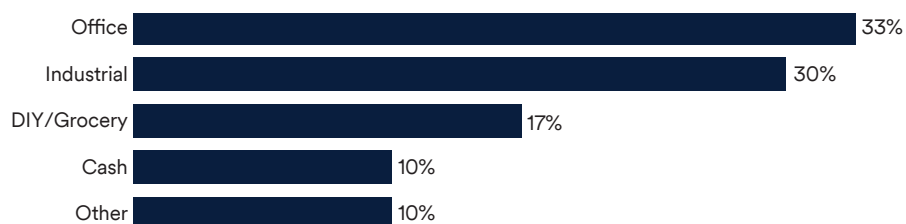
Source: Schroders. \*Shown as a percentage of total portfolio value. Excludes the Seville property for which the NAV exposure is nil. Includes available cash of €24.3 million (internally calculated).

## Top 10 Tenants

Rank	Tenants	% of Total Portfolio*
1	KPN	17%
2	Hornbach	11%
3	C-Log	7%
4	Outscale	6%
5	Filassistance	6%
6	DKL	5%
7	Cereal Partners	5%
8	LandBW	4%
9	Schuurman Beheer	4%
10	Inventum	4%
<b>Total top ten tenants</b>		<b>70%</b>

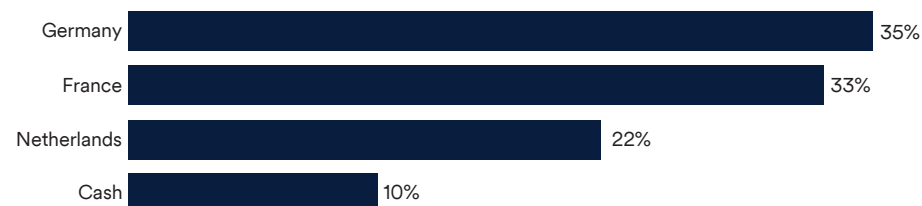
Source: Schroders. \*Shown as a percentage of total portfolio. Excludes the Seville property for which the NAV exposure is nil.

## Sector Weightings



Source: Schroders. Shown as a percentage of total portfolio value. Excludes the Seville property for which the NAV exposure is nil. Includes available cash of €24.3 million (internally calculated).

## Regional Weightings



Source: Schroders. Shown as a percentage of total portfolio value. Excludes the Seville property for which the NAV exposure is nil. Includes available cash of €24.3 million (internally calculated).

## Information

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

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	December, March, July, October
Dealing	Ordinary shares can be purchased on the London Stock Exchange or the Johannesburg Stock Exchange
Dividend Payment Date	January, April, August, November
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 company held any particular investments

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