

Schroders

Schroder UK
Real Estate Fund
Feeder Trust

Annual Report
and Audited
Financial Statements

For the year ended 31 March 2019



For professional advisers and
employee benefits consultants only.

About Us

The Schroder UK Real Estate Fund Feeder Trust ('The Trust') invests solely in The Schroder UK Real Estate Fund ('SREF').

Fund summary

SREF is an open ended investment company which is structured as a Property Authorised Investment Fund (PAIF). It is available to Eligible Investors as a Qualified Investor Scheme (QIS). The Fund is an Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Directive ('AIFMD').

Since the conversion of the Fund to a PAIF in 2012, the investor base has become increasingly diversified across institutional types and geographies. From 2015, the Fund has held an international marketing passport to 11 European countries: Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Spain, Sweden and Switzerland. This supports interest and investment from international institutions and enhances Fund liquidity.

The Fund is available to a broad range of domestic and international professional investors seeking to benefit from Schroders' real estate expertise.

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* Collectively these comprise the Authorised Fund Manager's Report.

Trust Information

Performance

	As at/ for the year to 31 March 2019	As at/ for the year to 31 March 2018	As at/ for the year to 31 March 2017
Net asset value per unit	£47.71	£46.61	£43.45
Total gross distribution per unit payable	£1.42	£1.50	£1.41
Number of units in issue	4,680,517.052	10,124,988.449	3,418,404.773
Net asset value	£223,307,468	£471,925,618	£148,529,687
Gross asset value	£224,479,627	£474,163,756	£149,286,428
Gross yield on year and net asset value	3.0%	3.2%	3.2%
Total return during year	5.5%	10.9%	6.3%
Total net asset value of scheme property	£223,307,468	£471,925,618	£148,529,687
Highest price per unit	£47.84	£46.61	£43.45
Lowest price per unit	£46.67	£43.47	£42.01
Net income distributed	£8,102,462	£9,890,301	£3,965,468

The performance of the Trust, which mirrors the performance of the Schroder UK Real Estate Fund, is summarised in the below table. The performance summary of the three and five-year figures is included within the Schroder UK Real Estate Fund Audited Report and Accounts for the year ended 31 March 2019.

	For the year to 31 March 2019	For the year to 31 March 2018
Investments		
Annual total return*	5.5%	10.9%
Benchmark total return*	4.8%	10.0%

* Returns are quoted net of fees but gross of tax. Investors in the Feeder Fund receive all distributable income as dividend distributions, net of corporation tax at 20%.

Portfolio Statement as at 31 March 2019

	Market value 2019 £'000	Market value 2018 £'000	Total net asset %
Investments			
Schroder UK Real Estate Fund	£223,307	£471,926	100%
Total investments	£223,307	£471,926	100%
Total net assets	£223,307	£471,926	100%

Report of the Authorised Fund Manager and Statement of Responsibilities

The Financial Statements

We are pleased to present the Annual Report and Audited Financial Statements of the Trust for the year ended 31 March 2019.

Statement of the Authorised Fund Manager's Responsibilities

The Collective Investment Schemes Sourcebook of the FCA ('Financial Conduct Authority') requires the Authorised Fund Manager to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Trust at the period end and of the net income and net gains or losses on the scheme property of the Trust for the period then ended. In preparing the financial statements the Manager is required to:

- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation for the foreseeable future; and
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the IMA ('Investment Management Association') in May 2014.

The Manager is required to keep proper accounting records and to manage the Trust in accordance with the Regulations and the Instrument of Incorporation. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Manager is aware, there is no relevant audit information of which the Fund's auditors are unaware, and the Manager has taken all the steps that he or she ought to have taken as a Manager in order to make himself or herself aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

We hereby approve the Report and Financial Statements of the Schroder UK Real Estate Fund Feeder Trust for the year to 31 March 2019 in accordance with the requirements of the Collective Investment Schemes Sourcebook of the FCA.

J. Walker-Hazell

P. Chislett

Schroder Unit Trusts Limited
19 July 2019

AIFMD Remuneration Disclosures for Schroder Unit Trusts Limited ('SUTL')

For the year to 31 December 2018

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 68 to 90 of the 2018 Annual Report & Accounts (available on the Group's website – www.schroders.com/ir), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The AIF Material Risk Takers ('AIF MRTs') of SUTL are individuals whose roles within the Schroders Group can materially affect the risk of SUTL or any AIF fund that it manages. These roles are identified in line with the requirements of the AIFM Directive and guidance issued by the European Securities and Markets Authority.

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the AIFM Directive are met for all AIF MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2018 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of SUTL and the Remuneration Committee. The most recent review found no fundamental issues but resulted in a range of more minor recommendations, principally improvements to process and policy documentation.

The total spend on remuneration is determined based on a profit share ratio, measuring variable remuneration charge against pre-bonus profit, and from a total compensation ratio, measuring total remuneration expense against net income. This ensures that the interests of employees are aligned with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal, compliance and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2018.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two independent Non-Executive Directors who receive fees in respect of their role on the Board of SUTL. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to AIF MRTs of SUTL. Most of those AIF MRTs were employed by and provided services to other Schroders group companies and clients. As a result, only a portion of remuneration for those individuals is included in the aggregate remuneration figures that follow, based on an objective apportionment to reflect the balance of each role using relevant regulated AUM as a proportion of the total AUM within the scope of each role. The aggregate total remuneration paid to the 142 AIF MRTs of SUTL in respect of the financial year ended 31 December 2018, and attributed to SUTL or the AIF funds that it manages, is £5.9 million, of which £2.2 million was paid to senior management, £3.6 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the AIF funds that it manages and £0.1 million was paid to Control Function MRTs.

For additional qualitative information on remuneration policies and practices see www.schroders.com/rem-disclosures

Trustee's Report

Statement of Responsibilities

Statement of the Trustee's Responsibilities and Report of the Trustee to the Shareholders of Schroder UK Real Estate Fund ('the Company') for the Year Ended 31 March 2019.

The Trustee must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Trustee must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM') are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Natwest PLC - 19 July 2019

Independent Auditors' Report to the Unitholders of Schroder UK Real Estate Fund Feeder Trust

Report on the audit of the financial statements

Opinion

In our opinion, Schroder UK Real Estate Fund Feeder Trust's financial statements ("the financial statements"):

- give a true and fair view of the financial position of the Trust as at 31 March 2019 and of the net revenue and the net capital gains on the scheme property of the Trust the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

Schroder UK Real Estate Fund Feeder Trust (the "Trust") is an Authorised Unit Trust. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the Statement of Total Return and the Statement of Changes in Net Assets Attributable to Unitholders and the Cash Flow Statement for the year then ended; the distribution table; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Trust's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Report of the Authorised Fund Manager

In our opinion, the information given in the Report of the Authorised Fund Manager and the Statement of Responsibilities for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Unitholders of Schroder UK Real Estate Fund Feeder Trust **continued**

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Statement of the Authorised Fund Manager's Responsibilities set out on page 2, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to wind up or terminate the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Trust's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

19 July 2019

Statement of Total Return

For the year ended 31 March 2019

	Notes	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Income			
Net capital gains	5	4,287	12,435
Revenue	6	9,817	12,087
Expenses		-	-
Net revenue before taxation		9,817	12,087
Taxation	12	(1,715)	(2,197)
Net revenue after taxation		8,102	9,890
Total return before distribution		12,389	22,325
Finance costs: distributions	7	(8,102)	(9,890)
Change in net assets attributable to unitholders from investment activities		4,287	12,435

Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 31 March 2019

	31 March 2019 £'000	31 March 2018 £'000
Opening net assets attributable to unitholders	471,926	148,530
Amounts receivable on creation of units	28,575	316,195
Amounts payable on redemption of units	(281,481)	(5,234)
Net amounts receivable on issue of units	219,020	459,491
Change in net assets attributable to unitholders from investment activities	4,287	12,435
Closing net assets attributable to unitholders	223,307	471,926

Balance Sheet

As at 31 March 2019

	Notes	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
ASSETS			
Investment asset	1(b)	223,307	471,926
Debtors	8	536	1,151
Cash and bank balances	9	636	1,087
Total other assets		1,172	2,238
Total assets		224,479	474,164
LIABILITIES			
Creditors	10	713	1,262
Distribution payable		459	976
Total liabilities		1,172	2,238
Net assets attributable to unitholders		223,307	471,926

Cash Flow Statement

For the year ended 31 March 2019

	Notes	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Net cash inflow from operating activities	15	10,432	11,338
Tax paid in the year		(2,264)	(1,376)
Net cash generated from operating activities		8,168	9,962
Investing activities			
Sale/(purchase) of investment asset		252,906	(310,961)
Net cash generated from/(used in) investing activities		252,906	(310,961)
Financing activities			
Amounts received on issue of units		28,575	316,195
Amount paid on transfer of units		(281,481)	(5,234)
Distributions paid		(8,619)	(9,231)
Net cash (used in)/generated from financing activities		(261,525)	301,730
(Decrease)/increase in cash in the year		(451)	731
Net cash at the start of the year		1,087	356
Net cash at the end of the year		636	1,087

Notes to the Financial Statements

1. Accounting policies

(a) Basis of preparation

The accounts have been prepared under the historic cost basis, as modified by the revaluation of investment assets, and in accordance with the Statement of Recommended Practice for UK Authorised Funds ('SORP') issued by the Investment Management Association ('IMA') in May 2014 and in accordance with the Scheme and the Collective Investment Scheme sourcebook for United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

The Schroder UK Real Estate Fund Feeder Trust (the 'Trust') was authorised on 31 July 2012. The Trust is a non-UCITS Fund.

Going concern

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, as modified by the revaluation of investment asset, and in accordance with applicable United Kingdom accounting standards and the Prospectus.

The Authorised Corporate Director ('ACD') has examined significant areas of possible financial risk and has not identified any material uncertainties which would cast significant doubt on the Trust's ability to continue as a going concern for a period of not less than 12 months from the date of the approval of the financial statements. The ACD has satisfied itself that the Trust has adequate resources to continue in operational existence for the foreseeable future.

After due consideration, the ACD believes it is appropriate to adopt the going concern basis in preparing the financial statements.

Use of estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The most significant estimates made in preparing these financial statements relate to the carrying value of investment asset. Investments are valued at the Net Asset Value ('NAV') price as provided by the relevant managers. Judgements made by management in the application of FRS 102 that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 17 under the heading 'Fair value measurement'.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(b) Basis of valuation of investments

Investments are valued at the NAV price as provided by the relevant managers, in accordance with industry practice and the SORP.

(c) Recognition of revenue

Revenue from shares is recognised when the dividend from investments is declared.

(d) Expenses

Expenses of the Trust are borne in full by the Schroder UK Real Estate Fund.

(e) Cash flow statement

In accordance with the requirements of FRS 102 (Revised) and the IMA SORP 2014, a cash flow statement has been provided.

(f) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over allowable expenses, with relief for overseas taxation where appropriate.

Income received from investment in the Schroder UK Real Estate Fund is taxed depending on the income stream. Property income is taxed at 20%, interest income taxed at 20% and dividend income at 0%.

Deferred tax is provided on all timing differences that have originated but have not been reversed by the balance sheet date.

Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the Financial Statements continued

1. Accounting policies continued

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

2. Distribution policies

Basis of distribution

Revenue is generated by the Trust's investments during each accounting year. Where revenue exceeds expenses, the net income of the Trust is available to be distributed to unitholders. All income is distributed, at unit class level, to the unitholders in accordance with the Trust's Prospectus on a monthly basis. Income equalisation will not apply to the Fund.

3. Risk management policies

(a) Market risk and valuations of property

The exposure to market risk arising from the prevailing general economic conditions and market sentiment may affect the balance sheet and total return of the Trust. Valuations are subject to uncertainty and there is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

Market risk is reduced through holding investments that have a geographically diversified portfolio that invests across various property sectors. The Manager adheres to the investment guidelines and investment and borrowing powers established in the Prospectus, Scheme particulars and in the rules governing the operation of open-ended investment companies.

(b) Credit and liquidity risk

The Trust can be exposed to credit risk arising from the possibility that another party fails to fulfil its obligations and liquidity risk surrounding its capacity to meet its liabilities.

Receivables for the year to 31 March 2019 amounted to £0.54 million (31 March 2018: £1.15 million) and the provision for doubtful debts for the year ended 31 March 2019 amounted to nil (31 March 2018: nil). As at the year end 31 March 2019 there were no receivables that were past due but not impaired.

Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. The liquidity risk, derived from the liability to shareholders, is minimised through holding cash which can meet the usual requirements of share redemptions.

The Manager's policy for managing this risk is to:

1. Operate a strict unit redemption policy such that unitholders may only serve notice to redeem at the end of each quarter.
2. Raise sufficient cash resources within the Trust to finance a limited number of redemptions.
3. Review the need for and maintain as appropriate a borrowing facility.
4. Reserve the right to defer payment of redemptions.

(c) Currency risk

All financial assets and financial liabilities of the Trust are in sterling, thus the Trust has no exposure to currency risk at the balance sheet date.

(d) Interest rate risk

The Trust has the ability to access debt facilities, but did not have any debt facilities during the year. There were no changes to the risk management policies during the year to 31 March 2019.

4. Portfolio transaction costs

There were nil transaction costs during the year to 31 March 2019 (2018: nil).

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	-	310,961
Gross purchase total	-	310,961
Analysis of total sales costs		
Gross sales in year before transaction costs	252,906	-
Total sales net of transaction costs	252,906	-

As at the balance sheet date the average portfolio dealing spread was 5.50% (2018: 5.36%).

5. Net capital gains

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Gains in the year on investment	4,287	12,435
Net capital gains	4,287	12,435

All gains during the year to 31 March 2019 are unrealised (2018: all gains unrealised).

6. Revenue

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Franked investment income	1,272	1,102
Unfranked investment income	8,545	10,985
Total revenue	9,817	12,087

7. Finance costs: distributions

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
April	936	361
May	927	384
June	1,008	346
July	948	965
August	1,034	1,050
September	454	991
October	456	816
November	455	961
December	484	1,031
January	495	993
February	446	1,016
March	459	976
Gross distribution for the year	8,102	9,890

8. Debtors

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Distributions due from investment	536	1,151
Total debtors	536	1,151

Notes to the Financial Statements continued

9. Cash and bank balances

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Cash and bank balances	636	1,087
Total cash and bank balances	636	1,087

10. Creditors

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Taxes payable	713	1,262
Total creditors	713	1,262

11. Contingent liabilities and commitments

There were no contingent liabilities or commitments as at 31 March 2019 (2018: nil).

12. Taxation

The Trust is exempt from United Kingdom tax on capital gains realised on the disposal of their investment in the Schroder UK Real Estate Fund.

The Trust will pay all distributable income as dividend distributions net of corporation tax at 20%.

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
(a) Analysis of charge in year		
Corporation tax at 20%	-	-
Current tax charge (note 12b)	1,715	2,197
(b) Factors affecting the current tax charge for the year		
Net revenue before taxation (note 6)	9,817	12,087
Corporation tax at 20%	1,963	2,417
Effects of:		
Revenue not subject to taxation	(248)	(220)
Tax deductible interest distributions	-	-
Current tax charge for the year (note 12a)	1,715	2,197

(c) Provision for deferred tax

There was no provision required for deferred tax at the balance sheet date.

13. Expenses

All fees and expenses of the Trust will be paid by the Schroder UK Real Estate Fund to ensure parity of unit prices in the Funds and share prices of the relevant classes of the Schroder UK Real Estate Fund. As a result of this arrangement, unitholders will bear their proportionate share of the fees and expenses of the Trust through their indirect investment in the Schroder UK Real Estate Fund. No charges or expenses for their establishment and ongoing administration will be payable by the Trust. In the event that this arrangement is changed, the applicable fees will be set out in this section of the Prospectus.

The audit fee for the Fund for the year to 31 March 2019 is £20,888 (2018: £20,280) which is borne in full by the Schroder UK Real Estate Fund.

14. Reconciliation of movement in net cash

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Cash and cash equivalents		
Opening cash	1,087	356
Cashflows	(451)	731
As at 31 March	636	1,087

15. Reconciliation of net revenue before tax to net cash inflow from operating activities

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Net revenue before taxation	9,817	12,087
Decrease/(increase) in debtors	615	(749)
Net cash inflow from operating activities	10,432	11,338

16. Financial instruments

The primary financial instruments held by the Trust at 31 March 2019 were investment assets, cash, short term assets and liabilities to be settled in cash. The Trust did not hold, and was not a counterparty to, any derivative instruments either during the year or at the year end.

The policies applied to the management of the financial instruments are set out in note 3. The fair values of the Trust's assets and liabilities are represented by the values shown in the balance sheet on page 8. There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

17. Fair value measurement

The fair values of financial assets and liabilities are not materially different from their carrying values in the financial statements. The fair value hierarchy levels are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs). The only financial asset of the feeder is the investment in the Schroder UK Real Estate Fund which has been classified as Level 3, as it has been valued at the NAV provided by the Manager.

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Opening investment asset	471,926	148,530
Additions	28,575	316,195
Transfer	(281,481)	(5,234)
Unrealised gain	4,287	12,435
Closing investment asset	223,307	471,926

18. Related parties

(a) Fees receivable by the Trustee

The Trustee acts as the depositary to the Schroder UK Real Estate Fund. It is not making a separate charge in relation to the Trust.

(b) Fees receivable by the Registrar

The Registrar acts as the registrar to the Schroder UK Real Estate Fund. It is not making a separate charge in relation to the Trust.

(c) Fees receivable by the Authorised Fund Manager

The Manager's annual fees (and any VAT) are charged within its authorised corporate director fee in the Schroder UK Real Estate Fund (which is based on the NAV of the Schroder UK Real Estate Fund); there is no additional management fee charged within the Trust.

(d) Schroder UK Real Estate Fund

The Manager of the Schroder UK Real Estate Fund Feeder Trust, which invests solely into the Schroder UK Real Estate Fund, is part of the same group as the Authorised Corporate Director of the Schroder UK Real Estate Fund. During the year to 31 March 2019, the Schroder UK Real Estate Fund Feeder Trust was paid gross distributions totalling £9.8 million (2018: £12.1 million); as at year end £0.5 million was receivable (2018: £1.2 million).

Distribution Table

Monthly distributions payable for the year to 31 March 2019 in pence per unit. There is a single net unit class within the Trust for the year to 31 March 2019.

	Year to		Year to			
	31 March 2019		31 March 2018			
Final distribution payable	117.5108648		123.1903813			
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Final distribution payable	10.728218	11.174518	10.073148	10.518441	11.375731	10.637553
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Final distribution payable	8.689470	9.969259	10.377682	9.954000	10.051547	9.640813
	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Final distribution payable	9.180244	9.095921	9.639443	9.127008	9.945885	10.059876
	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Final distribution payable	10.109881	10.077817	10.356278	10.572003	9.531418	9.815090

Unaudited Additional Information Comparative Tables

	2019	2018	2017
Change in net assets per unit			
Opening net asset value per unit	£46.61	£43.45	£42.26
Return before operating charges*	£2.28	£4.39	£2.34
Operating charges	£0.00	£0.00	£0.00
Return after operating charges*	£2.28	£4.39	£2.34
Distribution on income units	(£1.18)	(£1.23)	(£1.15)
Closing net asset value per unit	£47.71	£46.61	£43.45
* after direct transaction costs of within SREF	£0.00	£0.02	£0.02
	£0.00	£0.00	£0.00
Performance			
Return after charges	5.5%	10.9%	6.3%
Other information			
Closing net asset value	£223,307,468	£471,925,618	£148,529,687
Closing number of units	4,680,517.05	10,124,968.45	3,418,404.77
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest unit price	£47.84	£46.61	£43.45
Lowest unit price	£46.67	£43.47	£42.01

General information

Schroder UK Real Estate Fund Feeder Trust ('the Trust') is an authorised unit trust in umbrella form and authorised by the FCA with effect from 31 July 2012. The Trust has an unlimited duration. Unitholders are not liable for the debts of the Trust.

Accordingly, the information in this document is directed at eligible counterparties, authorised persons, professional clients, existing investors in the Trust and clients and newly accepted clients of the Schroder Group, where reasonable steps have been taken to ensure that investment in the Trust is suitable. This material should not be relied upon by persons of any other description.

In any case, a recipient who is in any doubt about investment in the Trust should consult an authorised person who specialises in investments of this nature.

The Trust's past performance is not a guide to the future. The Trust invests via the Schroder UK Real Estate Fund in real property, the value of which is generally a matter of a valuer's opinion. There is no recognised market for units in the Trust and an investment is not readily realisable. It may be difficult to trade in the units or to sell them at a reasonable price. The price of units and the income from them may fluctuate upwards or downwards and cannot be guaranteed.

Key Service Providers

Manager Contacts

For general information and queries on secondary market availability, please contact:

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For valuations, to place trades, tax reclaims and dividend/distribution information, please contact the Registrar:

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Schroder Unit Trusts Limited is authorised and regulated by the FCA.

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