

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended immediately to seek your own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000.

If you have disposed of all your Ordinary Shares in the Company, please pass this document (but not the accompanying personalised Form of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom you made the disposal for onward transmission to the purchaser or transferee.

SCHRODER REAL ESTATE INVESTMENT TRUST LIMITED

(an authorised closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 41959)

Proposals to grant authority to allot up to 200 million Ordinary Shares on a non-pre-emptive basis for the purposes of an Initial Placing and Offer and a Placing Programme

Approval of Related Party Transactions

Amendment to Investment Policy

and

Notice of Extraordinary General Meeting

The Company is an authorised closed-ended investment scheme in accordance with Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and the Authorised Closed-Ended Investment Schemes Rules 2008.

Notice of an Extraordinary General Meeting to be held at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on 16 April 2014 at 10.00 a.m. is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Resolutions at the Extraordinary General Meeting.

Shareholders are requested to complete and return the Form of Proxy accompanying this document for use at the Extraordinary General Meeting. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 14 April 2014.

The distribution of this document, together with accompanying documents, into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession such documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States, Canada, Australia, the Republic of South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

Each of Numis Securities Limited (“**Numis**”), which is authorised and regulated in the FCA, and J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”) and which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the Proposals and will not be responsible to anyone other than the Company for providing the protections afforded to clients of either Numis and J.P. Morgan Cazenove nor for providing advice in connection with the Proposals. Neither Numis nor J.P. Morgan Cazenove is responsible for the contents of this document.

Each of Numis and J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

TABLE OF CONTENTS

| | <i>Page</i> |
|---|-------------|
| EXPECTED TIMETABLE | 3 |
| PART 1 LETTER FROM THE CHAIRMAN | 4 |
| 1. Introduction | 4 |
| 2. The Issues | 4 |
| (i) Background to and reasons for the Issues | 4 |
| (ii) The Initial Placing and Offer for Subscription | 7 |
| (iii) The Placing Programme | 8 |
| (iv) Authority for the Issues | 9 |
| 3. Related party transactions | 10 |
| 4. Amendment to investment policy | 11 |
| 5. Extraordinary General Meeting | 11 |
| 6. Action to be taken | 12 |
| 7. Recommendation | 12 |
| PART 2 EXISTING AND NEW INVESTMENT POLICIES | 13 |
| PART 3 ADDITIONAL INFORMATION | 14 |
| 1. Major interests in Ordinary Shares | 14 |
| 2. No significant change | 14 |
| 3. Documents available for inspection | 14 |
| PART 4 DEFINITIONS | 15 |
| NOTICE OF EXTRAORDINARY GENERAL MEETING | 18 |

EXPECTED TIMETABLE

| | |
|--|-----------------------------|
| Latest time and date for receipt of Forms of Proxy | 10.00 a.m. on 14 April 2014 |
| Extraordinary General Meeting | 10.00 a.m. on 16 April 2014 |
| Issue of New Shares issued under the Initial Placing and Offer, crediting of CREST accounts where applicable and admission and dealings in New Shares commence | 8.00 a.m. on 17 April 2014 |
| Placing Programme opens | 8.00 a.m. on 18 April 2014 |
| Despatch by post of definitive share certificates for New Shares issued under the Initial Placing and Offer, where applicable | 28 April 2014 |
| Placing Programme closes | 19 March 2015 |

All references to time in this document are to London time.

PART 1

LETTER FROM THE CHAIRMAN

SCHRODER REAL ESTATE INVESTMENT TRUST LIMITED

*(an authorised closed-ended company incorporated with limited liability under the laws of Guernsey
with registered number 41959)*

Directors:

Lorraine Baldry (*Non-executive Chairman*)
Harry Dick-Cleland (*Non-executive Director*)
John Frederiksen (*Non-executive Director*)
Keith Goulborn (*Non-executive Director*)
Alison Ozanne (*Non-executive Director*)
David Warr (*Non-executive Director*)

Registered Office:

Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

20 March 2014

To Shareholders

Dear Sir or Madam

1. Introduction

The Company was launched in July 2004 with the investment objective of providing Shareholders with an attractive level of income together with the potential for both income and capital growth from investing in UK commercial property.

Following the recent placing in January 2014 which represented 9.99 per cent. of the Company's then issued share capital, the Board and the Investment Manager believe there is potential to enhance returns to Shareholders through further disciplined and accretive growth of the Company. Therefore, to enable the Company to take advantage of the prevailing market conditions and investment opportunities, the Board is proposing an Initial Placing and Offer for Subscription, with the net proceeds used to complete purchases of properties that the Investment Manager has identified that are suitable for acquisition. The Company is also proposing a Placing Programme to fund future acquisitions that support the Company's investment objective and acquisition criteria in the period from 18 April 2014 to 19 March 2015. The issue of Ordinary Shares on a non-pre-emptive basis requires Shareholder approval.

In connection with the proposed fundraising, the Board is seeking the approval of issues of Ordinary Shares to certain Shareholders that are deemed to be related parties of the Company under the Listing Rules and/or the Listing Rules of the CISE. The Board is also taking this opportunity to seek Shareholder approval for an amendment to the Company's investment policy. The Board is therefore convening an extraordinary general meeting to seek the necessary approvals from Shareholders for the Proposals described in this document.

The purpose of this document is to provide you with details of the Proposals and to set out the reasons why the Directors are recommending that you vote in favour of the Resolutions at the Extraordinary General Meeting.

2. The Issues

(i) Background to and reasons for the Issues

Significant progress has been made strengthening the Company's balance sheet over the past 36 months in order to position the Company for a market recovery and future growth. Central to this strategy was the need to refinance the Company's loan which was due to mature in July 2014. This process was undertaken early in 2013 in order to take advantage of long term yields being at historic lows. The Company's refinancing objectives were to secure a long-term debt maturity, a reduction in

the cost of debt and sufficient operational flexibility to permit proactive asset management of the portfolio.

In order to optimise terms, during the 12 months prior to the re-financing, the Company completed £67 million of disposals at an average yield of 3.4 per cent., realising good performance from asset management activity. These disposals served to reduce the Company's loan to value ratio to a level which enabled access to longer term lenders. Following negotiations with a number of prospective lenders, on 16 April 2013 a new £129.58 million loan facility was agreed with Canada Life Limited, on the following principal terms, which satisfied the Company's refinancing objectives referred to above:

- 20 per cent. of the loan will mature in 10 years' time and 80 per cent. in 15 years' time to give a weighted term as at 31 December 2013 of 14 years;
- the loan carries a total fixed interest rate of 4.77 per cent. per annum compared with the interest rate on the Company's previous loan of 5.72 per cent. per annum;
- there is no amortisation of the loan; and
- the loan provides flexibility to asset manage the Portfolio and the ability to utilise cash from disposals to fund capital expenditure.

Completion of the refinancing enabled the Board to review the Company's dividend policy and conclude that a sustainable dividend, having regard to the Portfolio, asset business plans and market conditions, was 0.62 pence per share ("**pps**") per quarter, representing a reduction of 30 per cent. with effect from the quarter ending June 2013. This provided a solid platform from which to review and implement the Company's longer term strategy and stated objective: namely, to provide Shareholders with an attractive level of income, with the potential for both income and capital growth.

Since April 2013, the Company has made progress with asset management initiatives and prospective disposals offering the potential to make a positive contribution to income and Net Asset Value. These include:

- exchanged conditional contracts to sell Reynards Trading Estate in Brentford to Notting Hill Home Ownership ("**NHHO**") on a subject to planning basis, for a price of approximately £20 million, compared to the value as at 17 March 2014 of £16 million. NHHO is responsible for making the planning application at its own cost and there continues to be uncertainty regarding the timing and prospects for achieving a residential planning consent; and
- exchanged conditional contracts to sell a one acre site at Olympic Office Centre in Wembley to UNITE Group Plc ("**UNITE**") on a subject to planning basis for a price of approximately £7.4 million, compared to the valuation as at 17 March 2014 of £6.25 million. The Company has already secured outline planning consent for UNITE's use of student accommodation and completion is subject to UNITE securing detailed planning consent.

During this period the Company has also benefited from a recovery in the UK commercial property market which has, in turn, been led by improving GDP growth and positive economic data relating to employment growth, retail sales and the housing market. This recovery is reflected in the latest Investment Property Databank ("**IPD**") Monthly Index which reported a 4.5 per cent. increase in capital values between April 2013 and December 2013. This contributed to a total return of 10.9 per cent. for the calendar year 2013, with the office and industrial sectors producing a total return of 14.4 per cent. and 14.2 per cent. respectively, and the retail sector producing the weakest total return of 7.6 per cent. As noted below, the Company's Portfolio benefited from a strategically low weighting to the retail sector in 2013.

The recovery since April 2013 followed 18 months of consecutive capital value declines and, despite the positive momentum in the market since then, average capital values remain 35 per cent. below the previous peak of June 2007. The recovery is notable for improving sentiment towards good quality

secondary property outside the core central London markets. This is partly due to the yield premium available but also reflects an improving occupational market and rental value growth in the strongest centres and regions, as a result of economic growth and reducing levels of supply. This emerging trend is yet to fully feed through into IPD data, with, for example, capital values of offices (measured by IPD) outside of central London still 50 per cent. below their previous peak of June 2007.

These conditions are presenting mis-pricing opportunities for well capitalised investors amongst an increasing number of available deals offering potential total returns consistent with the Company's investment objective.

Against this backdrop, the Board and Investment Manager continue to believe that there is potential to enhance future returns to Shareholders through a gradual increase in the size of the Company. In January 2014, this led to the Company placing 35,592,128 new Ordinary Shares, representing 9.99 per cent. of the issued share capital prior to the placing, raising gross proceeds of £17.17 million. These placing proceeds were immediately invested into the acquisition of the Headingley Property, a multi-let retail, leisure and office property in a densely populated suburb just outside the CBD in Leeds, for a purchase price of £16.23 million, or £17.1 million including acquisition costs. The purchase price reflected a net initial yield of 9.14 per cent. and satisfied the Company's investment criteria by offering good underlying fundamentals in terms of location and specification, affordable rents and sustainable tenant demand.

Following the acquisition of the Headingley Property, in February 2014 the Company acquired Morgan Sindall House in Rugby for £3.95 million, or £4.17 million including acquisition costs, reflecting a net initial yield of 8 per cent. The office property is let to Morgan Sindall for 15 years without tenant break options and complements the current portfolio by offering a long lease to an established tenant at an above average yield with inflation-linked rental uplifts.

The placing of 35,592,128 Ordinary Shares in January 2014 and the acquisition of both the Headingley Property and the Rugby Property has had the following positive financial impact compared with the last reported NAV as at 31 December 2013:

- increase in the NAV from £168.5 million as at 31 December 2013 to approximately £190.6 million as at 17 March 2014;
- increase in dividend cover from 74 per cent. over the quarter to December 2013 to approximately 91 per cent. as at 17 March 2014;
- increase in the Portfolio value from £279.59 million as at 31 December 2013 to £306.48 million as at 17 March 2014;
- reduction in the loan to value ratio, net of cash, from 40.7 per cent. as at 31 December 2013 to 39.1 per cent. as at 17 March 2014.

The positive financial impact of the January placing has provided the Company with the opportunity to pursue a prudent growth strategy that is value accretive to Shareholders, with the key potential corporate benefits summarised below:

- an enhancement in net income due to the arbitrage between the Ordinary Share price yield and the yields currently achievable on UK commercial property;
- additional liquidity in the Ordinary Shares should be gained with a larger market capitalisation;
- a reduction in the Company's loan to value ratio; and
- operational leverage and economies of scale.

As illustrated by the recent acquisitions, new equity can potentially be invested in properties offering an attractive yield with scope for adding value through asset management. Furthermore, improving dividend cover enables the Company to consider acquiring lower yielding assets offering enhanced growth prospects. More specifically, future acquisitions are likely to target the following markets:

Offices:

- London sub-markets with robust demand and areas known as the London ‘villages’ which benefit from multiple alternative uses including commercial as well as residential occupiers; and
- cities and towns outside of London with a “knowledge-based” economy offering creativity and innovation e.g. Cambridge, Oxford, Thames Valley and Brighton.

Industrial:

- medium-sized warehouses around big cities to support e-tailing – specification is key; and
- Greater London industrial offering long-term change of use.

Retail:

- convenience retailing in affluent areas;
- “value” retailing where overall cost to retailer is low; and
- higher yielding retail in strong cathedral towns and regional centres.

Alternatives:

- target operators with pricing power who pass on rising costs to end users;
- fixed or inflation-linked rental uplifts where underlying rents will keep pace; and
- sectors including healthcare, student accommodation, affordable housing or serviced apartments.

As stated above, the Investment Manager believes that there is an opportunity to broaden the Company’s investable universe through exposure to additional alternative property types such as healthcare, hotels and student accommodation. These alternative property types could make a positive contribution to performance through diversification and other benefits such as longer lease terms with inflation-linked rents. Further details of the Company’s current and proposed investment policies are set out in Part 2 of this document.

The Investment Manager is actively targeting a pipeline of potential acquisitions which satisfy the Company’s investment criteria above and it is intended that the net proceeds from the Initial Placing and Offer for Subscription will be deployed into acquisitions that are currently under negotiation and where terms have been agreed with the vendors.

In the event that the acquisitions currently under negotiation do not proceed to completion, the Company will seek to invest the net proceeds of the Initial Placing and Offer in accordance with the Company’s investment policy as soon as is practicable

(ii) ***The Initial Placing and Offer for Subscription***

Under the Initial Placing and Offer, subject to compliance with the Law and the Articles, the Company is proposing to issue up to 80 million New Shares at 50.25 pence per New Share to raise gross proceeds of up to approximately £40.2 million. The Initial Placing and Offer Price is based on the prevailing NAV per Share on 17 March 2014 plus a premium to cover the costs of the Initial Placing and Offer.

The Directors have reserved the right, in consultation with Numis and J.P. Morgan Cazenove who are acting as joint sponsors and brokers to the Company, to increase the number of New Shares offered pursuant to the Initial Placing and Offer to up to the maximum amount for which the Directors are seeking authority pursuant to the Issues, being up to 200 million New Shares. Any such increase will be announced via an RIS.

In the event that the number of New Shares applied for under the Initial Placing and Offer at the Initial Placing and Offer Price would result in the Company receiving net proceeds which are significantly in excess of the issue size then it would be necessary to scale back applications under the Initial Placing and Offer. In such event New Shares will be allocated as nearly as reasonably possible, so that applications from existing Shareholders are given priority over other applicants, and, where applicable, with a view to ensuring that existing Shareholders are allocated such percentage of New Shares as is as close as possible to their existing percentage holding of Ordinary Shares. In the event of oversubscription New Shares will be allocated to the Investec Related Party and/or the Schroders Related Party at the sole discretion of the Company, J. P. Morgan Cazenove and Numis on a basis that does not give them preferential treatment as against the other Shareholders taking into account the proportions of their shareholdings and the extent of the oversubscription.

The New Shares will rank *pari passu* in all respects with the existing Ordinary Shares, (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares). The New Shares issued under the Initial Placing and Offer will not be entitled to receive the dividend for the period from 1 January 2013 to 31 March 2013.

The Initial Placing and Offer is conditional, *inter alia*, on:

- (i) Resolution 4 being passed at the EGM;
- (ii) the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; and
- (iii) Initial Admission occurring by 8.00 a.m. on 17 April 2014 (or such later date as the Company, Numis and J.P. Morgan Cazenove may agree in writing, being not later than 8.00 a.m. on 31 May 2014).

The Directors intend to apply the net proceeds of the Initial Placing and Offer in accordance with the Company's investment objective and policy. The Initial Placing and Offer is not being underwritten.

Applications will be made to the FCA and to the CISE for admission of the New Shares to their respective Official Lists. Applications will also be made for the New Shares to be admitted to trading on the London Stock Exchange and the CISE. It is expected that Admission will become effective and that unconditional dealings in the New Shares will commence on the main market for listed securities of the London Stock Exchange and on the CISE at 8.00 a.m. (London time) on 17 April 2014.

The New Shares will be issued in registered form and may be held in uncertificated form. The New Shares allocated will be issued to Placees through the CREST system unless otherwise stated. The New Shares will be eligible for settlement through CREST with effect from Initial Admission.

Further details of the Initial Placing and Offer and as to how Shareholders can apply for new Ordinary Shares are set out in the Prospectus.

(iii) ***The Placing Programme***

The Company is also proposing the Placing Programme to enable the Company to raise additional capital in the period from 18 April 2014 to 19 March 2015 as and when it identifies properties that are suitable for acquisition. This should, in turn, enable the Investment Manager to act opportunistically, by making a series of accretive property acquisitions whilst also mitigating the risk of cash drag on Shareholders' funds. Further details of the Placing Programme are set out in Part 3 of the Prospectus.

Conditional on Resolution 4 being passed at the EGM, the Directors will be authorised to issue up to 200 million New Shares pursuant to the Placing Programme less any such shares issued pursuant to the Initial Placing and Offer without having to first offer those New Shares to existing Shareholders. The Placing Programme is being implemented to enable the Company to raise additional capital in the period from 18 April 2014 to 19 March 2015 as and when it identifies properties that are suitable for acquisition. This should, in turn, enable the Investment Manager to act opportunistically, by

making a series of accretive property acquisitions whilst also mitigating the risk of cash drag on Shareholders' funds.

The Directors intend to apply the net proceeds of the Placing Programme in making investments in accordance with the Company's investment objective and policy. The Placing Programme is not being underwritten.

New Shares will be issued from 8.00 a.m. on 18 April 2014 until 8.00 a.m. on 19 March 2015. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors.

The Placing Programme is conditional, *inter alia*, on the following:

- (i) Resolution 4 being passed at the EGM;
- (ii) the Placing Programme Price being determined by the Directors as described below;
- (iii) Admission of the New Shares issued pursuant to such issue; and
- (iv) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and/or the Authorised Closed-Ended Investment Schemes Rules 2008.

In circumstances where these conditions are not fully met, the relevant issue of New Shares pursuant to the Placing Programme will not take place.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares over a period of time.

All Ordinary Shares issued pursuant to the Placing Programme will be issued at a premium to the Net Asset Value per Ordinary Share at least sufficient to cover the costs and expenses of the Placing Programme (including without limitation, any placing commissions).

Applications will be made to the Financial Conduct Authority, the London Stock Exchange and the CISE for all the Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to the Official Lists of the FCA and of the CISE and to trading on the London Stock Exchange's main market for listed securities and the CISE throughout the period from 18 April 2014 to 19 March 2015. It is expected that such admission and dealings in the Ordinary Shares issued pursuant to the Placing Programme will commence in the period from 18 April 2014 to 19 March 2015.

(iv) ***Authority for the Issues***

In order for the Directors to issue Ordinary Shares for cash pursuant to the Issues free of pre-emption rights, such pre-emption rights must be dis-applied in accordance with the Articles. Shareholders are therefore being asked to approve, by way of special resolution at the Extraordinary General Meeting, the disapplication of pre-emption rights in respect of the issue of up to 200 million Ordinary Shares (representing just over 50 per cent. of the issued share capital of the Company as at the date of this document) pursuant to the Issues.

Whilst 50 per cent. is higher than the disapplication of pre-emption rights authority ordinarily recommended by corporate governance best practice, the Directors believe that taking a larger than normal authority is justified in the present circumstances to enable the Company to issue New Shares on an ongoing basis to fund future acquisitions.

New Shares will only be issued to new and existing Shareholders at a premium to the prevailing NAV at the time of issue in order to take account of the costs of such issue and will therefore be accretive to the prevailing NAV for existing Shareholders. Whilst Shareholders' voting rights will be diluted, the Directors believe that this consideration is outweighed by the flexibility that a larger authority provides. It will also mean that the Company should save the costs of having to issue further prospectuses in order to obtain further authority. The Directors intend to use this authority when they consider that it is in the best interests of Shareholders to do so and when the Investment Manager has identified suitable properties for acquisition.

The Ordinary Shares issued pursuant to the authority conferred by Resolution 4 will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant new Ordinary Shares).

The authority conferred by Resolution 4, if passed, will lapse on 30 September 2015, being approximately 18 months from the date of passing the Resolution.

3. Related party transactions

As at the date of this document, the following persons are, or should be considered to be, related parties of the Company:

- Investec Wealth & Investment Limited, a subsidiary of Investec plc (the “**Investec Related Party**”); and
- Schroders plc and each entity within the group of companies of which Schroders plc forms part which, in each case, holds Ordinary Shares either as principal or on a discretionary basis (the “**Schroders Related Party**”),

(together, the “**Related Parties**” and each a “**Related Party**”).

A person can be a related party for a number of reasons, including, by virtue of the size of its holding in a company or because it is the investment manager of the relevant company or otherwise connected to the investment manager. Under the Listing Rules, unless a relevant exemption applies, when a company issues shares to a related party, there is a requirement to obtain shareholders’ approval for that transaction.

The Investec Related Party is deemed to be a related party of the Company for the purposes of the Listing Rules by virtue of its current holding in the Company’s issued share capital, being 13.2 per cent. as at 18 March 2014. The Schroders Related Party is deemed to be a related party of the Company pursuant to Listing Rule 15.5.4 which provides that any investment manager of a closed-ended investment fund, together with members of its group, is a related party.

As set out above, the Company completed a placing of 35,592,128 Ordinary Shares on 14 January 2014 (the “**January Placing**”). Investec Wealth & Investment subscribed for 6,565,956 Ordinary Shares for an aggregate consideration of £3,168,074 under the January Placing and Schroders Group subscribed for 11,579,647 Ordinary Shares for an aggregate consideration of £5,587,180 under the January Placing. At the time of the January Placing, the Company received advice from Numis that the issue of Ordinary Shares to the Related Parties was fair and reasonable insofar as Shareholders were concerned. Shareholder approval was not required at that time because of the relative size of the subscriptions by the Related Parties under the January Placing.

However, if further Ordinary Shares are placed with either of the Related Parties pursuant to the Initial Placing and Offer or the Placing Programme, the Company may be required to seek Shareholder approval. The Company, in consultation with Numis and J.P. Morgan Cazenove, has agreed that it would be desirable to have the ability to place Ordinary Shares with each of the Related Parties under the Initial Placing and Offer and the Placing Programme without requiring a Shareholder vote on each such occasion. Accordingly, the Directors are proposing Resolutions 1 and 2 at the EGM, the effect of which is to permit the Company to place Ordinary Shares, both pursuant to the Initial Placing and the Placing Programme, with each of the respective Related Parties (the “**Related Party Transactions**”). Each of the Related Parties has undertaken not to vote the Ordinary Shares in which it is interested in respect of Resolutions 1 and 2 respectively and will take all reasonable steps to ensure that its associates will also abstain from voting on such resolutions. The Board, having been so advised by Numis and J.P. Morgan Cazenove, considers that the Related Party Transactions are fair and reasonable insofar as Shareholders are concerned.

Although the Board is proposing to issue up to 200 million Ordinary Shares on a non-pre-emptive basis, the Board will seek to observe the principles of pre-emption in terms of its allocation of Ordinary Shares under the Initial Placing and Offer. If Resolutions 1 and 2 are passed, it is theoretically possible that all Ordinary

Shares could be placed with either the Investec Related Party or the Schroders Related Party. However, the Board will not place Ordinary Shares with either of the Investec Related Party or the Schroders Related Party if such placing would trigger the requirement of the relevant Related Party to make a mandatory bid for the Company under Rule 9 of the UK Code on Takeovers and Mergers.

For illustrative purposes, if 200 million Ordinary Shares are issued pursuant to the Issues the maximum potential holding of either the Investec Related Party or the Schroders Related Party would be 177,394,787 Ordinary Shares representing 29.99% of the then total issued share capital of the Company.

In the event that there is a material change to the terms of the Placing Programme contemplated in this document, then the Company will, save as stated below, seek new Shareholder approval for any further issue of Ordinary Shares to any of the Related Parties.

Shareholders should be aware that under the Listing Rules, if the transaction with a related party is sufficiently small in size, it is not necessary to obtain the approval of shareholders as referred to above in respect of it (a “**Small Related Party Transaction**”). Accordingly, in the event that Resolutions 1 and/or 2 are not passed, it would still be open to the Company to issue further Ordinary Shares to the relevant Related Party up to such limits as would ensure that the issue, together with any issue in the last 12 months from the date of that issue, still constituted a Small Related Party Transaction.

The tests for whether a related party transaction is small are set out in the Listing Rules. In summary, if the relevant percentage ratios of the tests are less than 5 per cent. the requirement to obtain Shareholder approval will not apply.

4. Amendment to investment policy

Currently the Group invests in the three traditional commercial property sectors of office, retail and industrial and it may invest in other sectors from time to time, such as residential and leisure.

The investment policy has not changed materially since the launch of the Company but has been amended from time to time by the Board in consultation with the Investment Manager.

Evolving structural and cyclical changes in the UK commercial property market means that, in the view of the Investment Manager, there is an opportunity to broaden the Company’s investable universe through exposure to additional alternative property types such as healthcare, hotels and student accommodation. These alternative property types could make a positive contribution to performance through diversification and other benefits such as longer lease terms with inflation-linked rents.

Whilst this is not a material change to the investment policy but more an expansion of it, the Board believes that this is an appropriate opportunity to formally restate the investment policy so as to provide a clear and definitive version of it. Further, the Board believes that the Shareholders should be given the opportunity to approve this restated investment policy.

The Directors are therefore seeking Shareholder approval for the restated investment policy. A blacklined version of the investment policy, showing the proposed changes, is set out in Part 2 of this document.

5. Extraordinary General Meeting

The Proposals are conditional on the approval by Shareholders of the Resolutions to be proposed at the Extraordinary General Meeting of the Company which has been convened for 10.00 a.m. on 16 April 2014.

The Resolutions that will be put to Shareholders at the Extraordinary General Meeting are to:

- authorise the Company to issue Ordinary Shares to the Investec Related Party on the basis described in this document (“**Resolution 1**”);
- authorise the Company to issue Ordinary Shares to the Schroders Related Party on the basis described in this document (“**Resolution 2**”);
- amend and restate the Company’s investment policy (“**Resolution 3**”); and

- disapply statutory pre-emption rights otherwise applicable to the allotment of up to 200 million Ordinary Shares such that new Ordinary Shares do not first have to be offered to Shareholders in proportion to their holdings of Ordinary Shares (“**Resolution 4**”).

Resolutions 1 to 3 will be proposed as ordinary resolutions. Resolution 4 will be proposed as a special resolution. The Resolutions are not inter-conditional.

An ordinary resolution requires a simple majority of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed. A special resolution requires a majority of at least 75 per cent. of members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

All Shareholders are entitled to attend and vote at the Extraordinary General Meeting (save in respect of Resolutions 1 and 2 on which the Related Parties are not permitted to exercise their voting rights). In accordance with the Articles, all Shareholders entitled to vote and present in person or by proxy at the Extraordinary General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the Extraordinary General Meeting, it is necessary for two or more Shareholders holding 5% or more of the voting rights applicable at such meeting present in person or by proxy.

The formal notice convening the Extraordinary General Meeting is set out on pages 18 to 20 of this document.

6. Action to be taken

Shareholders will find enclosed with this document a personalised Form of Proxy for use at the Extraordinary General Meeting.

Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company’s Registrar, Computershare Investor Services (Guernsey) Limited at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 10.00 a.m. on 14 April 2014.

Shareholders are requested to complete and return a Form of Proxy whether or not they wish to attend the Extraordinary General Meeting. The return of a Form of Proxy will not prevent Shareholders from attending the Extraordinary General Meeting and voting in person should they so wish.

7 Recommendation

The Board, which has received advice from Numis and J.P. Morgan Cazenove, considers that the Proposals are in the best interests of the Company and its Shareholders as a whole. In providing its advice, each of Numis and J.P. Morgan Cazenove has taken into account the Board’s commercial assessment of the effects of the Proposals. Accordingly the Board unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their holdings of Ordinary Shares amounting to 234,880 Ordinary Shares in aggregate (representing approximately 0.06 per cent. of the issued share capital of the Company as at 18 March 2014 (being the latest practicable date prior to the publication of this document)).

Yours faithfully

Lorraine Baldry
(Chairman)

PART 2

EXISTING AND NEW INVESTMENT POLICIES

A blacklined version of the existing and new investment policy, showing the proposed changes, is set out below.

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 property. ~~The Group invests principally in the UK commercial property sectors including office, retail and industrial and it may invest in other sectors from time to time, such as residential and leisure.~~

Investment policy

The investment policy of the Company is to own a diversified portfolio of UK commercial property with good fundamental characteristics, as outlined below. The Group invests principally in the UK commercial property sectors including office, retail and industrial and will also invest in other sectors including mixed use, residential, hotels, healthcare and leisure.

Diversification and asset allocation

The Board believes that, in order to maximise the stability of the Group's income, the optimal strategy for the Group is to invest in a portfolio of assets diversified by location, sector, asset size and tenant exposure with low vacancy rates and creditworthy tenants. The value of any individual asset at the date of its acquisition must not exceed 15 per cent. of gross assets and the proportion of rental income deriving from a single tenant must not exceed 10 per cent. From time to time the Board may also impose limits on sector, location and tenant types, together with other activity such as development. ~~At present, the Board has instructed the Investment Manager to seek to maintain the Group's exposure to the office sector at below 60 per cent. of the total value of the Group's assets. This instruction will be kept under review by the Board.~~

The Company's portfolio will be invested and managed in accordance with the Listing Rules, the Listing Rules of the CISE and taking into account the Company's investment objectives, policies and restrictions.

Borrowings

The Board has established a gearing guideline for the Investment Manager, which seeks to limit on-balance-sheet debt, net of cash, to 40 per cent. of on-balance-sheet assets while recognising that this may be exceeded in the short term from time to time. It should be noted that the Company's Articles limit its borrowings to 65 per cent. of the Group's gross assets, calculated as at the time of borrowing. The Board keeps this guideline under review and the Directors may require the Investment Manager to manage the Group's assets with the objective of bringing borrowings within the appropriate limit while taking due account of the interests of Shareholders. Accordingly, corrective measures may not have to be taken immediately if this would be detrimental to Shareholder interests.

Interest rate exposure

It is the Board's policy to hedge interest rate risk, either by ensuring that borrowings are on a fixed rate basis, or through the use of interest rate swaps/derivatives used solely for hedging purposes. ~~There are currently no interest rate swaps due to the fixed rate nature of the newly refinanced debt.~~

PART 3

ADDITIONAL INFORMATION

1. Major interests in Ordinary Shares

- 1.1 As at 18 March 2014 (this being the latest practicable date prior to the publication of this document), so far as is known to the Company by virtue of the notifications made to it pursuant to the Disclosure and Transparency Rules, as at the Latest Practicable Date the following Shareholders held directly or indirectly five per cent. or more of the Company's voting rights:

| <i>Shareholder</i> | <i>Number of Ordinary Shares</i> | <i>Percentage of voting rights</i> |
|--------------------------------|--------------------------------------|--|
| Schroders Plc | 71,609,290 | 18.3% |
| Investec Wealth & Investment | 51,775,697 | 13.2% |
| Alliance Trust Savings Limited | 25,872,915 | 6.6% |

- 1.2 As at 18 March 2014 (this being the latest practicable date prior to the publication of this document), the issued share capital was 391,513,409 Ordinary Shares and no Shares were held in treasury. As at 18 March 2014 there were no outstanding warrants or options to subscribe for Ordinary Shares.

2. No significant change

- 2.1 On 14 January 2014, the Company issued 35,592,128 Ordinary Shares for an aggregate subscription price of approximately £17.17 million.
- 2.2 Save as disclosed in paragraph 2.1 above, there has been no significant change in the financial or trading position of the Group since 30 September 2013, being the date to which the latest unaudited interim financial information was published.

3. Documents available for inspection

Copies of the following documents will be available for inspection on the Company's website at www.srei.co.uk and during normal business hours on any weekday (public holidays excepted) at the registered office of the Company at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, up to and including the date of the Extraordinary General Meeting:

- (a) the Memorandum of Incorporation and Articles of the Company;
- (b) the audited consolidated accounts of the Group for the three financial years ending 31 March 2013;
- (c) the interim financial statements of the Company for the six-month periods ending on 30 September 2013 and 30 September 2012; and
- (d) this document.

PART 4

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

| | |
|---|---|
| “Articles” | the articles of incorporation of the Company, as amended from time to time |
| “Board” | the board of Directors |
| “Business Day” | a day (excluding Saturdays and Sundays or public holidays) on which commercial banks are open for business in London and Guernsey for the transaction of normal business |
| “CBD” | central business district |
| “CISE” | the Channel Islands Securities Exchange Authority Limited |
| “Company” | Schroder Real Estate Investment Trust Limited |
| “CREST” | the system for paperless settlement of trades in listed securities, of which Euroclear is the operator |
| “CREST Manual” | the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms |
| “Directors” | the directors of the Company |
| “Euroclear” | Euroclear UK & Ireland Limited, being the operator of CREST |
| “Extraordinary General Meeting” or “EGM” | the extraordinary general meeting of the Company to consider the Proposals, convened for 10.00 a.m. on 16 April 2014 or any adjournment thereof, notice of which is set out on pages 18 to 20 of this document |
| “Financial Conduct Authority” | the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA, or any successor thereof |
| “Form of Proxy” | the personalised form of proxy provided with this document for use by Shareholders in connection with the Extraordinary General Meeting |
| “FSMA” | the UK Financial Services and Markets Act 2000, as amended |
| “GDP” | gross domestic product |
| “Group” | the Company and its subsidiaries from time to time |
| “Headingley Property” | the property known as The Arndale Centre, Headingley, purchased by the Company in January 2014 |
| “Initial Admission” | Admission of the New Shares issued under the Initial Placing and Offer |
| “Initial Placing” | the conditional placing of Ordinary Shares by Numis and J.P. Morgan Cazenove as described in Part 2 of the Prospectus |

| | |
|--|---|
| “Initial Placing and Offer Price” | 50.25 pence per New Share |
| “Investec Related Party” | Investec Wealth & Investment Limited, a subsidiary of Investec plc |
| “Investment Manager” | Schroder Property Investment Management Limited |
| “IPD” | the Investment Property Databank |
| “IPD Index” | the IPD Quarterly Version of Balanced Monthly Index Funds |
| “ISA” | an individual savings account maintained in accordance with the UK Individual Savings Account regulations 1998, as amended from time to time |
| “Issues” | the issues of up to 200 million new Ordinary Shares, by way of the Initial Placing and Offer and the Placing Programme as described in the Prospectus |
| “J.P. Morgan Cazenove” | J.P. Morgan Securities plc, which conducts its UK investment business trading as J.P. Morgan Cazenove and which is registered in England and Wales (registered number 04153386) |
| “Law” | The Companies (Guernsey) Law, 2008, as amended |
| “Listing Rules” | the listing rules made by the Financial Conduct Authority under section 74 of FSMA |
| “Listing Rules of the CISE” | the Listing Rules of The Channel Islands Securities Exchange Authority Limited |
| “London Stock Exchange” | London Stock Exchange plc |
| “Net Asset Value per Ordinary Share” | the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury if any) at the date of calculation |
| “Net Asset Value” or “NAV” | the value of the assets of the Company less its liabilities determined in accordance with the accounting policies adopted by the Company from time to time |
| “New Shares” | new Ordinary Shares issued by the Company pursuant to the Issues |
| “Notice of Extraordinary General Meeting” | the notice of the Extraordinary General Meeting as set out at the end of this document |
| “Numis” | Numis Securities Limited, which is registered in England and Wales (registered number 02285918) |
| “Offer for Subscription” or “Offer” | the offer for subscription to the public in the UK to subscribe for Ordinary Shares on the terms and conditions set out in Part 12 of the Prospectus |
| “Official List” | the Official List of the FCA and/or the CISE, as applicable |
| “Ordinary Shares” | ordinary shares of no par value in the capital of the Company |
| “Placing Price” | the price at which new Ordinary Shares will be issued pursuant to the Placing Programme being such price not less than the prevailing Net Asset Value per Ordinary Share and a premium to cover, <i>inter alia</i> , the costs and expenses of issuing the Ordinary Shares (including without limitation, any placing commissions) subject to the requirements of the Listing Rules |

| | |
|----------------------------------|--|
| “Placing Programme” | the proposed programme of placings of Ordinary Shares by Numis and J.P. Morgan Cazenove as described in Part 3 of the Prospectus |
| “Placing Programme Price” | the price at which New Shares will be issued under the Placing Programme, which will be determined in accordance with Part 3 of the Prospectus |
| “Portfolio” | the properties held by the Group, as more fully described in Part 7 of the Prospectus |
| “Proposals” | the proposals described in this document |
| “Prospectus” | the prospectus of the Company in respect of the Issues dated 20 March 2014 |
| “Related Parties” | the Schroders Related Party and the Investec Related Party |
| “Resolution 1” | the resolution to be proposed at the Extraordinary General Meeting to authorise the issue of Ordinary Shares to the Investec Related Party |
| “Resolution 2” | the resolution to be proposed at the Extraordinary General Meeting to authorise the issue of Ordinary Shares to the Schroders Related Party |
| “Resolution 3” | the resolution to be proposed at the Extraordinary General Meeting to amend the Company’s investment policy |
| “Resolution 4” | the resolution to be proposed at the Extraordinary General Meeting to disapply statutory pre-emption rights otherwise applicable to the allotment of up to 200 million new Ordinary Shares |
| “Resolutions” | Resolutions 1 to 4 to be proposed at the Extraordinary General Meeting |
| “RIS” | Regulatory Information Service |
| “Rugby Property” | the property known as Morgan Sindall House, Rugby, purchased by the Company in February 2014 |
| “Schroders Related Party” | Schroders plc and each entity within the group of companies of which Schroders plc forms part which, in each case, holds Ordinary Shares either as principal or on a discretionary basis |
| “Placing Agreement” | the sponsors’ and placing agreement entered into between Numis, J.P. Morgan Cazenove, the Investment Manager and the Company in relation to the Issues and Admission |
| “Shareholder” | a holder of Ordinary Shares |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland |

NOTICE OF EXTRAORDINARY GENERAL MEETING

SCHRODER REAL ESTATE INVESTMENT TRUST LIMITED

(an authorised closed-ended company incorporated with limited liability under the laws of Guernsey with registered number 41959)

Notice is hereby given that an Extraordinary General Meeting of Schroder Real Estate Investment Trust Limited (the “**Company**”) will be held at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL at 10.00 a.m. on 16 April 2014 to consider and, if thought fit, approve the following resolutions, of which Resolutions 1 to 3 will be proposed as ordinary resolutions and Resolution 4 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. **THAT** any placing of new Ordinary Shares with the Investec Related Party on the basis described in the circular published by the Company dated 20 March 2014 of which this notice forms part and pursuant to the authorities hereby granted be and it is hereby approved.
2. **THAT** any placing of new Ordinary Shares with the Schroders Related Party on the basis described in the circular published by the Company dated 20 March 2014 of which this notice forms part and pursuant to the authorities hereby granted be and it is hereby approved.
3. **THAT** the investment policy of the Company be amended and restated with effect from the date of this resolution to read as follows:

“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 property.

Investment policy

The investment policy of the Company is to own a diversified portfolio of UK property with good fundamental characteristics, as outlined below. The Group invests principally in the UK commercial property sectors including office, retail and industrial and will also invest in other sectors including mixed use, residential, hotels, healthcare and leisure.

Diversification and asset allocation

The Board believes that, in order to maximise the stability of the Group’s income, the optimal strategy for the Group is to invest in a portfolio of assets diversified by location, sector, asset size and tenant exposure with low vacancy rates and creditworthy tenants. The value of any individual asset at the date of its acquisition must not exceed 15 per cent. of gross assets and the proportion of rental income deriving from a single tenant must not exceed 10 per cent. From time to time the Board may also impose limits on sector, location and tenant types, together with other activity such as development.

The Company’s portfolio will be invested and managed in accordance with the Listing Rules, the Listing Rules of the CISE and taking into account the Company’s investment objectives, policies and restrictions.

Borrowings

The Board has established a gearing guideline for the Investment Manager, which seeks to limit on-balance-sheet debt, net of cash, to 40 per cent. of on-balance-sheet assets while recognising that this may be exceeded in the short term from time to time. It should be noted that the Company’s Articles limit its borrowings to 65 per cent. of the Group’s gross assets, calculated as at the time of borrowing. The Board keeps this guideline under review and the Directors may require the Investment Manager to manage the Group’s assets with the objective of bringing borrowings within the appropriate limit

while taking due account of the interests of Shareholders. Accordingly, corrective measures may not have to be taken immediately if this would be detrimental to Shareholder interests.

Interest rate exposure

It is the Board's policy to hedge interest rate risk, either by ensuring that borrowings are on a fixed rate basis, or through the use of interest rate swaps/derivatives used solely for hedging purposes."

SPECIAL RESOLUTION

4. **THAT** the Directors be and are hereby empowered to issue up to 200 million Ordinary Shares for cash otherwise than *pro rata* to existing Shareholders **PROVIDED THAT** the authority hereby conferred shall expire on 30 September 2015 unless such authority is renewed, varied or revoked by the Company in general meeting (save that the Company may at any time before such expiry make an offer or agreement which might require Ordinary Shares to be issued after such expiry and the Directors may issue or sell Ordinary Shares after such expiry in pursuance of such offer or agreement as if the authority conferred hereby had not expired).

20 March 2014

By order of the Board

For and on behalf of

Northern Trust International Fund Administration Services (Guernsey) Limited

Secretary

Registered Office:

Trafalgar Court

Les Banques

St Peter Port

Guernsey GY1 3QL

Notes:

These notes should be read in conjunction with the notes on the Form of Proxy.

- (i) A member entitled to attend and vote at the Extraordinary General Meeting convened by the above Notice of Extraordinary General Meeting is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the Extraordinary General Meeting, each proxy must be appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by the member. Completion of the Form of Proxy will not prevent you from attending and voting in person.
- (ii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of Extraordinary General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited at The Pavilions, Bridgwater Road, Bristol BS99 6YZ, or delivered by hand during office hours only to the same address to be received as soon as possible and in any event by not later than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default unless the Board directs otherwise the Form of Proxy shall not be treated as valid. Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies.
- (iii) The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- (iv) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (v) Pursuant to Article 41 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (vi) Shareholders who hold their Ordinary Shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST.
- (vii) To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's registrar (ID number 3RA50) not later than 10.00 a.m. on 14 April 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.
- (viii) To allow effective continuation of the meeting (or any adjourned meeting), if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in their stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
- (ix) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 5 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (x) As at 18 March 2014, being the last business day prior to the printing of this Notice of Extraordinary General Meeting, the Company's issued capital consisted of 391,513,409 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 18 March 2014 are 391,513,409.
- (xi) Defined terms in this Notice of Extraordinary General Meeting and the Resolutions have the same meanings as given to them in the circular published by the Company dated 20 March 2014 save where the context requires otherwise.

Form of Proxy - Extraordinary General Meeting to be held on 16 April 2014

**To be effective, all proxy appointments must be lodged with the Company's Registrars at:
c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 14 April 2014 at 10.00 a.m.**

Explanatory Notes:

- Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman or the Company Secretary, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
- To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0870 707 4040. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- Pursuant to Article 41 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- To allow effective continuation of the meeting (or any adjourned meeting), if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in their stead for any Shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
- To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 10.00 a.m. on 14 April 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.
- The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0870 707 4040 to request a change of address form or go to www.investorcentre.co.uk/jc to use the online Investor Centre service.
- Any alterations made to this form should be initialled.
- The completion and return of this form will not preclude a member from attending the meeting and voting in person.
- Terms defined in the circular to shareholders dated 20 March 2014 (the "Circular") shall bear the same meanings when used in this form of proxy.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services (Guernsey) Limited accept no liability for any instruction that does not comply with these conditions.

All Named Holders

Form of Proxy

Please complete this box only if you wish to appoint a third party proxy other than the Chairman or the Company Secretary.
Please leave this box blank if you want to select the Chairman or the Company Secretary. Do not insert your own name(s).

| | |
|--|---|
| | * |
|--|---|

I/We hereby appoint the Chairman of the Meeting OR the Company Secretary OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement* on my/our behalf at the Extraordinary General Meeting of Schroder Real Estate Investment Trust Limited to be held at **Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands** on **16 April 2014 at 10.00 a.m.**, and at any adjourned meeting.

* For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).

☐ Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



Ordinary Resolutions

1. To authorise the Company to issue ordinary shares to the Investec Related Party.

| For | Against | Vote Withheld |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2. To authorise the Company to issue ordinary shares to the Schroders Related Party.

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

3. To amend the Company's investment policy as described in the Circular.

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

Special Resolution

4. To authorise the issue of up to 200 million ordinary shares on a non-pre-emptive basis.

| | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

| |
|--|
| |
|--|

Date

DD / MM / YY

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).