

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Ground Rents Income Fund plc

Ordinary shares (ISIN: GB00B715WG26)

This product is listed on the London Stock Exchange and is governed by its Board of Directors. The Board has appointed Schroder Real Estate Investment Management Limited as its investment manager, accounting agent and to prepare this Key Information Document. Schroder Real Estate Investment Management Limited was appointed on 13 May 2019. Schroder Real Estate Investment Management Limited is a member of the Schroders Group and is authorised and regulated by the Financial Conduct Authority (FCA). For more information on this product please refer to www.groundrentsincomefund.com or call one of our Investor Services team on 0800 718 777. This document was published in October 2019.

What is this product?

Type

This is a closed-ended investment company incorporated in England and Wales that qualifies as a real estate investment trust.

Investment objective

The investment objective of the Company is to provide shareholders with the opportunity to invest in a portfolio of assets with the income generated from the collection of ground rents. These investments also have the potential for capital growth, linked to contractual increases in ground rents over the long term.

The investment policy of the Company is to hold a diversified portfolio of ground rents, including freeholds and head leases of residential, retail and commercial properties located in the United Kingdom.

The Company has been established with the aim of providing long-term performance through investment in long-dated UK ground rents, which have historically had little correlation to traditional property asset classes.

The Company is valued with reference to the net asset value of the underlying assets. Shares in the Company are traded on the London Stock Exchange and are bought and sold in the market. Typically, at any given time, on any given day, the price you pay

for a share will be higher than the price at which you could sell it.

The return to an investor is dependent on the performance of the share price, which may rise and fall in the market, and which is largely determined by the performance of the underlying investments. The Company calculates a net asset value on a half-yearly basis and announces it to the market.

The net asset value per share represents the value of the Company's assets less liabilities, divided by the number of shares in issue. The Company is valued with reference to the value of the underlying assets.

The Company owns a portfolio of assets with the income generated from the collection of ground rents.

The Company borrows for investment purposes. This will magnify any gains or losses made by the Company.

Intended retail investor

An investment in the Company may be suitable for professionally advised retail investors.

An investment in the Company may also be suitable for retail investors who are financially sophisticated, non-advised retail investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment.

What are the risks and what could I get in return?



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of market movements or because we are not able to pay you. The risk indicator assumes that you keep the product for 5 years. The risk is considered to be higher if the holding period is shorter.

We have classified this product as 3 out of 7 which is a medium-low risk class. This category rates the potential losses from future performance at a "medium-low" level and poor market conditions are unlikely cause shareholders to lose money.

The medium-low risk classification has no regard to the potential risk of legislative reform in the future which may impact the Company's value or income. In addition, the Company invests in real estate which may be viewed as a higher risk and illiquid investment and may, therefore, be adversely affected by a decrease in market liquidity for the assets in which it invests.

You may not be able to sell your product easily or you may sell at a price that significantly impacts on how much you get back. This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance scenarios

Based on an investment of £10,000		1 year	3 years	5 years (Recommended holding period)
Stress scenario	What you might get back after costs	£9,048	£8,386	£7,950
	Average return each year	-10%	-6%	-4%
Unfavourable scenario	What you might get back after costs	£9,138	£8,734	£8,558
	Average return each year	-9%	-4%	-3%
Moderate scenario	What you might get back after costs	£10,171	£10,526	£10,894
	Average return each year	2%	2%	2%
Favourable scenario	What you might get back after costs	£11,329	£12,696	£13,878
	Average return each year	13%	8%	7%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and

how long you keep the investment product.

The stress scenario shows what you might get back in extreme market circumstances and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation which may also affect how much you get back.

What happens if Ground Rents Income Fund plc is unable to pay out?

As a shareholder of Ground Rents Income Fund plc you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10 000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Based on an investment of £10,000	If you sell after 1 year	If you sell after 3 years	If you sell after 5 years (Recommended holding period)
Total costs	£268	£818	£1,387
Impact on investment (RIY) per year	2.68%	2.68%	2.68%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- the meaning of the different cost categories

Impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs when entering your investment.
	Exit costs	0.00%	The impact of the costs when exiting your investment.
Ongoing costs	Portfolio transaction costs	0.16%	The impact of the costs of buying and selling the underlying investments for the product.
	Other ongoing costs¹	2.52%	The impact of the costs taken each year for managing the Company's investments
Incidental costs	Performance fees	None	No performance fees are applied.

How long should I hold it and can I take money out early?

Investors are free to disinvest at any time. In order to seek to minimise the effect of shorter term cyclical fluctuations in the market, the recommended minimum holding period is at least 5 years. Shares in the Company may be bought and sold at any time on the London Stock Exchange.

How can I complain?

Should you wish to complain about your investment in the Company, or about Schroders, please write to the Board c/o the Company Secretary, Schroder Investment Management Limited, 1 London Wall Place, London, EC2Y 5AU or send an email to: investorservices@schroders.com

If you have a complaint about financial advice you have received in relation to the Company, or the service you have received when placing transactions in the Company through a third party, please direct your complaint to your adviser or third party accordingly.

Other relevant information

The Company has no fixed life. The Directors are required to propose a Wind-up Resolution after the tenth anniversary but before the eleventh anniversary of first admission to the London Stock Exchange (13 August 2012).

¹Other ongoing costs shown above comprise the management fee, finance costs and all other operating costs excluding transaction costs, where the finance costs (i.e. the cost of borrowing) are 0.64%.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by the EU rules, and nothing in this document should be construed as a forecast of future returns. You can get further information about the Company, the risks associated with an investment in the Company, details of the Company's share price and copies of the Report and Accounts and other documents published by the Company, as well as information on the Directors, Terms of Reference of Committees and other governance arrangements from www.groundrentsincomefund.com. A paper copy of these documents is available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market.

Tax Legislation: The Company is subject to UK tax legislation which may have an impact on your personal tax position.

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and stamp duty. The distributor will provide you with additional documents where necessary.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules.

Without prejudice to ad hoc reviews, this Key Information Document is updated at least every twelve months.