For professional clients only, not suitable for retail investors.

Royal London UK Real Estate Feeder Fund

Annual Report

For the year ended 31 December 2024

Contents

* The ACD's report comprises these items.

+ The ACD's Investment Adviser's report includes a note on The Value Assessment.

Company information

Company

Royal London UK Real Estate Feeder Fund

Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised Corporate Director (the “ACD”)

The ACD is Royal London Unit Trust Managers Limited

Place of business and Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority; a member of The Investment Association (IA).

T: 020 3272 5000

F: 020 7506 6501

Directors of the ACD

A.L. Hunt

H.I. Georgeson

J.M. Brett (Non-executive Director)

J.M. Jackson (Non-executive Director)

J.S. Glen (Appointed 1 April 2024)

R. Kumar

R.A.D. Williams (Resigned 26 April 2024)

S. Spiller

Investment Adviser

Royal London Asset Management Limited

Place of business and Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

Depositary of the ACD

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Registrar and Transfer Agents

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Administrator of the ACD

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Independent Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor

15 Canada Square, London E14 5GL

With effect 20 June 2024 PricewaterhouseCoopers LLP resigned as auditor of the Company. The Directors have appointed KPMG LLP as replacement.

Report of the Authorised Corporate Director

We are pleased to present the Annual Report and Financial Statements covering the year from 1 January 2024 to 31 December 2024.

About the Company

The Royal London UK Real Estate Feeder Fund (the "Company") is an open-ended investment company with variable capital (ICVC) which has Property Authorised Investment Fund (PAIF) status, as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook. It is governed by the OEIC Regulations, the Collective Investment Schemes Sourcebook (COLL) and its Instrument of Incorporation. Registered in England with Company Number IC001092.

The Company is a feeder fund which has been established to facilitate investment in the Royal London UK Real Estate Fund (the "Master Fund").

The shareholders are not liable for the debts of the Company.

Authorised status

The Company is a stand-alone Collective Investment Scheme as defined in the Financial Services and Markets Act 2000. The Company was authorised by the Financial Conduct Authority (FCA) on 7 June 2017 and its Instrument of Incorporation was registered with the Registrar of Companies for England & Wales on 1 October 2017. The Company qualifies as an Alternative Investment Fund within the meaning of Alternative Investment Fund Managers Directive ("AIFMD") for the purposes of the FCA Rules.

The Company is a Qualified Investor Scheme (QIS) and a feeder fund dedicated to investment in units of the Royal London Real Estate Fund (the "Master Fund"), details of which are set out on Part 2 of Appendix 1 of the Prospectus. The Company qualifies as a PAIF for tax purposes.

The financial statements

As required by the OEIC Regulations, information for Royal London Real Estate Feeder Fund (the "Company") has been included in these financial statements. We have provided a detailed description of the strategy that was adopted during the year under review.

Change of Independent Auditor

With effect 20 June 2024 PricewaterhouseCoopers LLP resigned as auditor of the Company. The Directors intend to appoint KPMG LLP as replacement.

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

For and behalf of Royal London Unit Trust Managers Limited

Authorised Corporate Director

R. Kumar (Director)

S. Spiller (Director)

22 April 2025

Statement of the Authorised Corporate Director's Responsibilities

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations") and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company for the year and of its net revenue and the net capital losses on the property of the Company for the year.

The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the requirements of the Statement of Recommended Practice for Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017 (the "2014 SORP");
- follow UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- comply with the disclosure requirements of the prospectus and instrument of incorporation;
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with all the requirements of the Statement of Recommended Practice for Authorised Funds; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with its Prospectus, the FCA's rules and Instrument of Incorporation and to use monitoring controls to enable preparation of financial statements free from material misstatements or error.

Investment Adviser's Report

The investment objective of the Royal London UK Real Estate Feeder Fund (the "Company") is to achieve capital growth and income by investing solely in the Royal London UK Real Estate Fund (the "Master Fund").

As the Company's sole investment are units held in the Master Fund, the Company is subject to the same underlying risks and returns of the Master Fund, and as such, the commentary presented on pages 6 to 8 is consistent with those of the Master Fund.

Objective

The investment objective of the Royal London UK Real Estate Fund (the "Master Fund") is to outperform the 12 month total return of the Master Fund's benchmark, the All Balanced Funds component of the MSCI/AREF UK Quarterly Property Fund Index. This index measures quarterly total returns on a net asset value basis.

Strategy

The Master Fund will invest in UK real estate across all major property sectors in a balanced portfolio with a strong emphasis towards prime assets in London and the South East. Stock selection will be paramount in acquisition decisions, and to exploit assets through active management and selective developments, while managing risks and void exposure.

Performance overview

The Master Fund's performance over the 12 months to December 2024 was 6.14% outperforming the MSCI/AREF All Balanced UK Quarterly Property Fund Index by 75 basis points.

Positive performance was delivered from strong capital growth in the industrial portfolio, which was boosted significantly by the sale of the Southall Industrial Estate at £315m, to a specialist data centre provider.

Market overview

Following on from two years of weak investment performance, when ungeared total returns from UK real estate were negative, 2024 saw a welcome return to positive territory as sentiment gradually improved as the year progressed. According to the MSCI UK Monthly Index, total returns over the calendar year were 7.0% across all sectors. This compares favourably to a long-term average of 5.5%, over the past 20 years. Performance during the final quarter of the year accelerated to 2.8%, the strongest single quarter since Q2 2022, when the market was rebounding after the pandemic.

The recovery in pricing has been supported by central banks reducing interest rates, which has subsequently improved investor sentiment in property. As a result, investors are increasingly seeking opportunities to deploy capital, in order to take advantage of this cyclical turning point. Recent evidence supports this, with transactional activity increasing towards the end of the year.

Looking at submarkets in more detail, the retail sector was the best performing area of the market with total returns of 10.4% over the past 12 months. This performance was driven by the retail warehouse sector, which benefitted from a combination of positive rental growth and yields tightening, in addition to a relatively high income return. The retail sector was closely followed by industrial sector where total returns stood at 9.2% for the year. Industrial assets continued to see strong increases in rental values with yields relatively stable year-on-year. The office sector lagged the wider market with returns of -0.2%. Office values declined over the 12 months, the result of yields continuing to drift out, however there were signs of stabilisation in the final quarter of the year.

Investment Adviser's Report (continued)

Portfolio commentary

The Master Fund performed better than its benchmark over the past 12 months. This is the sixth consecutive calendar year that the Master Fund has outperformed its benchmark. The Master Fund benefits from a large, well-diversified portfolio of assets with a focus on prime buildings in core markets. In April 2024, the Master Fund completed the sale of four industrial assets in Southall for a combined price of £315m to a specialist data centre provider, who paid a price considerably above the market value as an industrial asset.

Another area of the portfolio that added significant upside was the retail warehouse portfolio. The Master Fund owns seven retail warehouses across the UK, with a combined capital value of £291m. In 2024, the retail warehouse portfolio delivered a total return of 14.3%, with strong contributions from assets located at Greenford, Norwich, Watford and Chatham.

The three biggest detractors from relative performance during 2024, were all Central London office assets. The Earnshaw, London is the largest asset in the portfolio with a valuation of £285m. The total return over the year was positive at 2.2% and ahead of the benchmark average for offices, but as it lagged the all sector average, it weighed on overall performance for the year.

The Master Fund was active in the investment market disposing a total of seven assets with combined sale proceeds of £331m. In October, the Master Fund completed the freehold acquisition of a prime industrial development site in Coventry for £36.1m. This acquisition is in line with the Master Fund's strategy to increase its industrial sector exposure whilst continuing to improve the environmental and sustainable credentials of the portfolio.

Investment outlook

We believe that the outlook for property in 2025 remains positive. Economic growth is expected to sustain occupational demand, which enjoyed a strong end to 2024. A continuation of the rate-cutting cycle should support a recovery in capital values in the UK and globally.

Investor demand and risk appetite have risen, boosting competition for assets and is starting to drive prices higher albeit slowly. We expect this trend to intensify in 2025. Following the general election, the UK is considered relatively more stable than other large European economies, which will appeal to investors. As a result, we expect international investors to renew their appetite for UK property.

We forecast that all-property total returns will average 7.1% annually over the next five years, driven by some yield compression and rental growth. Certain sectors are expected to outperform this average. Among these are the industrial and living sectors, which are supported by strong fundamentals, particularly a limited supply. This suggests a strategy to focus investment on build-to-rent, healthcare, and industrial sectors.

Investment Adviser's Report (continued)

Responsible Property Investment (RPI)

In 2024, we released our Responsible Property Investment (RPI) Report and our Net Zero Carbon (NZC) Progress Report. These publications showcase the substantial advancements made in implementing our RPI Strategy and NZC Pathway, initially introduced in 2021. We are actively engaged in multiple initiatives to integrate these strategies, aiming to generate positive environmental and social impacts for our investors, occupiers, and other key stakeholders.

- Completed five additional NZC audits, increasing the total number of audits within the Fund to nine. These audits identify the necessary interventions to decarbonise our assets, considering lease profiles and the lifecycle of existing equipment. The recommendations from the reports have been embedded within the annual asset business plan process, with a view to review progress bi-annually. This allows for the interventions to be considered when making asset management decisions.
- Commenced social value pilots on two representative assets within the Fund to test our newly established Social Value Framework created in 2024. This consisted of the completion of a place-based needs analysis to identify opportunities to deliver social value based on the local needs in the vicinity of the asset. We have engaged with key stakeholders, namely the property and facilities managers, as well as the asset manager to ensure its seamless delivery.
- Continued undertaking Energy Performance Certificate (EPC) assessments across all assets. Over 2024, the proportion by floor area of A+ to B rated EPCs increased from 27% to 49%, whilst the proportion of C to G rated EPCs decreased from 61% to 39%. This highlights our commitment to delivering operationally efficient buildings for our occupiers and minimising our transitional risk.
- Completed flood risk assessments across all assets to identify those at highest risk of flooding both in the present day and in the future using climate projections. Detailed assessments have been undertaken on a further five assets within the Fund where the assessments identified a flood risk rating of Medium or above in the present day or an increase to Medium risk under the climate change scenario. Mitigation measures have been recommended, along with the estimated costs of implementation. Following completion of these detailed assessments, discussions with relevant stakeholders will be undertaken to help inform our investment strategy.
- Initiated the development of a solar photovoltaic (PV) specification guide to facilitate our progress towards NZC for which onsite renewable energy is crucial. This guide will set the minimum design and specification requirements for PV array installations, ensuring both occupier and landlord installations meet standards and protect the value of our assets. This guide will contribute towards us achieving our target of generating 9.5 GWh of onsite renewable energy by 2040, as outlined in our NZC Pathway.
- Commenced the development of occupier sustainable fit-out guides. This strategic initiative aims to ensure that our occupiers uphold the sustainability standards established during the design process of our buildings, whilst also supporting their own sustainability goals. These guides offer clear and comprehensive recommendations, including the selection of eco-friendly materials and energy efficient systems. Furthermore, they will enable us to better track the embodied carbon generated through the fit-out process, allowing for more accurate greenhouse gas (GHG) emissions reporting.
- Initiated updates to our Sustainable Acquisition Checklist following the eagerly anticipated 2024 update to the Better Buildings Partnership (BBP) Acquisition Toolkit. This will ensure that our due diligence process is considering any new regulatory changes as well as shifting Environmental, Social and Governance (ESG) priorities across the real estate industry. A robust due diligence process for assessing asset ESG performance of is critical to making well-informed investment decisions and ensuring resilience is integrated within the Fund.

Stephanie Hacking
Portfolio Fund Manager
Royal London Asset Management Limited
10 March 2025

This report covers investment performance, activity and outlook. The Master Fund's Annual Assessment of Value report is available on www.rlam.com. Portfolio holdings are subject to change, for information only and are not investment recommendations.

The Task Force on Climate-related Financial Disclosures (TCFD) Report for Property Funds can be found on our website, at https://www.royallondon.com/about-us/our-purpose/responsible-business/sustainability-reporting/. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change.

The views expressed are the author's own and do not constitute investment advice and are not an indicator of future Master Fund's performance.

Source: Royal London Asset Management Limited, unless otherwise stated.

Portfolio Statement

As at 31 December 2024

Holding	Investment	Market value (£'000)	Total net assets (%)
Real Estate Authorised Contractual Scheme – 100.00% (31/12/23 – 100.00%)			
335,316	Royal London UK Real Estate Z Inc	37,017	100.00
Total value of investments		**37,017**	**100.00**
Net other assets		**–**	**–**
Total net assets		**37,017**	**100.00**

Summary of Material Portfolio Changes

For the year ended 31 December 2024

Significant Purchases

	Cost £'000
No purchases in the year	–

Significant Sales

	Proceeds £'000
Royal London UK Real Estate Z Inc	10,000

The purchases and sales detail the material changes in the portfolio during the year.

Comparative Table

Class J Gross Income

Change in net assets per share	31/12/24 (£)	31/12/23 (£)	31/12/22 (£)
Opening net asset value per share	107.54	111.14	119.98
Return before operating charges*	7.92	(0.85)	(5.82)
Operating charges	(1.30)	(1.33)	(1.52)
Return after operating charges*	6.62	(2.18)	(7.34)
Distribution on income share	(3.76)	(1.42)	(1.50)
Closing net asset value per share	110.40	107.54	111.14
* after direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges	6.16%	(1.96)%	(6.12)%
Other information			
Closing net asset value (£'000)	37,017	56,109	57,990
Closing number of shares	335,316	521,767	521,767
Operating charges excluding property expenses	0.69%	0.70%	0.71%
Property expenses	0.47%	0.48%	0.49%
Operating charges	1.16%	1.18%	1.20%
Direct transaction costs	0.00%	0.00%	0.00%
Prices			
Highest share price	108.64	114.16	136.59
Lowest share price	107.06	105.92	109.47

It should be noted that past performance is not a reliable indicator of future performance and that the value of shares, and the income derived from them, can vary.

Statement of Depositary's Responsibilities

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

The Depositary 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 Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the values of shares of the Company are 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 Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of the Royal London UK Real Estate Feeder Fund

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary 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 in accordance with the Regulations and Scheme documents of the Company.

This report is given on the basis that no breaches are subsequently advised to us before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank plc

22 April 2025

Independent Auditor's Report to the Shareholders of Royal London UK Real Estate Feeder Fund ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 December 2024 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the Cashflow Statement, the Related Notes and Distribution Tables for the Company and the accounting policies set out on page 18.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Company as at 31 December 2024 and of the revenue and the net capital gains on the property of the company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depository, the Administrator and the Investment Adviser;
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Independent Auditor's Report to the Shareholders of Royal London UK Real Estate Feeder Fund (continued)

Fraud and breaches of laws and regulations – ability to detect – continued

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Authorised Corporate Director's (Royal London Unit Trust Managers Limited) responsibilities

As explained more fully in their statement set out on page 5 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; 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; assessing the Company'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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Shareholders of Royal London UK Real Estate Feeder Fund (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Berry
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

22 April 2025

Financial Statements

Statement of Total Return

For the year ended 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2023 £'000
Income					
Net capital gains/(losses)	4		908		(1,879)
Revenue	5	2,348		2,475	
Expenses	6	(742)		(958)	
Interest payable and similar charges		–		–	
Net revenue before taxation		1,606		1,517	
Taxation	7	–		–	
Net revenue after taxation			1,606		1,517
Total return before distributions			2,514		(362)
Distributions	8		(1,606)		(1,519)
Changes in net assets attributable to shareholders from investment activities			**908**		**(1,881)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2024

	31 Dec 2024 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2023 £'000
Opening net assets attributable to shareholders		**56,109**		**57,990**
Amounts receivable on issue of shares	–		–	
Amounts payable on cancellation of shares	(20,000)		–	
		(20,000)		–
Changes in net assets attributable to shareholders from investment activities		908		(1,881)
Closing net assets attributable to shareholders		**37,017**		**56,109**

Balance Sheet

As at 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Assets			
Fixed Assets:			
Investments		37,017	56,109
Current assets:			
Debtors	9	10,458	467
Cash and bank balances	10	–	–
Total current assets		10,458	467
Total assets		47,475	56,576
Liabilities			
Creditors:			
Other creditors	11	10,000	–
Finance lease payable		–	–
Distribution payable		458	467
Total liabilities		10,458	467
Net assets attributable to shareholders		**37,017**	**56,109**

Financial Statements (continued)

Statement of Cash Flows

For the year ended 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Net cash inflow from operating activities	12	**1,458**	**1,305**
Distributions paid to shareholders		(1,615)	(1,368)
Interest received	5	157	63
Net cash generated from operating activities		**–**	**–**
Cash flows from investing activities			
Receipts from sale of investments		20,000	–
Net cash inflow from investing activities		**20,000**	**–**
Net cash inflow before financing activities		**20,000**	**–**
Cash flows from financing activities			
Amounts paid on cancellation of units		(20,000)	–
Net cash outflow before financing activities		**(20,000)**	**–**
Net increase in cash during the year		**–**	**–**
Cash balance brought forward		–	–
Cash and bank balances at the end of the year		**–**	**–**

Notes to the Financial Statements

For the year ended 31 December 2024

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in compliance with the FCA's Collective Investment Schemes Sourcebook ("COLL") and in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102''), the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017 (the "2014 SORP") and the Prospectus and Instrument of Incorporation. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit or loss.

Going concern

The ACD has undertaken a detailed assessment and continues to monitor the Company's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Company continues to be open for trading and the Manager is satisfied the Company has adequate financial resources to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

Tax transparency

Revenue, expenses, finance lease amortisation and taxation of Royal London UK Real Estate Fund (the "Master Fund"), are recognised on a look through basis proportionate to the Company's investment and are reflected within the financial statements on account of the Master Fund being a tax transparent fund.

Basis of valuation of investments

The Company invests all of its capital in Class Z gross income share class of the Master Fund. This is valued at fair value, which is deemed to be the net asset value per share reported in the comparative table in the Master Fund's Annual Report and Accounts at the end of the current accounting year.

Revenue recognition

Distributions from collective investment schemes (the "Master Fund") are credited to revenue when the security is quoted ex-dividend. Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for distribution.

Distributions received from the underlying investment in the Master Fund are recognised on an accruals basis. The distributions reflect the Company's proportion of distributable revenue due, from its investment in the Master Fund. The revenue is recognised in the Company's revenue and expenses streams on a look-though basis.

Revenue is accrued in line with the Master Fund and is recognised when the Master Fund is priced ex-dividend.

Treatment of expenses

All expenses (other than those relating to the purchase and sale of units in the Master Fund) are charged to, and paid for, by the Master Fund. These include the annual management charge and fund administration charge.

Taxation

The Company qualifies as a PAIF for tax purposes. Accordingly, the income generated by its Property Investment Business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. The Company would, however, be subject to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made, or a tax charge otherwise arises.

The Company's distributions will be split into up to three streams for United Kingdom tax purposes:

1. Property income distributions, representing income from its Property Investment Business;
2. PAIF dividend distributions representing any dividends received by it; and
3. PAIF interest distributions representing the net amount of all other income received.

Income tax has been provided for at an appropriate rate for distribution to shareholders and the calculation of the share price is net of tax. Income received from investment in the Master Fund is taxed depending on the income stream. Property Income is taxed at 20%, interest income being taxed at 20% and dividend income at 0%.

Deferred tax is provided on all timing differences that have originated but not reversed by the Balance Sheet date.

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)

For the year ended 31 December 2024

2. Distribution policies

Basis of distribution

Revenue is generated by the Company's investments during each accounting period. The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable of the relevant share class and deducting the charges and expenses paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate in relation to taxation, income unlikely to be received, income which should not be accounted for on an accruals basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

In order to conduct a controlled distribution flow to shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed, at share class level, to the shareholders in accordance with the Company's Prospectus.

The distribution policy is to distribute all available dividends (including distributions from collective investment schemes) on investments marked ex-dividend up to the accounting date are included in revenue inclusive of any tax deductions at source and net of attributable tax credits.

The policy of the Company is to make distribution to shareholders on a quarterly basis each year.

Gains and losses on investments, whether realised or unrealised, are taken to capital and not available for distribution.

Expenses

In determining the net revenue available for distribution, expenses that are deemed to be capital in nature or are related to the purchase and sale of investments are ultimately charged to the capital of the Company.

Equalisation

All share classes of the Company are priced and distribute on a quarterly basis, therefore, there are no group 2 units at the end of each distribution period and therefore no equalisation is applied to share class prices.

3. Risk management policies

The sole investment in the Company is shares in the Master Fund and is subject to the same underlying risks of the Master Fund. The Company has a concentrated portfolio (it invests 100% of its assets in the "Master Fund") and if this investment declines in value or is otherwise adversely affected, it will have a direct effect on the Company's value.

The risks set out below do not purport to be exhaustive and the ACD may be exposed to risks of an exceptional nature from time to time.

With the exception of the above, the risk factors applicable to the Master Fund also apply to the Company as follows:

Market price risk and valuation of collective investment scheme

The Company invests solely in the Master Fund which is a collective investment scheme. The value of this collective investment scheme is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual property or investment within the Master Fund or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser of the Master Fund seeks to minimise these risks by holding a diversified portfolio of direct property and other investments spread across all market sectors in line with the Master Fund's objectives. In addition, the management of the Master Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding. As a Feeder Fund invested in a single, qualifying authorised contractual scheme, the aforementioned limit is not applicable to the Company's own investment in the Master Fund.

Sensitivity analysis

The only investment within the Company is in the Master Fund and is dependent on the same sensitivities. The values of investment properties are driven by their equivalent yield. At the year end, the ACS's portfolio had an equivalent yield of 5.35% (31/12/23: 5.12%). If the yield of every property within the portfolio increased by 0.25% (31/12/23: 0.25%) it is estimated that the net asset would fall by 4.08% (31/12/23: 4.23%). If the yield decreased by 0.25% (31/12/23: 0.25%) it is estimated that the net asset value would rise by 4.52% (31/12/23: 4.72%). The 0.25% benchmark has been used to measure sensitivity analysis as the ACD believes that it is a good indicator of materiality in yield movements. These estimates are subject to the prevailing conditions at the year end.

The current equivalent yield by sector is shown in the following table, along with the potential impact to values if all the properties in the sector increased or decreased by 0.25%.

Sector	Weighted average equivalent Yield	Yield shift by Sector	Change in value if decrease in yield	NAV impact	Change in value if increase in yield	NAV impact
Industrial	5.29%	0.25%	39,175,000	1.36%	(35,532,000)	(1.23)%
Offices	5.74%	0.25%	40,813,000	1.41%	(37,083,000)	(1.28)%
Retail	4.91%	0.25%	43,559,000	1.51%	(38,936,000)	(1.35)%
Other	5.69%	0.25%	6,919,000	0.24%	(6,334,000)	(0.22)%

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. Risk management policies – continued

Liquidity risk

Since the Company invests solely in the Master Fund that comprise mainly immovable property, which is relatively illiquid and more difficult to realise than most equities or bonds, it can be exposed to liquidity risk surrounding its capacity to maintain sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet its obligations to fund its distribution payments and redemptions.

Included in the ACD's responsibilities for managing and monitoring the liquidity risk of the Company is to maintain liquidity risk management policies and procedures. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Company and monitoring and assessing the policies and procedures of the Investment Adviser for the Company in managing the Company's liquidity limits. In determining its risk management policies, the ACD has taken into account the nature, scale and complexity of its activities including those of the delegated Investment Adviser, and has liquidity risk profiles that are consistent with those required for a well-functioning and robust system including the requirement to meet redemption requests from shareholders on each dealing day.

In exceptional circumstances, such as market uncertainty, the ACD may defer redemptions where the ACD considers it to be in the best interests of the shareholders. The deferral period for any redemption request is a maximum of 12 months from the original dealing day when the request for redemption would otherwise have been processed. When deemed appropriate by the ACD, acting in the best interests of the shareholders of the property of the Master Fund in money-market instruments and/or cash deposits, provided that the ACD satisfies all the rules in the COLL on the types of permitted investments.

Also during periods of uncertainty or volatile markets, the Investment Adviser may choose to hold a substantial proportion of the property of the Master Fund in money-market instruments and/or cash deposits, provided that the ACD satisfies all the rules in the COLL on the types of permitted investments.

The following table provides a profile of the Company's liquidity.

	Within three months	Over three months but not more than one year	Over one year
31 December 2024	**£'000**	**£'000**	**£'000**
Cash at bank	–	–	–
	%	**%**	**%**
Shareholding that can be redeemed	–	–	100.00
Portfolio capable of being liquidated	–	100.00	–
31 December 2023	**£'000**	**£'000**	**£'000**
Cash at bank	–	–	–
	%	**%**	**%**
Shareholding that can be redeemed	–	–	100.00
Portfolio capable of being liquidated	–	100.00	–

Credit and counterparty risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Master Fund. The Master Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Concentration of credit risk refers to disproportionally large risk exposure to specific credit risks, such as, certain individual tenants, specific industry sectors and or regions of the counterparty. The Master Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the counterparty.

In managing counterparty and concentration of credit risk, rental income from any one tenant or tenants within the Master Fund is monitored so that it does not exceed a certain threshold of the aggregate revenue in relation to the property investments in any accounting period as determined from time to time by the manager of the Master Fund. Rent is collected from tenants in advance, usually quarterly. The cash of the Master Fund is placed on deposit with reputable financial institutions and is subject to limits as disclosed in the Prospectus.

In the event of the insolvency of a counterparty, the Master Fund might not be able to recover cash or assets of equivalent value in full. The Master Fund uses an internally generated probability of default based on externally supplied data by MSCI which is derived from Dunn & Bradstreet UK Failure Score to assess the recoverability of the lease receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. Risk management policies – continued

Credit and counterparty risk – continued

There are no significant concentrations of credit risk, whether through exposure to certain individual tenants, specific industry sectors and or regions. The credit ratings of the investments are monitored frequently for credit deterioration. By diversifying the portfolio, where this is appropriate and consistent with the Master Fund's objectives, the risk that a significant change in the credit risk or quality of certain individual tenants, particular sector, specific industry and or regions will have a material impact on the Net Asset Value of the Master Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

The Master Fund adheres to regulatory and fund management guidance and investment strategy that mitigates any risk of excessive exposure to any particular type of sector or tenant type.

The Master Fund cash and short term deposits at 31 December 2024 amounted to £251.10m (31/12/23: £45.10m). Deposits and interest rate deposits were placed with financial institutions with BBB+ or better credit ratings.

At 31 December 2024, taking into consideration any offset arrangements, the largest combines credit exposure by the Master Fund to a single counterparty arising from money market deposits, liquid investments and derivatives was £251.10 (31/12/23: £45.10m). This represents 7.94% (31/12/23: 1.42%) of gross assets of the Master Fund.

The deposit exposures are with UK banks.

Currency risk

All financial assets and financial liabilities of the Company are in sterling; thus the Company has no exposure to currency risk at the Balance Sheet date.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts held by the Master Fund will be affected by fluctuations in interest rates and hence the distribution receivable by the Company from the Master Fund. The ACD continuously reviews interest rates and the assessment of this may result in a change in investment strategy.

The interest rate risk is low for the Company and therefore no sensitivity analysis has been performed.

Inflation risk

Inflationary risk is the risk that the future value of an investment, asset, or income stream, in real terms, will be reduced by unanticipated inflation.

A key to the effectiveness of managing inflationary risk associated with the fall in real income or returns lies in the Master Fund's ability to raise rents in markets with low vacancy rates, thus outpacing rising inflation and potentially increasing income distribution to unitholders/shareholders. The Master Fund also use built-in rent escalators that are tied to inflation that can directly drive rental income which protects the income-generation of existing leases. The Master Fund also allow new leases to capitalise on rising market rents when the leases are being agreed. In general, Property investment has served as a hedge against inflation over the long term and tend to be less sensitive to inflationary risk and may even benefit from unanticipated inflation.

The ACD address inflationary risk associated with increased costs by adjusting its cash flows for inflation to prevent changes in purchasing power especially in relation to capital expenditure such as construction and refurbishment costs. The ACD and the Investment Adviser employ various risk management measures such as, the use of fixed price contract sums; inflation contingency in budgets and in appraisals; early procurement of risk packages; and protection against amendments in construction contracts where the contractor may seek to include an exclusion related to material inflation or supply chain issues.

The ACD assesses the inflation risk and has determined that inflation risk is low and therefore no sensitivity analysis has been performed.

Leverage risk

The Master Fund may from time to time use leverage of up to 20% of the net asset value, either in the form of borrowings (for example, for the purposes of funding acquisitions in anticipation of receiving subscriptions or to meet redemption requests as part of the liquidity management of the Master Fund).

Currently the Master Fund has no borrowings of cash or securities as it does not believe it is needed as this time and as such no disclosure is required under the AIFM Directive.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. Risk management policies – continued

Climate risk

Climate risk is the risk that asset valuations and the wider economy are negatively impacted by the transition to a low-carbon economy, as well as the physical risk to asset holdings as a result of severe weather events and longer-term shifts in climate.

The built environment is particularly susceptible to the effects of climate change. It affects the exposure of our assets to physical risks, such as flooding. It influences transition risks, such as divestment away from high-risk assets. It contributes to urban heat islands and impacts the health and wellbeing of occupants and local communities.

The Master Fund has reviewed the carbon footprint and emissions trajectory of its property portfolio for the coming decades. Based on this review, it has developed an informed pathway to decarbonise the property portfolio and achieve net zero carbon. This pathway is aligned with the latest industry guidance and principles for the built environment on how to reduce and compensate for its emissions meaningfully and accountably.

A key element of the Master Fund's risk mitigation strategy is set out within its new Responsible Property Investment (RPI) framework which covers four strategic focus areas:

- Investing in a resilient portfolio
- Developing for the future
- Managing assets for positive impact
- Responsible decision making.

Ten material Environmental, Social & Governance (ESG) issues form the foundation of the RPI framework, of which one was identified as the 'Transition to net zero carbon'. A set of Key Performance Indicators (KPIs) will be developed to track quantitative performance against achieving net zero carbon and actions will be undertaken as necessary to ensure fulfilment of the Master Fund's goals.

Economic and political risk

The performance of the Company may be adversely affected by the impact of geopolitical and general economic conditions under which the Company operates.

Political risks include changes in landlord and tenant, planning, trust or other law in the UK could also materially affect the investment returns.

Geopolitical risk feeds through into real economic activity because uncertainty over future economic conditions, particularly when caused by a large-scale war, causes firms and consumers to adopt a 'wait and see' approach, cutting back on investment and consumption plans.

The ongoing conflicts in Ukraine and in the Middle East continue to carry huge risks for the world economy. If geopolitical uncertainties persist, volatility in energy prices and inflation could return. The Master Fund has no exposure to Russian companies as commercial tenants or investment.

However, sanctions imposed on Russia as a response by the UK and its allies have had a significant impact on the UK economy due to the disruption to the supply of energy to Europe which has affected wholesale prices in the UK to a greater extent than implied by direct trade links. The full economic impact of the conflict on Western economies including the UK with higher inflation, volatile financial markets and adverse economic environment will depend on the extent to which the conflict, and therefore the severity of sanctions and economic disruption, escalates and how long they last.

The returns that are likely to be achieved on an investment in the Master Fund, which invests in assets predominantly based in the UK, are not likely to be materially affected by the situation in Ukraine but by the political and economic climate in the UK.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

4. Net capital gains/(losses)

	31 Dec 2024 £'000	31 Dec 2023 £'000
The net capital gains/(losses) during the year comprise:		
Non derivative securities unrealised gains\(losses)	890	(1,879)
Non derivative securities realised gains	18	–
Net capital gains/(losses)	**908**	**(1,879)**

5. Revenue

	31 Dec 2024 £'000	31 Dec 2023 £'000
Property rental income	1,742	1,932
Service charge income	186	265
Overseas income	263	215
Bank interest	157	63
Property insurance commission	–	–
Total revenue	**2,348**	**2,475**

6. Expenses

	31 Dec 2024 £'000	31 Dec 2023 £'000
Payable to the Authorised Corporate Director associates of the Authorised Corporate Director and their agents:		
Authorised Corporate Director's fee	325	404
Payable to the Depositary, associates of the Depositary and their agents:		
Depositary's fee	4	5
Other expenses		
Recoverable service charges	185	264
Irrecoverable service charges	83	85
Void council tax	46	57
Surveyor's fee	25	45
Legal and lettings fees	29	38
Other	26	19
Bad and doubtful debts	5	16
Insurance expense	–	8
Property repairs and maintenance	6	7
Valuation fee	4	5
Head rent	2	3
Administration fee	1	1
Audit fee*	1	1
	413	549
Total expenses	**742**	**958**

* The Audit fee for the Company is paid by the Master Fund. The Audit fee for the year is £11,467 (31/12/23: £8,328).

Revenue and expenses from the Master Fund are recognised on a look through basis proportionate to the Company's investment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

7. Taxation

The Company qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax.

The Company would, however, be subject to corporation tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses.

Under the PAIF regulations, the Company makes distributions net of basic rate of income tax for the relevant income streams.

a) Analysis of charge for the year

	31 Dec 2024 £'000	31 Dec 2023 £'000
Corporation tax	–	–
Total taxation	**–**	**–**

Corporation tax has been provided at a rate of 20%.

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for Open Ended Investment Companies (20%).

The differences are explained below:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Net revenue before taxation	1,606	1,517
Corporation tax @ 20%	321	303
Effects of:		
Revenue not subject to taxation	(321)	(303)
Total tax charge for the year (note 7a)	**–**	**–**

c) Deferred tax

There was no provision required for deferred tax at the Balance Sheet date (31/12/23: £nil).

8. Distributions

	31 Dec 2024 £'000	31 Dec 2023 £'000
Interim distribution	1,148	1,052
Final distribution	458	467
Total distributions for the year	**1,606**	**1,519**

The difference between the net revenue after taxation and the distribution paid is as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Net revenue after taxation	1,606	1,517
Expenses charged to capital	–	2
Total distributions for the year	**1,606**	**1,519**

Details of the distribution per share are set out on page 27.

9. Debtors

	31 Dec 2024 £'000	31 Dec 2023 £'000
Property income receivable	332	336
Interest income receivable	129	84
Dividend income receivable	(3)	47
Trades awaiting settlement	10,000	–
Total debtors	**10,458**	**467**

10. Cash and bank balances

	31 Dec 2024 £'000	31 Dec 2023 £'000
Cash and bank balances	–	–
Total cash and bank balances	**–**	**–**

11. Other creditors

	31 Dec 2024 £'000	31 Dec 2023 £'000
Trades awaiting settlement	10,000	–
Total other creditors	**10,000**	**–**

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

12. Reconciliation of total return/(deficit) before distributions to net cash flow from operating activities

	31 Dec 2024 £'000	31 Dec 2023 £'000
Total return/(deficit) before distributions	2,514	(362)
Add: Net capital (gains)/losses	(908)	1,879
Less: Accumulation dividend from non-allowable expenses	–	2
Less: Interest received	(157)	(63)
Net income from operating activities	**1,449**	**1,456**
Increase in debtors	(9,991)	(151)
Increase in creditors	10,000	–
Net cash inflow from operating activities	**1,458**	**1,305**

13. Reconciliation of number of shares

	Class J Gross Income
Opening shares 01/01/24	521,767
Shares issued	–
Shares cancelled	(186,451)
Closing shares at 31/12/24	**335,316**

14. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the current balance sheet date (31/12/23: £nil).

15. Related party transactions

The Company's Authorised Corporate Director and Royal London Unit Trust Managers Limited are related parties to the Company as defined by Financial Reporting Standard 102 section 33 'Related Party Disclosures'.

The Company holds units in the Royal London Real Estate Fund ("the Master Fund") managed by Royal London Unit Trust Managers Limited, the details of which are shown in the Portfolio Statement.

Revenue from the Royal London Real Estate Fund ("the Master Fund") is recognised on a look through basis proportionate to the Company's investment, the details of which are disclosed in note 5.

All the fees and expenses are paid by the Royal London Real Estate Fund ("the Master Fund"). The look through proportion of such fees and expenses borne by the Company are disclosed in note 6.

The distributions received from the Royal London Real Estate Fund ("the Master Fund") reflect those that are paid out by the Master Fund, the details of which are shown in note 8.

Authorised Corporate Director fees charged by the Manager are paid by the Royal London Real Estate Fund ("the Master Fund") and details of shares created and cancelled by the Fund are shown in the Statement of change in net assets attributable to shareholders. At the year end, the balance due to the Authorised Corporate Director in respect of these transactions was £256,689 (31/12/23: £101,099).

RLGPS Trustee Limited, as a material unitholder, is a related party holding shares comprising 100% (31/12/23: 100%) of the total net assets of the Company as at 31 December 2024.

16. Financial instruments

The policies applied to the management of the financial instruments are set out in note 3. The fair values of the Company's assets and liabilities are represented by the values shown in the Balance Sheet on page 16. There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

The Company's financial assets comprise cash, on which interest is receivable. However, no interest is receivable or payable on the Authorised Corporate Director's other assets (debtors) or liabilities (creditors). As at the year ended 31 December 2024, there was £nil (31/12/23: £nil) cash held by the Company.

17. Portfolio transaction costs

For the year ended 31 December 2024

	31 Dec 2024 £'000
There were no transaction costs for the year ended 31 December 2024	
Total purchases	–
Total sales	(10,000)

For the year ended 31 December 2023

	31 Dec 2023 £'000
There were no transaction costs for the year ended 31 December 2023	
Total purchases	–
Total sales	–

At the Balance Sheet date the portfolio dealing spread was 4.37% (31/12/23: 4.37%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

18. Fair value of investments

The primary financial instruments held by the Company at 31 December 2024 were property related investments, cash, short term assets and liabilities to be settled in cash. The Company 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 2. The fair values of the Company's assets and liabilities are represented by the values shown in the Balance Sheet on page 16. There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The Company only holds Level 3 Assets.

The fair value of investments has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 December 2024

Level	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Authorised Contractual Schemes	–	–	37,017	37,017
Total	**–**	**–**	**37,017**	**37,017**

For the year ended 31 December 2023

Level	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Authorised Contractual Schemes	–	–	56,109	56,109
Total	**–**	**–**	**56,109**	**56,109**

At the current and prior year end, the Level 3 assets held were the Royal London UK Real Estate Fund ("the Master Fund"). These assets have been included as level 3 due to the possibility of restrictions being imposed on their redemption rights.

19. Events after the end of reporting year

The final distribution for the year ended 31 December 2024 was paid on 15 January 2025.

There have been no significant redemptions since the balance sheet date.

The impact of the volatility on the Company's NAV between the end of the reporting period and the date of which the financial statements were authorised for issue are shown below:

	Price 31 Dec 2024 (£)	Price 31 Mar 2025 (£)	Movement (%)
Royal London UK Real Estate Feeder Fund, Class J Gross Income	110.40	110.67	0.24%

Distribution table

For the year ended 31 December 2024

Class J Gross Income

Distribution in pence per share

Distribution period	Distribution per share	Equalisation	Total distribution per share 2024	Total distribution per share 2023
March				
Group 1	91.3041		91.3041	66.4898
Group 2	91.3041	–	91.3041	66.4898
June				
Group 1	94.7524		94.7524	75.2980
Group 2	94.7524	–	94.7524	75.2980
September				
Group 1	82.5120		82.5120	59.7646
Group 2	82.5120	–	82.5120	59.7646
December				
Group 1	107.2783		107.2783	89.4371
Group 2	107.2783	–	107.2783	89.4371

All share classes of the Company are priced and distribute on a quarterly basis therefore there are no group 2 shares at the end of each distribution period and therefore no equalisation is applied to share class prices.

Fact File

Royal London UK Real Estate Feeder Fund

Launch date	Class J – Gross Income Shares	1 October 2017
Accounting end dates	31 December (Final)	
	30 June (Interim)	
Distribution dates	20 January (Final)	
	20 April	
	20 July	
	20 October	
Minimum investment	£50m	
Management charges	Preliminary charge	1.25%
	Annual management charge	0.00%

Remuneration Policy (unaudited)

The Authorised Corporate Director ("ACD") of the Royal London UK Real Estate Feeder Fund, Royal London Unit Trust Managers Limited ("RLUTM"), is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy"), as required under the UCITS Directive ("UCITS V"). RLUTM has appointed Royal London Asset Management Limited ("RLAM") as the Investment Adviser to the Company.

RLUTM and RLAM are wholly owned subsidiaries of The Royal London Mutual Insurance Society, "the Group". The Group maintains a "Group Remuneration Policy" that RLUTM has adopted which is consistent with and promotes sound and effective risk management. It is designed so that risk-taking is not encouraged where this is inconsistent with the risk profiles or the instrument constituting the fund or the prospectus, as applicable, of the UCITS it manages. The Group has appointed a Remuneration Committee which is made up of Non-Executive Directors and is advised by independent remuneration consultants. The Committee considers the advice by independent remuneration consultants and the implications of remuneration policies across the Group, including for RLUTM.

The Remuneration Policy is in line with the business strategy, objectives, values and the interests of the ACD and the interests of the Royal London UK Real Estate Feeder Fund and includes measures to avoid conflicts of interest. The Remuneration Policy adopts performance related pay, with salaries determined by reference to both individual performance and the external market. Total Remuneration comprises of a mix of fixed remuneration (including base salary and benefits), and variable remuneration in the form of incentives. The ratio between fixed and variable pay (both short-term and long-term incentives) is set by the Group to ensure that there is appropriate balance between the fixed and variable remuneration components. The Group Remuneration Policy applies to staff of the ACD whose professional activities have a material impact on the risk profile of the ACD or the Company and ensures that an individual cannot be involved in determining or approving their own remuneration. The UCITS Directive requires RLUTM to identify employees whose professional activities have a material impact on the risk profile of the RLUTM and the Company. Identified staff includes senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The Remuneration Policy is updated annually and reviewed and approved by the Remuneration Committee. The most recent review include increases to the maximum incentive opportunities for executive directors of the Group, updates to reflect the Financial Conduct Authority's (FCA) Consumer Duty principle and supporting rules which comes into effect in July 2023, as well as minor wording changes to improve clarity. Details of the Remuneration Policy (provided in the form of the "UCITS Summary Remuneration Policy"), includes a description on the purpose of the policy, how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. The UCITS Summary Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the ACD, upon request.

RLUTM has a board of directors (the "Directors"). The Directors of the Company who are also employees of the Group do not receive any remuneration in respect of their services as directors of RLUTM. The other Non-Executive Directors receive fixed remuneration in respect of their services which is set at a level determined by the Group and is not performance related. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of RLUTM. RLUTM has no employees and therefore there are no other controlled functions, or senior management employed and paid by RLUTM. However, for the financial year ending 31 December 2024, total remuneration of £29,836,582 was paid to 46 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £10,159,813 related to senior management. The fixed element of the total remuneration mentioned above is £10,802,215 and the variable element is £19,034,367. By comparison for the financial year ending 31 December 2023, total remuneration of £32,720,486 was paid to 48 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £8,986,030 related to senior management. The fixed element of the total remuneration mentioned above is £10,709,034 and the variable element is £22,011,452. In addition, the Company does not make any payments directly to any staff of the delegates.

In accordance with the Remuneration Policy and the requirements of UCITS V, staff working for RLAM are not remunerated by the ACD but they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive. RLAM is also subject to the Financial Conduct Authority's Remuneration Codes.

General Information

Pricing and dealing

For the purposes of determining the prices at which Shares may be purchased from or redeemed by the ACD, the ACD will carry out a valuation of the Company's Property at 23:59 UK time each Dealing Day (the "valuation point") on the last Business Day (a day on which the London Stock Exchange Limited is open for business) of each calendar quarter, unless otherwise agreed by the Depositary. However, the ACD may, at its discretion, value the Company at any other time.

Dealing in Shares are conducted on a quarterly basis; on the last calendar day of each calendar quarter (i.e. the 31 March, 30 June, 30 September and 31 December) (a Dealing Day), between 9:00 and 17:00 UK time.

Subscription of shares

In order for an application to be dealt with at the above Valuation Point on any Dealing Day, an investor should complete an application form available from the ACD and returned by 12:00 midday UK time on the last Business Day that is at least three months prior to the Dealing Day. Instructions received after this point will be dealt with on the next Dealing Day. On acceptance of the application, Shares will be sold at the relevant sale price, and a contract note confirming the sale price and the number of Shares sold together with, in appropriate cases, a notice of the applicant's right to cancel, will be issued. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

Redemption of shares

To redeem Shares, an investor should provide a written instruction by 12:00 midday UK time on the last Business Day that is at least six months prior to the relevant Dealing Day to the ACD at its administration centre with instructions to redeem the relevant number (if known) or value of Shares. Instructions received after this point will be dealt with on the next applicable Dealing Day. The Shares will be repurchased at the price calculated at the valuation point on the appropriate Dealing Day. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid no later than the close of business on the fourth business day following receipt of a signed form of renunciation.

Settlements time

Subscription settlement is by 17:00 UK time at the Business Day, four full Business Days prior to the relevant Dealing Day. Redemption settlement is by 17:00 UK time at the Business Day, five full Business Days prior to the relevant Dealing Day.

Distribution dates

Distribution of income is on the 20th calendar day following the end of the relevant accounting period.

UK taxation

The tax consequences for each Shareholder of acquiring, holding, redeeming or disposing of Shares in the Company depend upon the relevant laws of any jurisdiction to which the Shareholder is subject and may be subject to change in the future. Prospective Shareholders should seek their own professional advice as to this, as well as to any relevant exchange control or other relevant laws and regulations if they are in any doubt as to their tax position.

The Company is an authorised scheme and so is not liable to tax on capital gains on the disposal of any of its property.

The Company qualifies as a PAIF for tax purposes. Accordingly, the income generated by its Property Investment Business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. The Company would, however, be subject to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made, or a tax charge otherwise arises.

The Company's distributions will be split into up to three streams for United Kingdom tax purposes:

1. Property income distributions, representing income from its Property Investment Business;
2. PAIF dividend distributions representing any dividends received by it and certain income; and
3. PAIF interest distributions representing the net amount of all other income received.

Tax-exempt United Kingdom Shareholders: United Kingdom Shareholders who are exempt from tax on income will be able to reclaim from HMRC the basic rate income tax withheld on the payment of property income distributions.

Corporate United Kingdom Shareholders: Property income distributions are generally paid to United Kingdom corporation tax payers without the deduction of tax at source and are taxed as profits of a property business. PAIF interest distributions are also paid gross to United Kingdom corporation tax payers, and are taxed as yearly interest in their hands. PAIF dividend distributions are treated in the same way as dividends paid by United Kingdom companies, and are therefore exempt from corporation tax.

Non-United Kingdom Shareholders: Non-United Kingdom resident Shareholders may be entitled to reclaim part or all of the tax credit on an income distribution or accumulation from HMRC, depending on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

General Information (continued)

UK taxation – continued

For all income allocations: A tax voucher showing the amount of the income distributor or deemed to be distributed for United Kingdom tax purposes to the Shareholder and any tax deducted will be sent to Shareholders at the time.

Capital gains: The sale of Shares by a Shareholder will constitute a disposal for the purposes of United Kingdom tax on capital gains. The extent of any liability to United Kingdom tax will depend upon the particular circumstances of the Shareholder. For Shareholders within the charge to corporation tax, net capital gains on Shares should be added to their profits chargeable to corporation tax. Any individual Shareholders resident in the United Kingdom will generally be liable to tax on their capital gains. Non-United Kingdom resident Shareholders may also be liable to United Kingdom capital gains tax (or corporation tax) in respect of post-April 2019 gains realised on the disposal of their Shares, depending on their personal circumstances and the terms of any double tax agreement between their country of residence and the United Kingdom.

SDRT: There is no stamp duty or stamp duty reserve tax (SDRT) payable on issues or redemptions of Shares in the Company or on the subscription for or redemption of units in the Master Fund. SDRT may be payable in certain circumstances when a Shareholder transfers ownership of Shares directly to another person.

International and UK tax reporting: In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as 'FATCA' and the international Common Reporting Standard ('CRS')), the ACD (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status. When requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HMRC, and, by them, to any relevant overseas tax authorities.

Shareholders who do not supply the requisite information when they apply for Shares will not be issued with any Shares and any Shareholders subsequently refusing to provide the requisite information to the ACD may be reported to HMRC, and, by them, to certain overseas tax authorities including those of the United States. If a prospective investor is concerned about this, he should take appropriate advice.

Authorisation

The Company was authorised by the Financial Conduct Authority on 7 June 2017.

ACD reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from Royal London Unit Trust Managers Limited upon request.

Contact Us

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Royal London Asset Management Limited is a marketing group which includes Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority and which manages collective investment schemes, registered in England and Wales number 2372439.

Royal London Asset Management Limited is a subsidiary of The Royal London Mutual Insurance Society Limited, registered in England and Wales number 99064.

Registered office: 80 Fenchurch Street, London EC3M 4BY.

Ref: SREP RLAM PD 0360