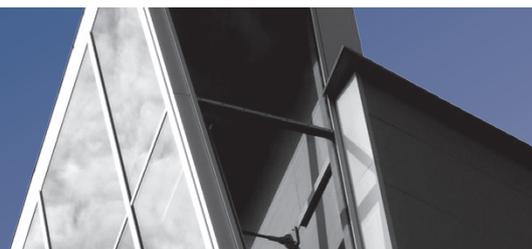


## Fund Highlights

- Acquired 22 properties for £101.6m since launch in May 2015
- Post period end this has increased to 25 properties totalling over £110m
- 89% of capital committed at period end (97% post period end)
- £14.25m loan facility drawn down with £8.7m outstanding
- Successfully raised a further £17.2m since first capital raise



## Who we are

AEW UK REIT plc (the "Company") is a real estate investment trust established in May 2015. The Company is listed on the premium listing segment of the Official List of the UK Listing Authority and the shares are traded on the Main Market of the London Stock Exchange.

The assets of the Company are managed by AEW UK Investment Management LLP ("AEW UK"). The AEW UK Senior Management Team are an experienced team with an average of 17 years working together and manage funds and separate accounts totalling over £1bn of assets under management. The team is a market leading asset manager of value add assets with a strong track record including its outperforming Core Fund in which the team brings an institutional asset management approach to more active value add assets.

Alex Short, Portfolio Manager commented, "We are pleased with both the strong continued growth of the Company and with some fruitful asset management gains over the last quarter. We continue to see an attractive pipeline of assets across all sectors, remembering that our approach for this fund is to seek out mispriced assets that are well located and have strong underlying tenant demand. The Company therefore expects to make further announcements shortly as we invest the remainder of available capital."

## Investment Strategy

The Company currently intends to exploit what it believes to be the compelling relative value opportunities offered by pricing inefficiencies in smaller commercial properties let on shorter occupational leases in strong commercial locations. The Company intends to supplement this core strategy with active asset management initiatives to improve the quality of income streams and maximise value.

## Investment Acquisitions 31 October 2015–31 January 2016

### 40 Queen Square, Bristol

A 38,325 sq ft office building situated in Bristol's premier office location. The property is multi-let providing significant asset management opportunities including refurbishment and letting of vacant accommodation in a growing market. The Company also plans to add value by improving the tenant amenity offer within the building.



### Brockhurst Crescent, Walsall

Three industrial warehouses totalling 136,171 sq ft situated in a strategic location c 1 mile from Junction 9 of the M6. The properties are let to two tenants providing a WAULT of over 6.4 years to expiry and opportunities to extend this further by negotiation with the existing tenants.



### Oak Park, Droitwich

A single let industrial property of 188,555 sq ft located on a 20 acre site providing long term redevelopment potential, subject to planning. The property is let for a further 7 years to a strong covenant.



### Castlegate Business Park, Salisbury

A 43,421 sq ft industrial warehouse located on the established Castlegate Business Park. The property is single let and was developed for the current tenant providing a WAULT of 1 year to break and 6 years expiry. The asset delivers an attractive net initial yield of 11.3%.



### Langthwaite Business Park, South Kirkby

Two neighbouring industrial warehouses totalling 230,850 sq ft on the well-established Langthwaite Business Park. The properties are fully let to Ardagh Glass who provide a strong covenant and are wedded to the location due to other nearby facilities. Potential to add value by extending the lease term.



### Cleaver House, Sarus Court, Runcorn

A single warehouse unit sitting adjacent to an existing Company holding. The acquisition forms part of the same industrial estate and improves estate management opportunities. The accommodation provides one of the best specifications within the surrounding area which will be set to benefit from the completion of the Mersey Gateway Project in 2017 providing a new 6 lane bridge over the River Mersey between Runcorn and Widnes linking the M56 to the M62.



### Odeon Cinema, Southend on Sea

A prominent south east town centre leisure investment let to the strong covenant of Odeon for 7 years. Odeon is currently the only cinema serving Southend on Sea, with a population of c 180,000. The asset presents potential to add value through negotiation of outstanding rent review where an uplift is expected.



## Fund Facts

as at 31 January 2016

Portfolio Manager  
Alex Short

### Investment Objective and Strategy

The investment objective of the Company is to deliver an attractive total return to Shareholders from investing predominantly in a portfolio of smaller commercial properties let on shorter occupational leases in strong commercial locations across the United Kingdom. The Company will undertake active asset management to improve the quality of income streams and maximise value.

Launch date: 12 May 2015

Fund structure: UK Real Estate Investment Trust

Year end: 30 April

Fund size (Net Asset Value): £114.8m

Property valuation: £113.6m (of which £10.0m is represented by AEW UK Core Property Fund)

Number of properties held: 22

Average lot size: £4.5m

Property portfolio net initial yield (% p.a.): 9.32%

Property portfolio reversionary yield: 8.40%

LTV: 13.8%

Average weighted unexpired lease term

To break: 4.3 years

To expiry: 5.8 years

Occupancy: 94.8%\* \* As a % of ERV

Number of tenants: 51

Share price: 96.88

NAV per share: 97.67

Premium/(discount) to NAV: -0.81%

Shares in issue: 117.51m

Market capitalisation: £113.84m

Annual management charge  
0.9% per annum of invested NAV

### Dividends

The Company intends to pay dividends on a quarterly basis with dividends declared in February, May, August and November in each year and paid within one month of being declared.

The Company targets a dividend yield of between 8 to 9% per annum on the IPO issue price of 100p per share and targets a total annual return, over the medium term, in excess of 12% on the IPO issue price, net of all fees.<sup>1</sup>

Total dividends of 3.5 pence have been declared for the period to date since IPO.

ISIN: GB00BWD24154

Ticker: AEWU SEDOL: BWD2415

Broker: Dexion Capital plc

## Acquisitions post period end during February 2016

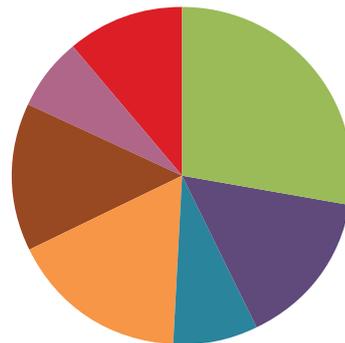
A portfolio of 3 single-let industrial warehouses located in Basingstoke, Rotherham and St Helens comprising approximately 232,523 sq ft, the properties are fully let providing an overall WAULT of c.5 years to breaks and 6 years to expiries. The portfolio was acquired for £9.0m reflecting a net initial yield of 9.0%, reversionary yield of 10% and a capital value of £39 per sq ft overall.



## Asset Management post period end during February 2016

Further to the acquisition of Valley Retail Park in Belfast the Company has completed a letting of 46,513 sq ft at the Valley Retail Park in Belfast to outdoor retailer Go Outdoors for a term of 20 years. The letting, which will be Go Outdoors first store in Northern Ireland, was completed simultaneously with the surrender of an existing lease over the space to former tenant Harvey Norman from which the Company received a

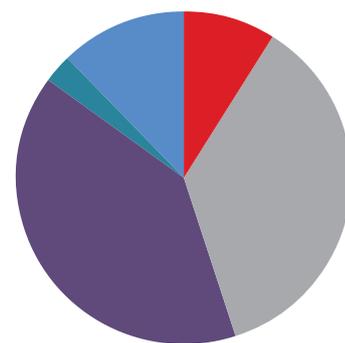
surrender premium of £1m. The new letting forms a key element of the Company's plan to reposition the Park following acquisition in August last year and has also provided a catalyst for further lettings with an additional 21,560 sq ft of vacant accommodation under offer to national retailer Smyths Toys who trade from over 60 stores across the UK.



### Portfolio Locations

South East	28%
West Midlands	15%
North West	8%
Yorkshire & Humber	17%
South West	14%
Northern Ireland	7%
Scotland	11%

As a percentage of portfolio (excluding cash and the AEW UK Core Property Fund). Including post period end acquisitions.

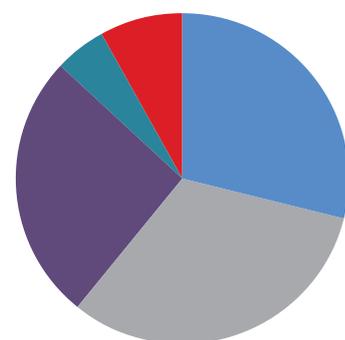


### Tenant Exposure

#### Top 20 Tenants – Risk of Business Failure

Government Body	9%
Minimal risk	36%
Lower than average risk	40%
Greater than average risk	3%
Undeterminable risk	12%

71% of Portfolio Income represented by Top 20 Tenants by income per annum. Source: www.dnb.co.uk. Based on D&B Risk Assessment Risk Indicator. "The D&B Rating provides a quick and clear indication of the credit-worthiness of an organisation, which helps you to identify profitable opportunities for growth, and risks that could affect bad debt and cashflow." Including post period end acquisitions.



### Sector Weightings

Offices	29%
Industrial	32%
Retail	26%
Other	5%
AEW UK Core Property Fund	8%

As a percentage of portfolio (excluding cash). Including post period end acquisitions.

	Location	Sector	Value £m	Initial yield %	Reversionary yield %	WAULT to break/ expiry
<b>Acquired properties to 31 January 2015*</b>						
AEW UK Core Property Fund			10.01	8.52**	9.00**	4.0/5.2**
Eastpoint Business Park	Oxford	Office	8.90	8.44	8.93	5.3/7.1
Sandford House	Solihull	Office	5.40	10.94	8.51	3.1/3.1
69–75 Above Bar Street	Southampton	Retail	9.45	8.56	5.79	5.5/5.5
Valley Retail Park	Belfast	Retail	8.05	10.53	10.05	2.9/6.5
225 Bath Street	Glasgow	Office	12.20	9.99	9.24	1.7/3.9
Stoneferry Retail Park	Hull	Retail	2.16	10.00	9.21	6.0/6.0
710 Brightside Lane	Sheffield	Industrial	3.50	9.45	8.27	9.2/14.2
Vantage Point	Hemel Hempstead	Office	2.18	8.42	8.03	4.3/8.7
Fargate	Sheffield	Retail	5.45	8.61	7.97	2.7/5.2
Barnstaple Retail Park	Barnstaple	Retail	6.79	8.50	7.83	6.9/8.2
Eagle Road	Redditch	Industrial	2.00	9.61	8.53	12.5/12.5
NCRC	Swinton	Industrial	1.28	7.64	7.64	7.5/7.5
NCRC	Mossley	Industrial	0.28	11.10	11.10	7.5/7.5
NCRC	Milton Keynes	Industrial	1.53	8.31	7.29	7.5/7.5
Sarus Court	Runcorn	Industrial	3.37	8.00	7.98	3.5/4.9
Castle Business Park	Salisbury	Industrial	2.00	11.34	9.22	0.7/5.7
Langthwaite Business Park	South Kirkby	Industrial	5.80	11.11	10.34	1.8/1.8
Odeon	Southend on Sea	Leisure	5.70	8.37	8.76	6.7/6.7
Cleaver House, Sarus Court	Runcorn	Industrial	0.91	7.90	7.92	2.2/5.2
Oak Park	Droitwich	Industrial	5.63	10.42	6.57	6.8/6.8
Brockhurst Crescent	Walsall	Industrial	3.85	9.90	8.08	6.2/6.2
40 Queen Square	Bristol	Office	7.20	7.83	8.06	0.7/1.2
<b>Post period end acquisitions</b>						
Data as at purchase						
Barbot Hall Industrial Estate	Rotherham	Industrial	2.17	8.50	11.50	3.1/3.1
Cranbourne House	Basingstoke	Industrial	3.39	10.00	9.10	2.1/4.1
Lea Green Industrial Estate	St Helens	Industrial	3.44	8.20	9.00	9.8/9.8
			4.50	9.32	8.40	4.3/5.8

\*Figures as at Knight Frank Valuation 31 January 2016 (excluding AEW UK Core Property Fund). \*\*Figures as at Knight Frank Valuation 29 February 2016.

## Contact information

### Investor relations key contact

Dana Eisner

dana.eisner@aeweurope.com

T: 020 7016 4883 | M: 07834 439 688



### Company Secretary

Capita Company Secretarial Services Limited

40 Dukes Place

London EC3A 7NH

### Investment Manager

AEW UK Investment Management LLP

33 Jermyn Street

London SW1Y 6DN

**AEW UK** is a trading name of AEW UK Investment Management LLP, a limited liability partnership registered in England and Wales (registration number OC 367686) whose registered office is at 33 Jermyn Street, London SW1Y 6DN, England. AEW UK Investment Management LLP is authorised and regulated by the Financial Conduct Authority.

**AEW UK** is a 50/50 joint venture between AEW Global Limited and the AEW UK Senior Management Team. AEW Global which includes AEW Europe and its affiliates and AEW Capital Management and its affiliates are amongst the largest real estate investment managers in the world with €44.6bn in global assets under management and are part of the Natixis Global Asset Management Group.

<sup>1</sup> Investors should note that the figures in relation to dividends and total returns set out in this document are for illustrative purposes only, are based on current market conditions and are not intended to be, and should not be taken as, a profit forecast or estimate. Actual returns cannot be predicted and may differ materially from these illustrative figures. There can be no assurance that they will be met or that any dividend or total return will be achieved. Target returns do not form part of the Company's investment objective or investment policy.

**IMPORTANT NOTICE** This is a communication issued by AEW UK Investment Management LLP, trading as AEW UK ("AEW UK"). It relates to the AEW UK REIT plc (the "Company"). This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment. This communication is forwarded to you for information purposes only and does not constitute a personal recommendation. You should seek professional advice before making any investment decision. The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money invested. Past performance is not a guide to future performance. AEW UK Investment Management LLP believes the information to be correct at the time of writing but does not make any representation as to the accuracy or completeness of the material and does not accept liability for any loss arising from the use hereof. It is under no obligation to ensure that updates to the document are brought to your attention.