



AEW UK REIT PLC

MAY 2019

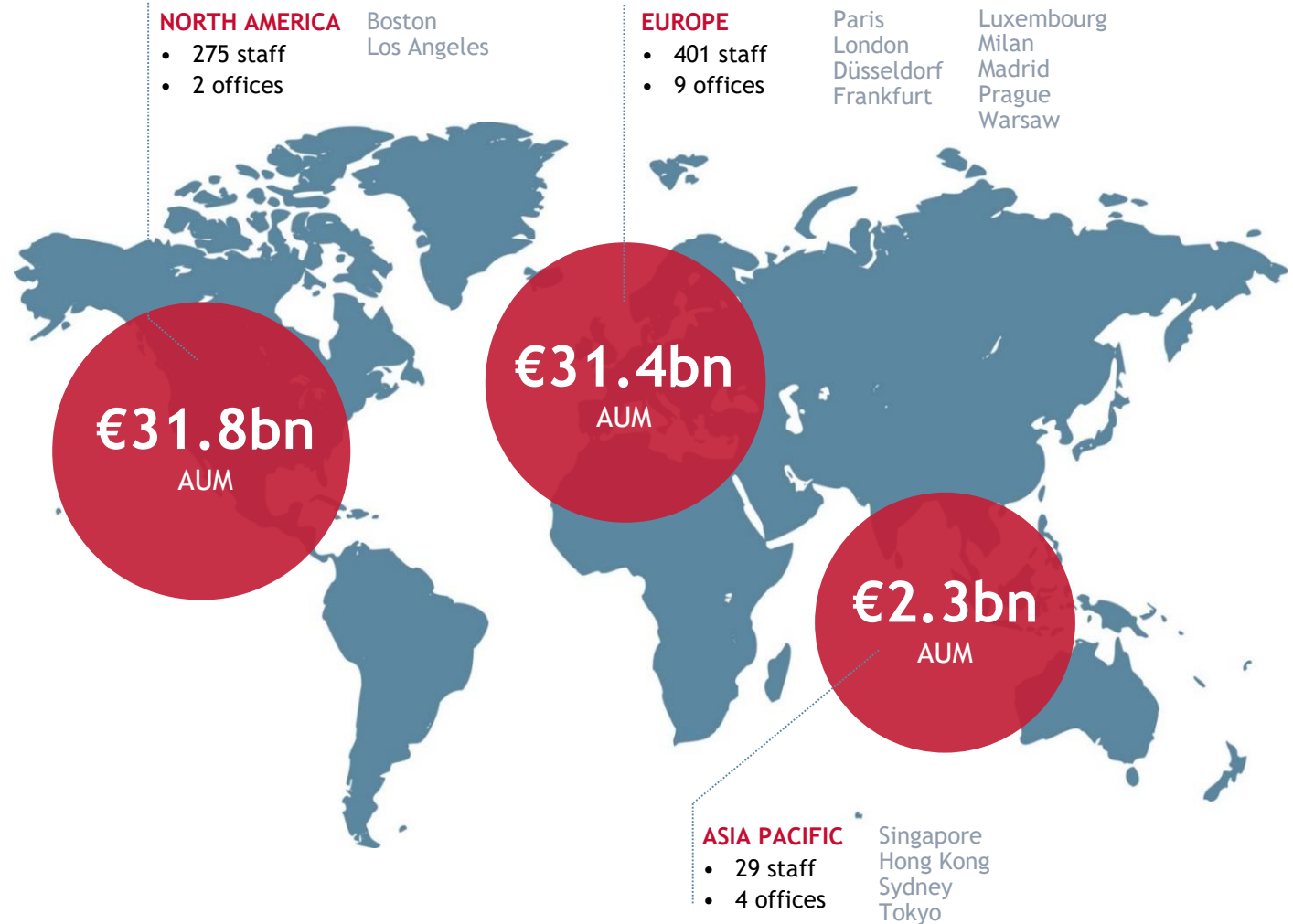
www.aewukreit.com

SECTION 1

AEW CORPORATE OVERVIEW

NORTH AMERICA, EUROPE AND ASIA PACIFIC

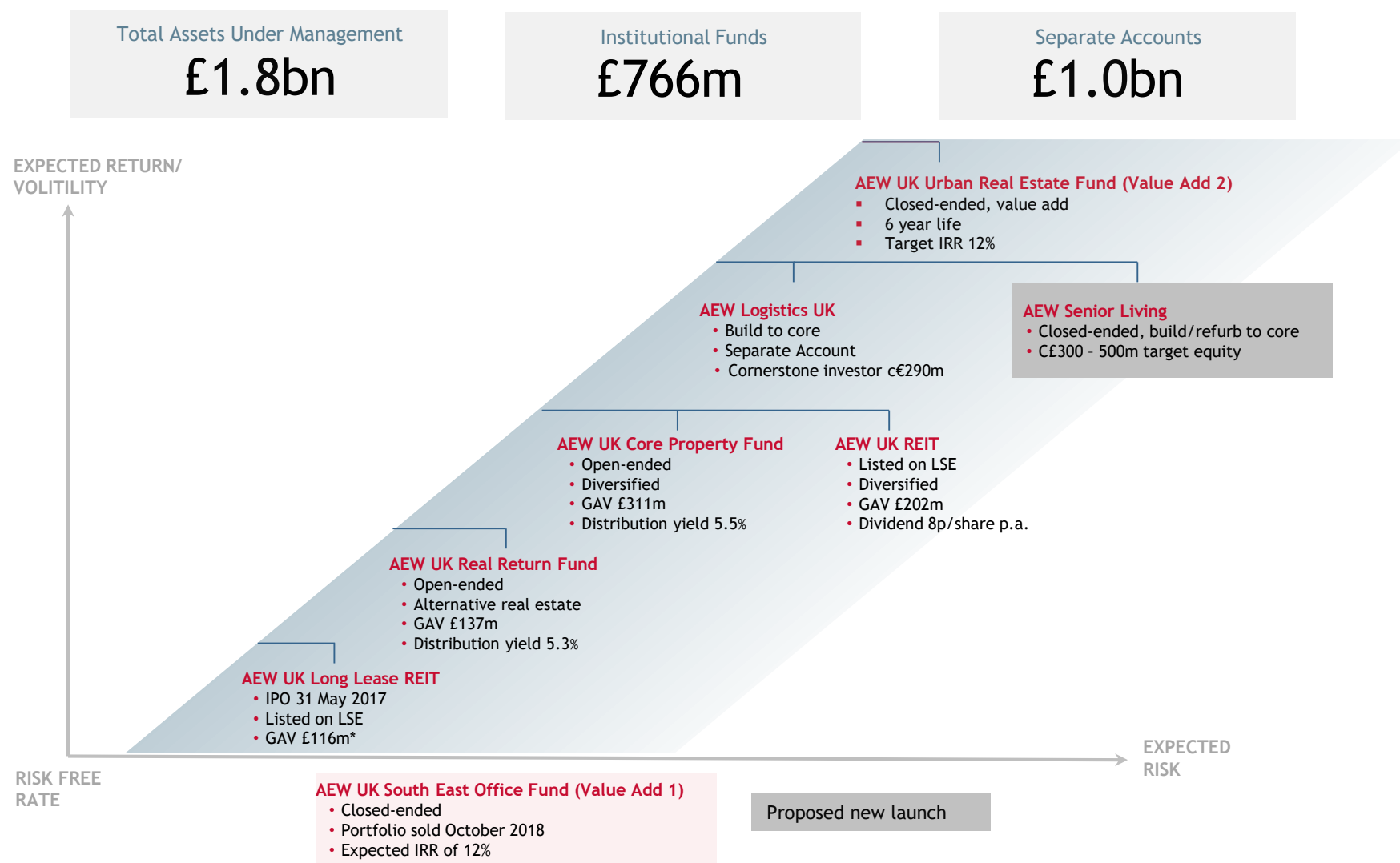
- Over 30 years' real estate investment management experience
- One of the largest real estate investment managers in the world with €65.4bn in assets under management
- Over 700 staff located in 15 offices across North America, Europe and Asia Pacific
- Broad experience across all major real estate markets and investment strategies
- Research driven approach to investment strategy and underwriting



Figures as at 31 December 2018. Total AEW Global AUM includes \$39.7 billion in assets managed by AEW Capital Management and its affiliates, of this \$603 million in advisory/subadvisory securities wrap accounts for which AEW Capital Management provides only a model portfolio.

AEW UK: FUNDS AND SEPARATE ACCOUNTS

ASSETS UNDER MANAGEMENT AND CAPITAL RAISED



Source: AEW UK, CPF and RRF on GAV basis as at 31 March 2019
Source: AEW Long Lease on GAV basis as at 31 December 2018

SECTION 2

ABOUT AEW UK REIT

AEW UK REIT PLC

- Highest yielding dividend in peer group
- Highly experienced team with over 25 years track record of outperformance
- A highly diversified portfolio with defensive characteristics
- Over 12 months to December 2018, AEWU has out performed the MSCI/IPD Total RETURN Benchmark by 5.48%



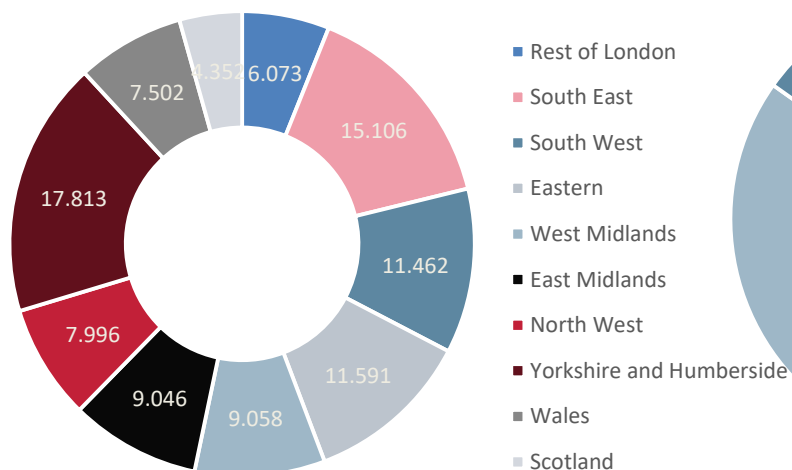
Source: AEW UK as at 31 March 2019

AEW UK REIT PLC

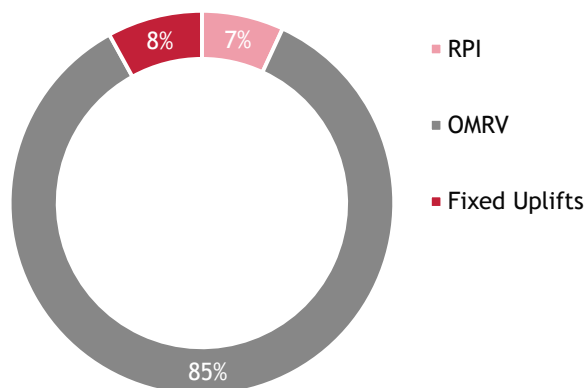
PORTFOLIO OVERVIEW AS AT 31 MARCH 2019

PORTFOLIO OVERVIEW	
NAV	£149.5m
NAV PPS	98.61p
Number of properties	35
Net Initial Yield	7.63%
WAULT (to break)	4.87 years
Dividend declared to date	28.8 pps
Debt	£50m
LTV	25.30%
Vacancy	2.99%
Total expense ratio	1.26%
Management fees	0.9% of NAV

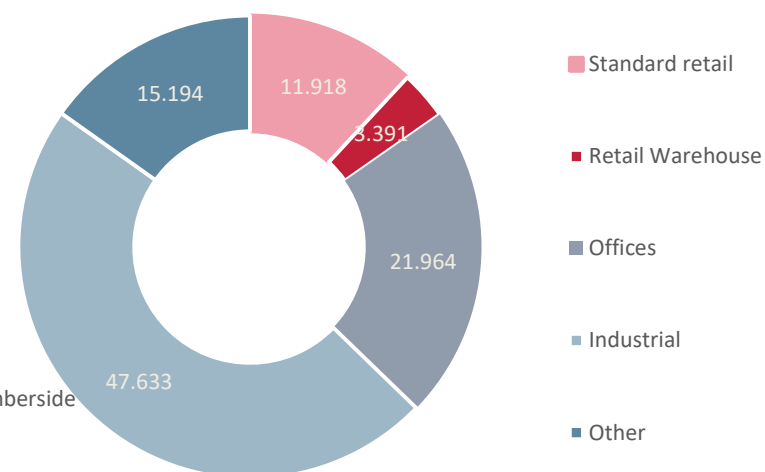
REGIONAL EXPOSURE



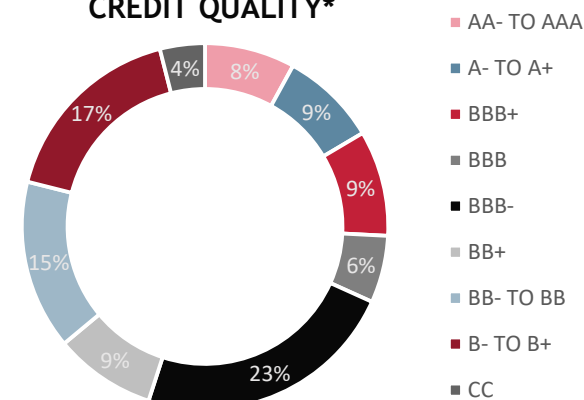
INCOME TYPE



SECTOR EXPOSURE



CREDIT QUALITY*



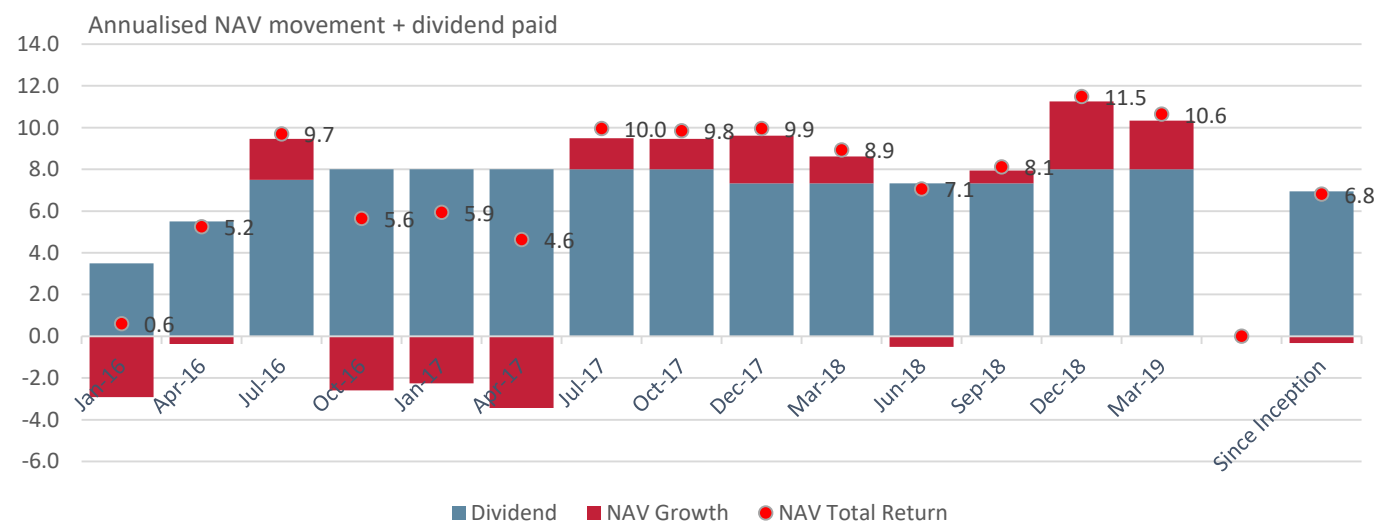
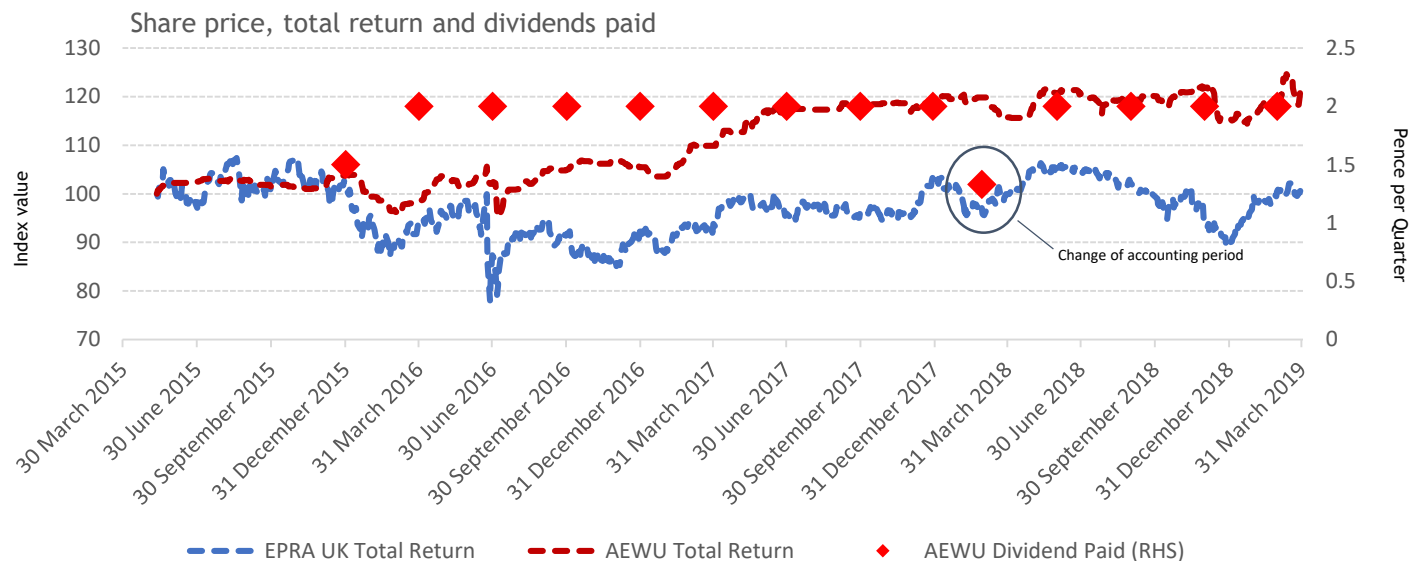
* Assessed by Coface as at September 2018 and represents 60% of portfolio income

SECTION 3

AEW UK REIT PERFORMANCE

AEW UK REIT PLC - COMPANY PERFORMANCE

- Over 12 months to December 2018, AEWU has outperformed the MSCI/IPD Total RETURN Benchmark by 5.48%
- Highest yielding dividend in peer group
- Out performance of EPRA UK

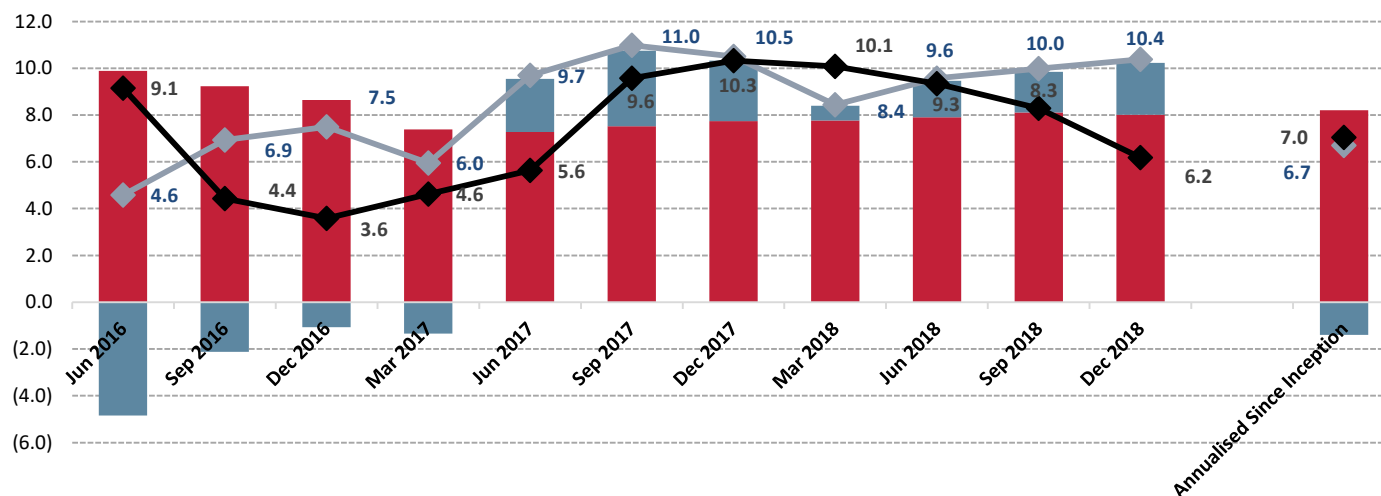


Source: Bloomberg, *Total Return assumes dividend reinvested into the security

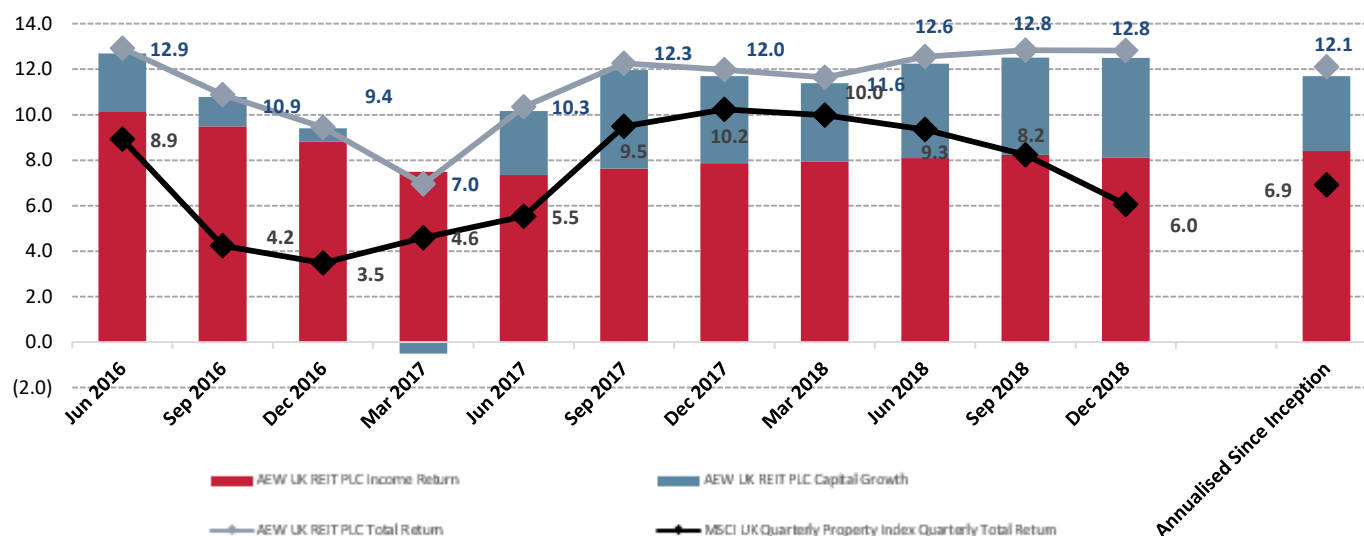
AEW UK REIT PLC - DIRECT ASSET LEVEL PERFORMANCE

- On like for like direct basis the portfolio total return since inception is 11.2%
- Excluding transaction costs the portfolio has out performed the MSCI benchmark year on year
- Initial property acquisition costs no longer dilutive

Annualised Direct Property Including Transaction Costs



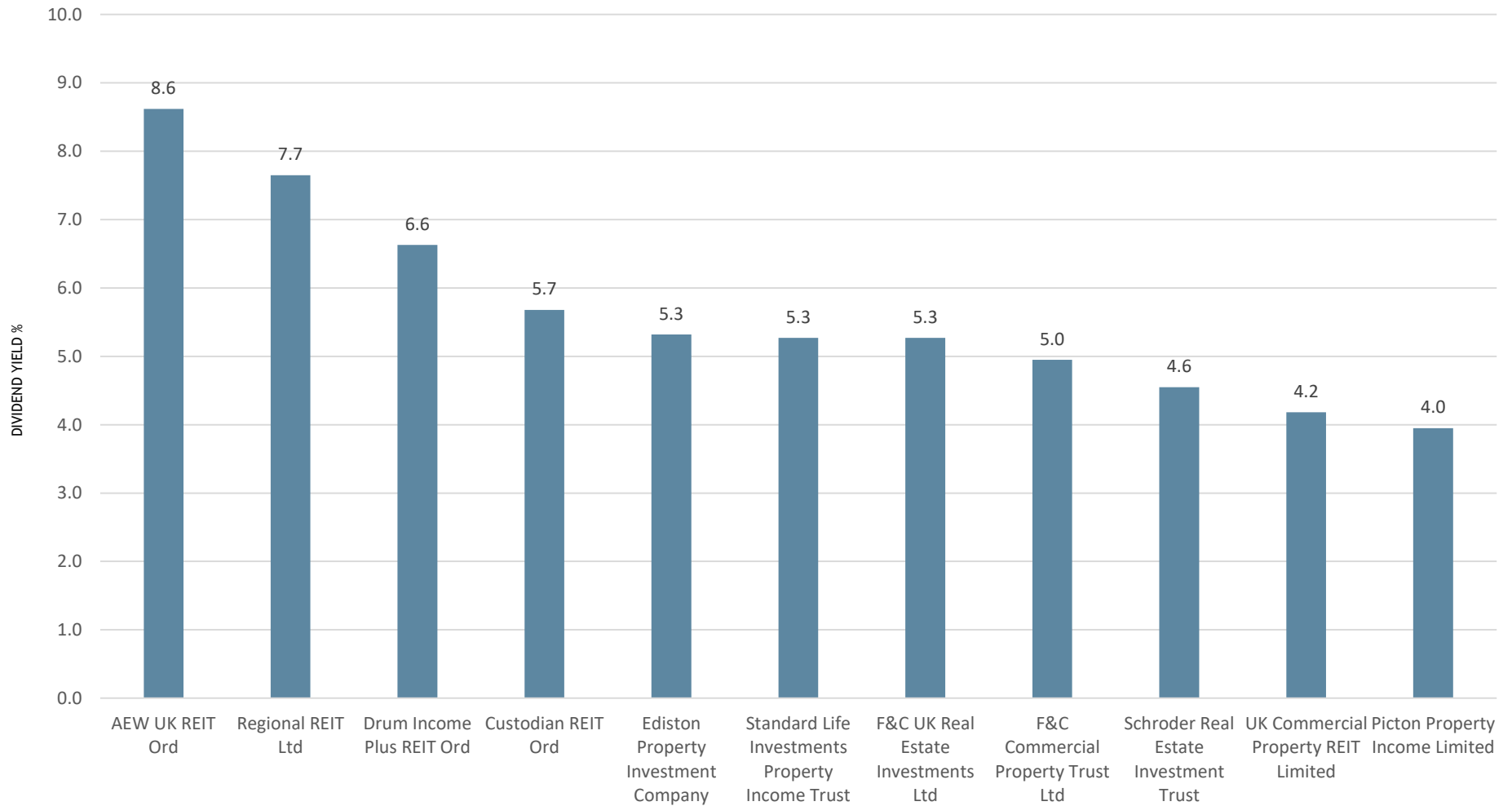
Annualised Direct Property Excluding Transaction Costs



Source: MSCI

AEW UK REIT PERFORMANCE COMPARISON

STRONG DIVIDEND YIELD



Source: Morningstar. As at 25 April 2019. Yield is based on most recent quarterly or monthly dividend.

SECTION 5

CASE STUDIES

INDICATIVE RECENT ACQUISITION

PARKSIDE INDUSTRIAL ESTATE, LEEDS



PROPERTY TYPE	Industrial
PROPERTY SIZE	187,794 sq ft
ACQUIRED	February 2019
CURRENT VALUE	£7.0m
PRICE PER SQ FT	£38
TRIPLE NET YIELD	7.7%
REVERSIONARY YIELD	8.0 %

New Purchase

INVESTMENT ATTRIBUTES

- Attractive income yield
- Established industrial location with good motorway access.
- Low passing rent and shortage of supply, creates strong potential for future rental growth
- Fully let to LWS, a storage and logistics provider for Harrogate Spring Water, on a lease expiring in 2028
- Purchase price in line with vacant possession values
- Long term redevelopment potential, subject to planning



Source: AEW as at 31 March 2019

SIGNIFICANT RENTAL GROWTH FROM SECONDARY WAREHOUSING

PARTICULARLY FOR ASSETS WITH LOW PASSING RENTS AND IN AREAS WITH CONSTRAINED SUPPLY

UNIT 1005, SARUS COURT, RUNCORN

- Passing rent at acquisition of £4.50 psf
- Current passing rent £5.04 psf
- Market rent - £5.50 psf
- Rental uplift of 22% expected over hold period

APOLLO BUSINESS PARK, PAYCOCK ROAD, BASILDON

- Passing rent of £4.60 psf
- New letting completed - £7.00 psf
- Rental uplift of 27% achieved

AEW UK REIT
weighting to low
rented industrial:

47%

AEW UK REIT industrial
average passing rent:

£3.22_{psf}

MAGHAM ROAD, ROTHERHAM

- Passing rent at acquisition of £2.40 psf
- Renewal completed - £3.36 psf
- Rental uplift of 40% achieved

DIAMOND BUSINESS PARK, THORNES MOOR ROAD, WAKEFIELD

- Average passing rent at acquisition of £2.50 psf
- Average market rent- £3.30 psf
- Rental uplift of 32% expected

SARUS COURT, RUNCORN



MAGHAM ROAD, ROTHERHAM



APOLLO BUSINESS PARK, BASILDON



DIAMOND BUSINESS PARK, WAKEFIELD



Source : AEW, March 2019

INDICATIVE RECENT ACQUISITION

GEDDINGTON ROAD, CORBY



PROPERTY TYPE	Industrial
PROPERTY SIZE	35 Acres
ACQUIRED	February 2018
CURRENT VALUE	£12.9m
PRICE PER ACRE	£350k
TRIPLE NET YIELD	9.6%
REVERSIONARY YIELD	7.0%

INVESTMENT ATTRIBUTES

- Attractive income yield at circa 10%
- Long term redevelopment opportunities for warehousing or residential. Both uses adjoining. Vacant industrial land values in the region are circa £350,000 per acre
- Let to GEFCO UK Ltd, a global logistics specialist, for a further term of 2.5 years (Coface score of 6/10. Annual turnover in excess of £150m)
- Potential to add value in the short term via an extension of the current lease



Source: AEW as at 31 March 2019

INDICATIVE RECENT ACQUISITION

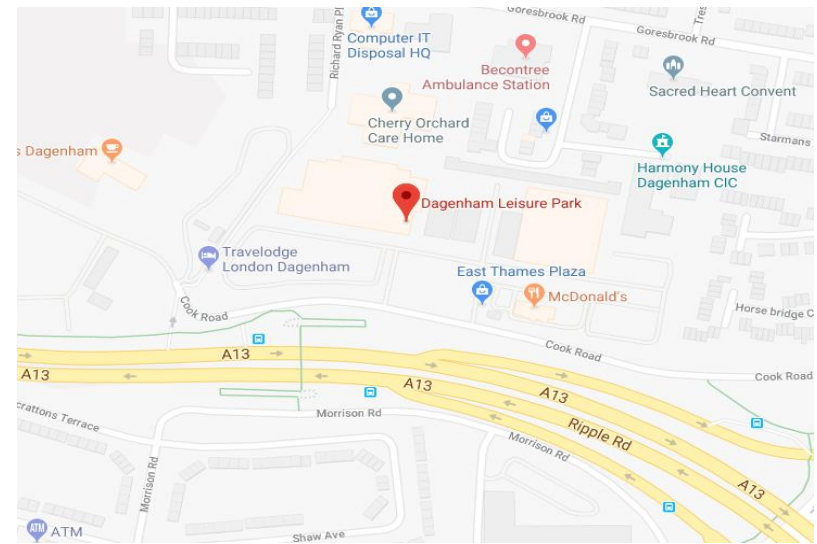
EAST LONDON, LEISURE PARK, DAGENHAM



PROPERTY TYPE	Leisure
PROPERTY SIZE	71,720 sq ft
ACQUIRED	February 2018
CURRENT VALUE	£12.0m
PRICE PER SQ FT	£167
TRIPLE NET YIELD	7.5%
REVERSIONARY YIELD	6.6%

INVESTMENT ATTRIBUTES

- Prominent east London location, easily accessible from both the A13 and the tube network
- Lease length of 13 years to break and 16 years to expiry
- Income secured against strong covenants of Mecca Bingo, McDonalds and Hollywood Bowl
- Improving location with Travelodge construction completed on the adjoining site
- Opportunities to add value through asset management
- The acquisition price is underpinned by residential land values creating the potential for long term redevelopment subject to planning



Source: AEW as at 31 March 2019

ASSET MANAGEMENT CASE STUDY

40 QUEEN SQUARE, BRISTOL



PROPERTY TYPE	Office
PROPERTY SIZE	36,230 sq ft
ACQUIRED	December 2015
CURRENT VALUE	£12.1m
PRICE PER SQ FT	£334
TRIPLE NET YIELD	5.7%
REVERSIONARY YIELD	6.6%

INVESTMENT ATTRIBUTES

- Vacancy level 46% at acquisition in December 2015 now fully let
- Lettings achieved at or ahead of market rental values.
- Limited Capital expenditure spent on improving tenant facilities such as showers and bike storage
- Increasing levels of occupier demand and constrained supply driving rental growth



Source: AEW as at 31 March 2019

ASSET MANAGEMENT CASE STUDY

VALLEY RETAIL PARK, BELFAST



ADDING VALUE

- Unexpired lease term at purchase - 3.6 years
- Yield at purchase - 12.8%
- Vacancy increasing in short term
- Stabilised income stream - added Go Outdoors and Smyths Toys, removed Harvey Norman planning consent achieved to intensify development
- Unexpired lease term at sale 10 years

PROPERTY NAME	Valley Retail Park, Newtownabbey
PROPERTY TYPE	Retail warehouse
AREA	100,413 sq ft
ACQUIRED	August 2015
PURCHASE PRICE	£7.15m (£71 psf)
YIELD ON PURCHASE	12.8%
SOLD	October 2017
SALE PRICE	£11.1m (£111 psf) + Surrender premium of £1m received
YIELD ON SALE	6.6%

Sold IRR - 34%

Source: AEW as at 31 December 2017

SECTION 7

CONCLUSION

AEW UK REIT PLC PERFORMANCE

CONCLUSION

- Target Dividend Payment - 8pps per annum
- Target geographical diversification
- Target net yields of 8-10%
- Tenant diversification
- Target debt - 20/30% of NAV
- Highly experienced team with over 25 years track record of outperformance
- Over the 12 months to December 2018, AEWU has out performed the MSCI/IPD Total Return Benchmark by 5.48%

“Highest yielding REIT: AEWUK 8.6%” - Sunday Telegraph (5 May 2019,
source Association of Investment Companies)

CONTACTS

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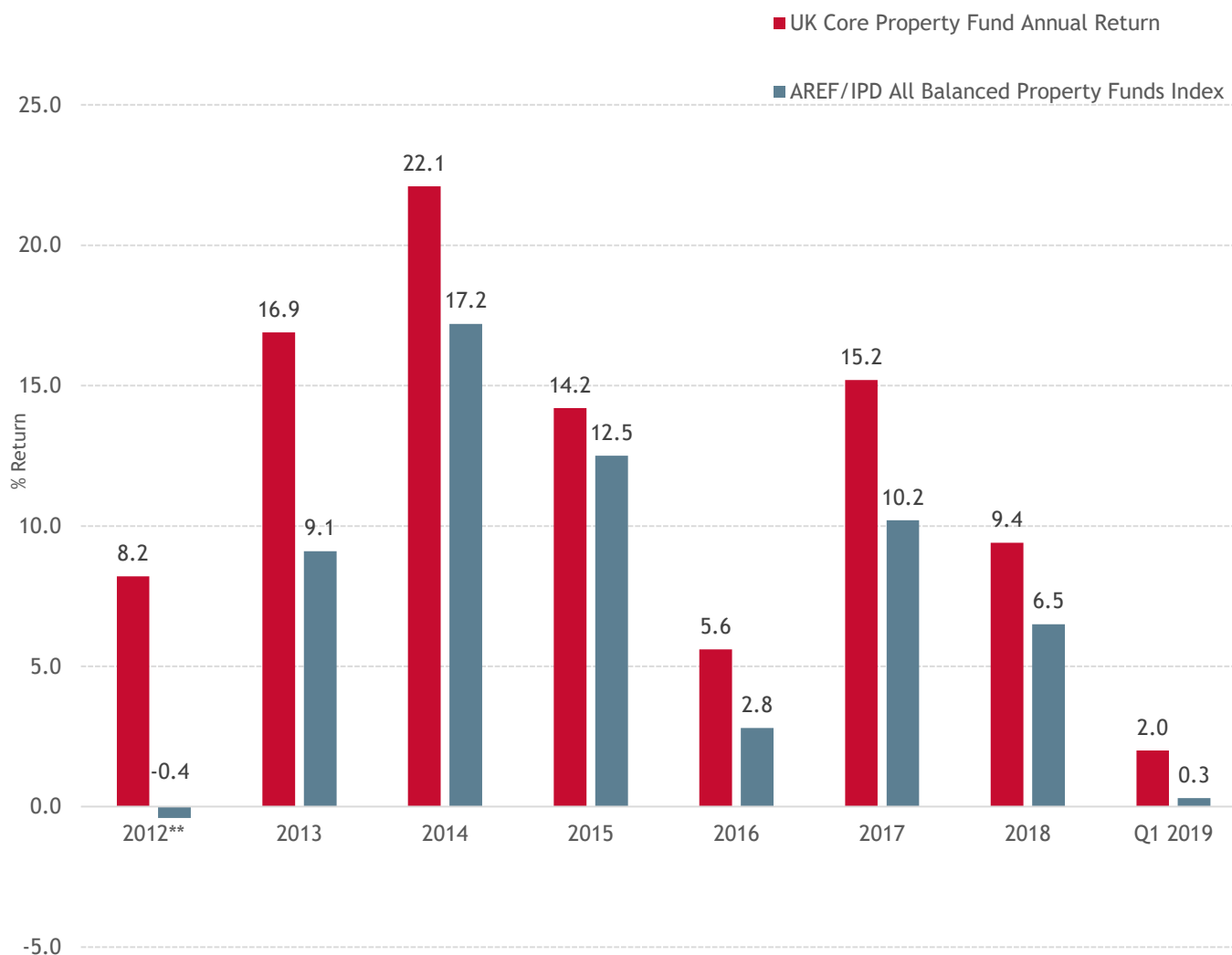
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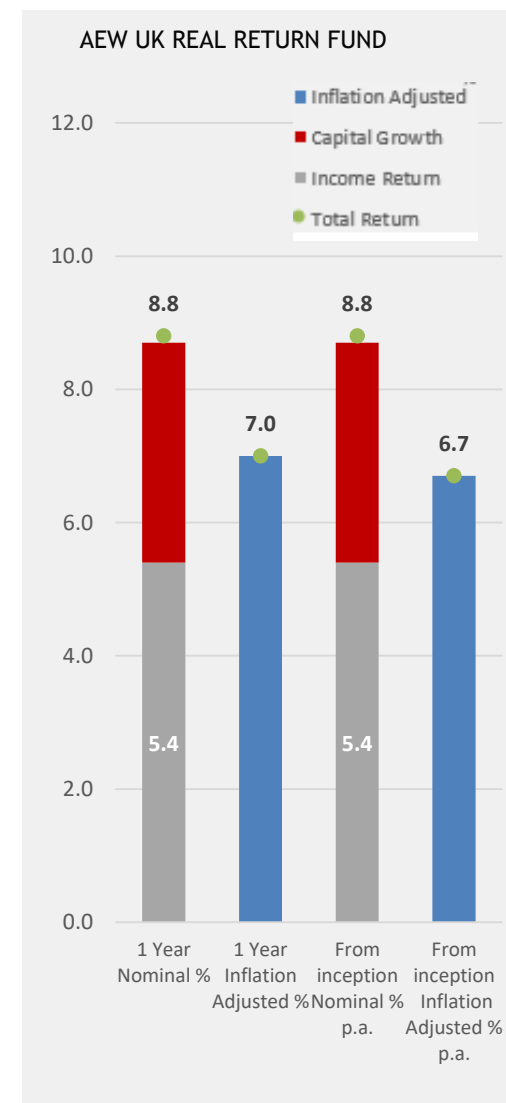
AEW UK CORE PROPERTY FUND TRACK RECORD 2012-2018

CORE REAL ESTATE - ABOVE 2% P.A. AVERAGE PUT PERFORMANCE OVER 20 YEARS



**9 months total return figure available as AEW Core Property Fund launched in Q1 2012

Source: AREF/IPD UK Quarterly Fund Index as at 31 March 2019 and AEW



WHY AEW UK?

WE HAVE WORKED WITH PENSION SCHEME INVESTORS FOR MORE THAN 20 YEARS

- AEW committed to real estate - we only invest in real estate
- Strong alignment with investors - 50% equity owners, personal co-investment in Funds from key individuals via SIPPS
- Stable team - Management Team* average 19 years working together
- Ownership over investment process and decision-making delivers a consistent approach through different cycles
- An industry leading investment committee and innovative governance committee
- The team acquired more than 30 assets over the last 12 months

HIGHLIGHTS

- AEW UK Core Property Fund won the AREF/IPD performance award for 5 year risk adjusted relative return 2017
- AEW UK Core Property Fund is the top performing UK diversified open end fund over 3 and 5 years**
- Consistent pipeline - the team reviewed more than 1,500 introductions totaling more than £24bn in a range of commercial real estate assets in the last 12 months alone



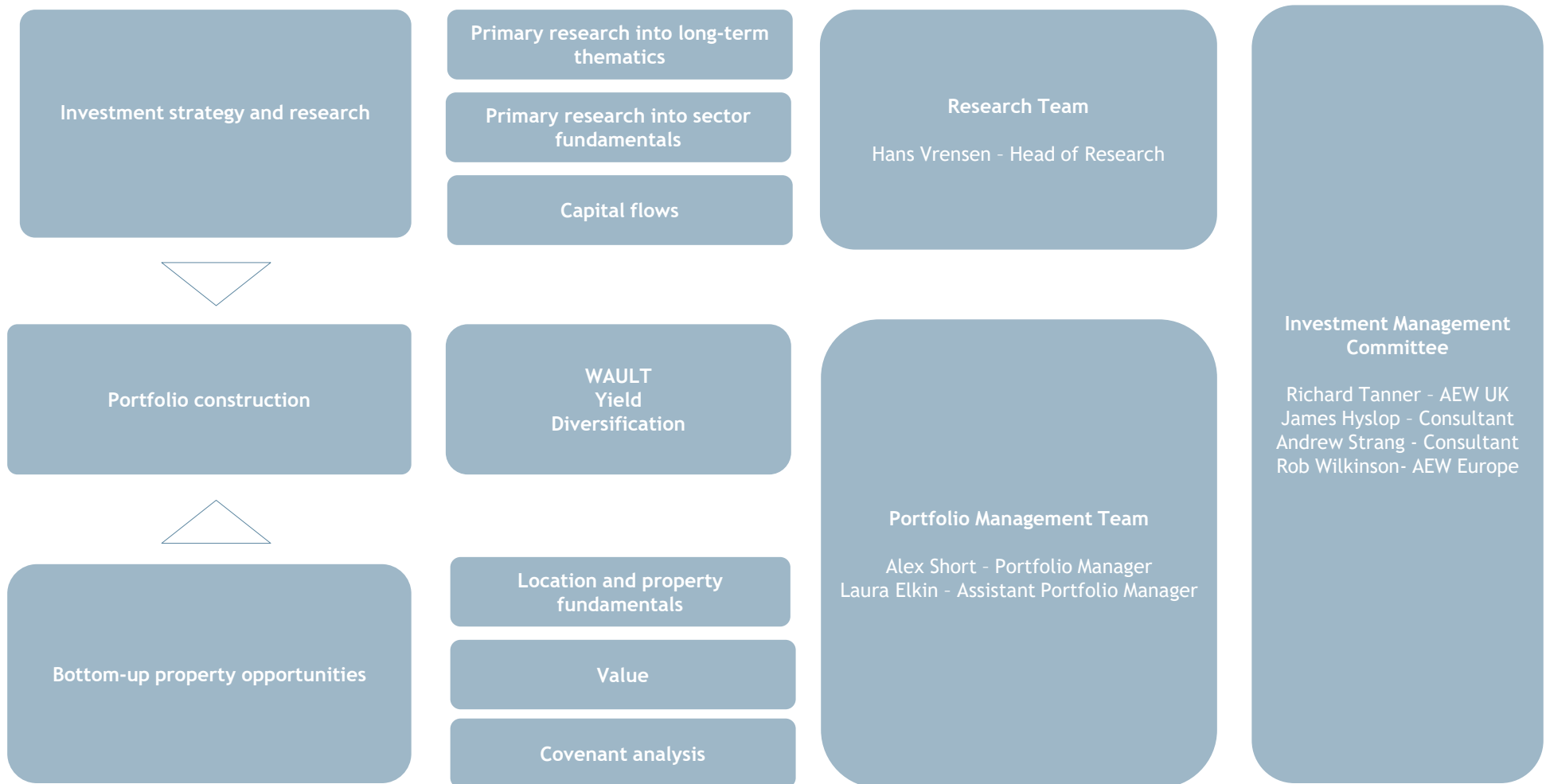
Source:

* AEW Management Team comprises Richard Tanner, Rachel McIsaac, Nick Winsley, James Hyslop and Andrew Strang

**AREF/IPD All Balanced Property Fund Index to 31 March 2018

INVESTMENT PROCESS

INVESTMENT PROCESS: A BLEND OF TOP DOWN RESEARCH AND TRADITIONAL VALUE INVESTING



BIOGRAPHIES

BOARD OF DIRECTORS



Mark Burton - Non-Executive Chairman

Mark was appointed as a Director on 9 April 2015. He currently serves as a board member of Value Retail plc. He also sits on the real estate advisory board for Norges Bank Investment Management, is a member of the investment advisory council of Real Tech Ventures 1 and acts as an advisor to Citic Capital Real Estate. Mark is a qualified Chartered Surveyor, has been a member of the UK Government Property Advisory Group and was formerly chairman of The Investment Property Forum and Urban Land Institute UK. His career has included senior executive roles at United Bank of Kuwait, AXA REIM and AIG Global Real Estate Investment Europe. In 2001 Mark became chief investment officer of the real estate department at Abu Dhabi Investment Authority, subsequently performing the same role at Abu Dhabi Investment Council in 2007 from where he retired in 2010



Bim Sandhu - Non-Executive Director

Bim was appointed as a Director on 9 April 2015. He is Chief Executive Officer and owner of The Santon Group which has developed over £1.4 billion of property in the last ten years. He is an independent Non-Executive Director and Chair of the Audit Committee of Africa Logistics Properties Holdings Limited Bim was a founder and Chief Executive Officer of Raven Mount plc, a co-founder of Raven Russia Limited, which he helped to list on AIM raising over £450m, and chief executive officer of the external fund manager to that company. He was Chairman and a co-founder of Audley, an assisted living business operating retirement villages. Bim was a Non-Executive Director of Oriel Securities Limited and Chairman of the Audit Committee. In the 1990s, he was Managing Director of the UK Operations of the publicly listed Australian developer Hudson Conway and represented their 50 per cent. interest as a director of 5,000 pub unit strong The Courage Pub Company plc. Bim is a Fellow of the Institute of Chartered Accountants having qualified as a Chartered Accountant with KPMG in London. Following qualification, he became secretary of the KPMG UK Property & Construction Group.



Katrina Hart - Non-Executive Director

Katrina was appointed as a Director on 5 June 2017. She spent 14 years in the City advising, analysing and commentating on a broad range of businesses operating in the fund and asset management sectors. During this period, she accumulated an in-depth understanding of the dynamics and operational drivers of fund management and worked very closely with some of the most respected companies in the sector. Latterly, she was a highly rated financial analyst at HSBC, Bridgeway Group Plc and headed up the financial research team at Canaccord Genuity Inc. Katrina is a non-executive director of Polar Capital Global Financials Trust PLC, Miton Group Plc and has most recently been appointed as a Non-Executive director of Keystone Investment Trust PLC, with effect from 18 January 2018.

BIOGRAPHIES

BOARD OF DIRECTORS & INVESTMENT MANAGEMENT COMMITTEE MEMBER



James Hyslop - Non Executive Non Independent Director

James was appointed as a Director on 9 April 2015. He has 52 years of investment industry experience. He is currently a member of the investment committee of Paloma Real Estate Fund I LP and is a consultant to AEW UK Investment Management LLP. He was, until recently, a member of the investment committee of Columbus U.K. Real Estate Fund LP and was on the investment committees of Gresham Real Estate Funds I & II and Columbus UK Real Estate Fund II (all Schroders funds). He was also previously a member of the investment committee of ING Lionbrook Property Partnership and CBRE Investors and a consultant to UBS Global Asset Management Limited. He also served as a Non-Executive Director of Raven Mount plc, including being chairman of their main subsidiary's pension fund. From 1998 to 2002 he served as a Non Executive Director at Saville Gordon Estates plc, latterly as Chairman. From 1990 to 1998, James was head of property at PDFM Limited (now UBS Global Asset Management Limited). From 1986 to 1990, he was a director of property corporate finance at UBS Phillips & Drew. He joined Phillips & Drew in 1967 where he held various sales and research positions before being appointed a partner in 1981.

TEAM BIOGRAPHIES

AEW UK INVESTMENT MANAGEMENT COMMITTEE



Rob Wilkinson - European CEO, AEW Europe

Rob is the European CEO of AEW Group and Chairman of the European Investment Committee, with overall responsibility for defining and implementing strategy. Prior to being appointed European CEO in 2014, Rob held the position of Chief Investment Officer and, since joining the firm in 2009, has overseen over €20 billion of transactions. He has considerable experience of real estate transactions, having sourced and executed a range of portfolio, corporate and restructuring transactions across Europe.

Rob has over 25 years of real estate and financial services experience, holds a degree in Law from the University of Cambridge and is a qualified chartered accountant. He previously held senior positions with the Goodman Group, UBS Investment Banking and Eurohypo, and is currently Non-Executive Director of Grainger plc.



Richard Tanner - Managing Director and Principal

Richard is Managing Director and Chairman of AEW UK's Investment Committee with responsibility for defining and implementing AEW's strategy in the UK. Since launching AEW's first UK focused fund in 2012, he has overseen in excess of £1.4bn of UK real estate transactions and brings 30 years of real estate investment management experience to the Investment Manager. He was head of investment strategy and managing director of the UBS UK real estate team which he joined in 1994. Richard was responsible for the development and portfolio management of seven real estate funds across Europe totalling £3 billion, ranging from super core to value add.

Education - University of London BSc (Hons), Reading University M.Phil, Chartered Surveyor (MRICS)



Andrew Strang - Property Consultant and principal

Andrew joined AEW as a consultant in 2011 and is a Member of AEW UK's Investment Committee. He has 41 years of investment industry experience. He is currently a Non-Executive Director of Capital and Counties Properties plc.

He is also a Member of the Real Estate Advisory Board of Norges Bank Investment Management. Andrew was a Non-Executive Director of INTU Properties Plc from 2009 to 2018 and Chairman of Hermes Real Estate from 2009 to 2011 and prior to that Managing Director of Threadneedle Property Investment Limited for 17 years.

TEAM BIOGRAPHIES

AEW UK PORTFOLIO MANAGEMENT



Alex Short - Portfolio Manager to the Company

Alex is Portfolio Manager of AEW UK REIT plc and has 22 years' industry experience. From 2010 to 2013, she was a Managing Director at UBS Global Asset Management and held a business and client management role, whilst also a member of the GRE-UK Investment Committee providing management and support to the team.

Prior to this, Alex spent eight years at UBS in various roles, including as Portfolio Manager for UBS SERF and UBS Triton. Before 2002, Alex worked in the acquisitions team at ING Real Estate and at Gooch Webster within the asset management and investment teams. Alex is a qualified Chartered Surveyor (MRICS).



Laura Elkin - Assistant Portfolio Manager to the Company*

Laura joined AEW in 2013 and has 13 years' industry experience. In addition to her role as Assistant Portfolio Manager for AEW UK REIT plc, Laura is responsible for sourcing and executing direct investments within all property sectors for the AEW UK funds and separate mandates. Prior to joining the team, Laura worked as a Senior Surveyor at Colliers International, joining the National Investment team in 2010. Laura carried out the acquisition and disposal of various investment properties across the UK specialising in leisure related RPI linked leases.

Laura is a qualified Chartered Surveyor (MRICS).



Edward Long- Director, AEW UK - 8 of years industry experience*

Edward joined AEW in August 2015, he focuses on sourcing and executing direct investments within all property sectors for the AEW UK funds and separate account mandates. He previously worked in the Nation Investment department at Gerald Eve specialising in the acquisition and disposal of commercial properties across the UK. He provided investment advice and support to a wide range of clients including UK funds and Institutions, property companies and developers.

Education - Reading University BSc, Chartered Surveyor (MRICS)

* Laura is currently on a sabbatical until July 2019. Ed Long is acting as Assistant Portfolio Manager

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