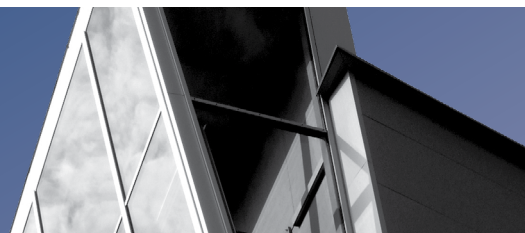


Fund Highlights

- Acquired 25 properties for over £110m since launch in May 2015
- Post period end this has increased to 27 properties totalling over £123m
- Equity capital now fully committed post period end, plus gearing to 20% of GAV
- Target 8% dividend yield now fully covered by property income



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 Management Team are an experienced team with an average of 17 years working together and manage funds and separate accounts totalling over £1bn. The team is a market leading asset manager of value add assets with a strong track record in which the team brings an institutional asset management approach to more active value add assets.

Alex Short, Portfolio Manager commented, **"We are delighted to announce that the Company is now fully invested both in terms of its equity and debt. The Company's portfolio represents a well balanced and diversified range of UK commercial property in line with our investment strategy and providing the Company with the ability to meet its target dividend yield of 8%, which is fully covered by property income. The past quarter has also provided us with some very profitable asset management transactions, some of which are detailed below. Aside from this, we continue to see an attractive pipeline of assets across all sectors."**

Investment Strategy

The Company exploits 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 January 2016–30 April 2016

Bessemer Road, Basingstoke

A modern distribution warehouse totalling 58,445 sq ft located within one of Basingstoke's main industrial areas and providing access to the M3. The property is single let to Wella UK for a term of 2 years to break and 4 years to expiry. The apportioned acquisition price of £3.4m shows an initial yield of 10.0%, a reversionary yield of 9.1% and a capital value of £58 per sq ft.



Barbot Hall Industrial Estate, Rotherham

A single let warehouse extending to 80,964 sq ft prominently located within Rotherham's main industrial area providing access to both the M1 and M18. The property provides a low site coverage of only 38% and is let at a low passing rent to Sapa Components for a further term of 3 years. The apportioned acquisition price of £2.17m shows an initial yield of 8.5%, a reversionary yield of 11.5% and a capital value of £27 per sq ft.



Lea Green Industrial Estate, St Helens

A modern warehouse totalling 93,114 sq ft located a short distance from the M62. The property is single let to Kverneand Group UK for a term of 9.8 years. The apportioned acquisition price of £3.45m shows an initial yield of 8.2%, a reversionary yield of 9.0% and a capital value of £37 per sq ft.



Acquisitions post period end during May 2016

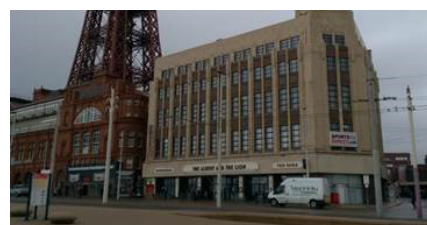
Wheeler Gate, Nottingham

Located on Wheeler Gate with frontage to Old Market Square within the retailing core of the City Centre. The property provides a total of 71,260 sq ft and is let to six retail tenants and nine office tenants including Poundland, Costa and Lakeland providing a WAULT of approximately 4.5 years to break and 5.2 years to expiry. The acquisition price of £8.15m shows an initial yield of 9.0%, a reversionary yield of 9.9% and a capital value per sq ft of £114.



Bank Hey Street, Blackpool

Prominently located directly adjacent to the famous Blackpool Tower. The property extends to 100,079 sq ft and provides three retail units at ground floor and basement let to Poundland, Sports Direct and J D Wetherspoons providing a WAULT of approximately 7.5 years to break and 10 years to expiry. The upper floors of the property are currently vacant and have been de-listed for rating purposes but provide strong potential for alternative uses which the Manager is currently investigating. The acquisition price of £5.05m shows an initial yield of 9.5%, a reversionary yield of 8.4% and a capital value per sq ft of £50.



Fund Facts

as at 30 April 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): £116.4m

Property valuation: £124.4m (of which £10.1m is represented by AEW UK Core Property Fund)

Number of properties held: 25

Average lot size: £4.6m

Property portfolio net initial yield (% p.a.): 8.38%

Property portfolio reversionary yield: 8.27%

LTV: 12.2%

Average weighted unexpired lease term

To break: 4.9 years

To expiry: 6.1 years

Occupancy: 96.8%* * As a % of ERV

Number of tenants: 56

Share price: 100.00

NAV per share: 99.03

Premium/(discount) to NAV: +0.98%

Shares in issue: 117.51m

Market capitalisation: £117.51m

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 8-9% 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.¹

Total dividends of 5.5 pence have been declared for the period to date since IPO.

ISIN: GB00BWD24154

Ticker: AEWU

SEDOL: BWD2415

Broker: Fidante Capital

Asset Management post period end during May 2016

At Valley Retail Park in Belfast the Company has completed a surrender and two lettings which see the retail park now fully let and with a much improved lease expiry profile. Go Outdoors have taken 46,513 sq ft for a term of 20 years forming the retailer's first store in Northern Ireland. The letting was completed simultaneously with the surrender of an existing lease to former tenant Harvey Norman from which the Company received a surrender premium of £1m. Further vacant space totalling 21,560 sq ft has also been let to Smyths Toys who trade from over 60 stores across the UK. The Asset Management initiatives take the property WAULT from 3.6 years to break at purchase to 10.5 years to break and 13.1 years to expiry. The purchase price of £7.1m compares to a current valuation of £10.05m.

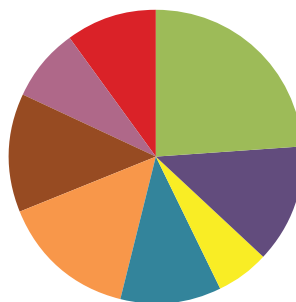
At Queen Square in Bristol, acquired December 2015, the Company has seen significant letting activity taking the vacancy level from 46% of ERV at acquisition to 26% with four letting deals either completed or under offer. These deals have all been agreed in line with ERV and show a shorter void position than anticipated. Further lettings are expected to be announced as the Company undertakes improvement works to remaining accommodation.

A 5 year reversionary lease has been completed with tenant Indigo at Bath Street in Glasgow. The letting has been documented at a level £1 psf ahead of the buildings previous ERV. The tenant was granted a rental incentive of 3 months.

Debt Update

During May the Company announced that it had completed an amendment to its existing debt facility with RBS International to extend the terms of the facility limit from a maximum of 20% to 30% of NAV as measured at drawdown. This will enable the Company to utilise the facility up to an amount calculated as the equivalent of 25% of the Gross Asset Value (GAV) which is in keeping with the original Company prospectus.

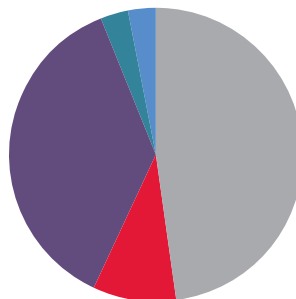
The current investment strategy remains to keep gearing at a target level of c 20% of GAV.



Portfolio Locations

| | |
|--------------------|-----|
| South East | 24% |
| West Midlands | 13% |
| East Midlands | 6% |
| North West | 11% |
| Yorkshire & Humber | 15% |
| South West | 13% |
| Northern Ireland | 8% |
| Scotland | 10% |

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

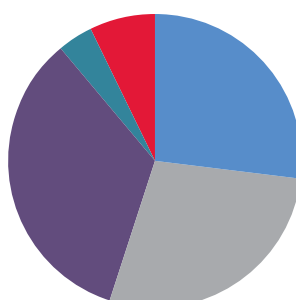


Tenant Exposure

Top 20 Tenants – Risk of Business Failure

| | |
|---------------------------|-----|
| Government Body | 9% |
| Minimal risk | 48% |
| Lower than average risk | 37% |
| Greater than average risk | 3% |
| Undeterminable risk | 3% |

68% 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 | 27% |
| Industrial | 28% |
| Retail | 34% |
| Other | 4% |
| AEW UK Core Property Fund | 7% |

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

| | Location | Sector | Value £m | Initial yield % | Reversionary yield % | WAULT to break/ expiry |
|--|-----------------|------------|-------------|-----------------------|----------------------------|------------------------------|
| Acquired properties to 30 April 2016* | | | | | | |
| AEW UK Core Property Fund | | | 10.11** | 8.19** | 9.46** | 4.3/5.5** |
| Eastpoint Business Park | Oxford | Office | 8.75 | 8.71 | 9.01 | 5.1/6.9 |
| Sandford House | Solihull | Office | 5.35 | 10.96 | 8.52 | 2.9/2.9 |
| 69–75 Above Bar Street | Southampton | Retail | 9.35 | 8.58 | 5.80 | 5.2/5.2 |
| Valley Retail Park | Belfast | Retail | 10.05 | 3.51 | 7.94 | 10.5/13.1 |
| 225 Bath Street | Glasgow | Office | 12.65 | 9.63 | 9.24 | 2.1/4.3 |
| Stoneferry Retail Park | Hull | Retail | 2.15 | 9.63 | 9.24 | 5.8/5.8 |
| 710 Brightside Lane | Sheffield | Industrial | 3.49 | 9.43 | 8.25 | 9.0/14.0 |
| Vantage Point | Hemel Hempstead | Office | 2.17 | 9.43 | 8.25 | 4.1/8.4 |
| Fargate | Sheffield | Retail | 5.65 | 8.24 | 7.95 | 2.5/5.0 |
| Barnstaple Retail Park | Barnstaple | Retail | 6.73 | 8.51 | 7.85 | 6.7/7.9 |
| Eagle Road | Redditch | Industrial | 1.99 | 9.64 | 8.56 | 12.3/12.3 |
| NCRC | Swinton | Industrial | 1.99 | 7.62 | 7.62 | 7.3/7.3 |
| NCRC | Mossley | Industrial | 1.99 | 11.09 | 11.09 | 7.3/7.3 |
| NCRC | Milton Keynes | Industrial | 1.52 | 8.34 | 7.32 | 7.3/7.3 |
| Sarus Court | Runcorn | Industrial | 3.35 | 8.34 | 7.85 | 3.2/4.6 |
| Castle Business Park | Salisbury | Industrial | 1.70 | 13.3 | 9.54 | 0.4/5.4 |
| Langthwaite Business Park | South Kirkby | Industrial | 5.75 | 11.13 | 10.37 | 1.5/1.5 |
| Odeon | Southend on Sea | Leisure | 5.65 | 8.38 | 8.77 | 6.4/6.4 |
| Cleaver House, Sarus Court | Runcorn | Industrial | 0.91 | 7.92 | 7.94 | 1.9/4.9 |
| Oak Park | Droitwich | Industrial | 5.58 | 7.92 | 6.58 | 6.5/6.5 |
| Brockhurst Crescent | Walsall | Industrial | 3.68 | 10.3 | 8.39 | 5.9/5.9 |
| 40 Queen Square | Bristol | Office | 7.58 | 6.52 | 8.58 | 1.2/2.2 |
| Barbot Hall Industrial Estate | Rotherham | Industrial | 2.17 | 8.47 | 6.58 | 2.7/2.7 |
| Cranbourne House | Basingstoke | Industrial | 3.38 | 10.30 | 8.39 | 1.7/3.7 |
| Lea Green Industrial Estate | St Helens | Industrial | 3.24 | 0.00 | 8.71 | 9.4/9.4 |
| Post period end acquisitions | | | | | | |
| Data as at purchase | | | | | | |
| Wheeler Gate | Nottingham | Retail | 8.15 | 9.00 | 9.90 | 4.5/5.2 |
| Bank Hey Street | Blackpool | Retail | 5.05 | 9.50 | 8.40 | 7.5/10.0 |
| | | | 4.60 | 8.42 | 8.28 | 3.58/4.26 |

*Figures as at Knight Frank Valuation 29 April 2016 (excluding AEW UK Core Property Fund). **Figures as at Knight Frank Valuation 29 April 2016. The revised stamp duty rates introduced in March 2016 budget now apply and therefore have been reflected in the valuation for April 2016.

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AEW UK is a 50/50 joint venture between AEW Global Limited and the AEW UK 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 €48.1bn in global assets under management and are part of the Natixis Global Asset Management Group.

¹ 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.

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