

Quarterly Update

Q1 21

Open-ended fund with a diversified, multi sector portfolio of commercial property assets throughout the UK. AEW UK Core Property Fund aims to achieve superior investment returns through relatively high income returns, strong stock selection and active management of all assets.



Key Statistics

£280.6m

Fund size
(Net Asset Value)

4.4%¹

Annualised
distribution yield

61

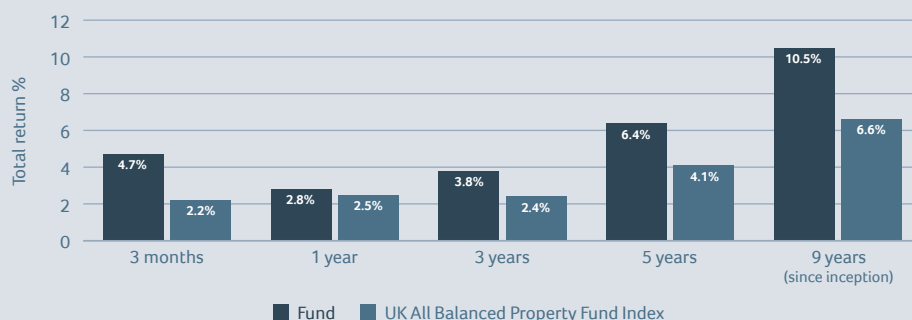
Number of properties

5.8 years

WAULT to expiry

¹ Due to the unprecedented circumstances around COVID-19, a provision for doubtful debt is being recognised for any outstanding arrears that relate to the period.

Performance



All Balanced Property Fund Index – MSCI/AREF UK Quarterly Property Fund Index – to 31 March 2021.

Market Update

As the UK emerges from a long winter lockdown, with retail and some leisure re-opening, we remain aware of the risks as we look across the English Channel and see another wave of infections. That said, the direction of travel in the UK with the successful rollout of vaccinations, seems to be following Israel with a significant drop in infections and deaths, even as restrictions are lifted.

Fund Update

The most significant activity within the portfolio during 2020 and on into 2021 will be its repositioning as a result of opportunities arising from the COVID-19 pandemic. The Fund's heavy weighting in warehouse property had provided a good backdrop, but as a value manager, we will increasingly look to reinvest profits in urban centres. Asset Management is focused on maximising returns from our warehouses and an increasingly large number of planning plays on urban assets.

Tenant Court Case

AEW UK Core Property Fund is pleased with the successful outcome of its legal action against a well-funded national tenant to recover unpaid rent. In addition, the Fund will be writing to the tenant to claim the outstanding rent arrears that have fallen due for payment since the claims were issued. The expected receipt of

the outstanding amounts that have previously been provided for will contribute to future earnings and distributions. AEW UK Core Property Fund has always made it clear that it will take legal action against well-resourced companies that it believes are able to pay their rent and have sought to take advantage of government legislation intended to protect financially vulnerable tenants. The tenant has a limited time period during which it may submit an appeal.

Acquisition



St. James Barton, Bristol

- Strategic position adjacent to Primark (large footfall) and adjoining Debenham's (now vacant)
- Opposite existing ownership
- City centre location
- Increase massing on the site, subject to planning
- Purchase price £2.3m
- £142 per sq. ft.

Asset Management



Anglo Office Park, High Wycombe

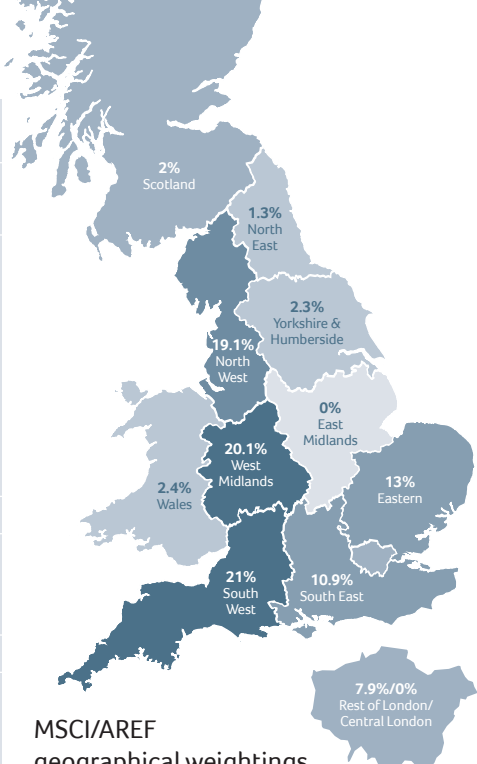
During Q1 2021 the Fund completed two lettings and one regear at Anglo Office Park securing rents at or above market rental values for a further 3 years.



Grazebrook Industrial Estate, Dudley

In January the Fund secured planning consent for the construction of 107,000 sq. ft. of new industrial space across 8 units. The scheme will develop three cleared plots purchased along with the existing income-producing estate in October 2018.

Fund Facts
Portfolio Manager Richard Tanner 
Fund objective To provide investors with exposure to a diversified, multisector portfolio of commercial property assets throughout the UK. The Fund seeks to achieve superior investment returns through relatively high income returns, strong stock selection and active management of all assets.
Launch date: Q1, 2012
Fund structure An FCA regulated, open ended, core-style property fund. PAIF QIS
SRI policy: Click here
Benchmark UK All Balanced Property Fund Index – MSCI/AREF UK Quarterly Property Fund Index – weighted average
Fund size (Net Asset Value): £ 280.6m
Triple net initial yield (% p.a.): 6.1%
Reversionary Yield: 8.3%
Reinvestment: Yes, quarterly
Number of investors: 52
Number of AEW employee investors: 3
Number of properties: 61
Occupancy rate: 84.9%
Property purchases under offer: 0
Property sales under offer: 2
WAULT to expiry (to break): 5.8 years (4.3 years)**
Gearing (% of NAV): 0.0%
Total expense ratio: 0.89% excludes performance fee*
Capital Cash holdings (% of NAV): 4.0%
Single price NAV price – £1.2415 Single price – £1.3260 For historical pricing please see www.aewuk.co.uk
Subscriptions and redemptions Monthly – subject to ability to defer
Annual management charge: 0.7% of NAV p.a.*
Distribution dates Income is allocated to investors quarterly and paid within two months of the end of the quarter during which they were earned.
* Performance fee The Authorised Corporate Director (ACD) is entitled to a performance fee of 0.0625% per quarter if the AEW UK Core Property Fund is ranked in the top ten funds of the All Balanced Property Funds Index – MSCI/AREF UK Property Fund Index over a three year rolling period and if the return is positive. ** Source: AEW as at 31 March 2021.



MSCI/AREF geographical weightings

South East exposure: 31.8%*

* Geographical restriction: not less than 25% exposure to the South East of the UK as defined by AEW UK (South East, Eastern and Rest of London).

Top 10 Tenants (by income)

Tenant	Income %
DHL Supply Chains Ltd	9.1%
Bestway Ltd	5.8%
The Deltic Group Limited	5.0%
Cooper Tire & Rubber Company Europe Ltd	4.8%
Whitcroft Lighting Ltd	3.1%
Cine-UK Ltd	3.0%
New Look Retailers Ltd	2.8%
George Wilson Industries Ltd	2.6%
David Lloyd Leisure Limited	2.5%
National Veterinary Services Ltd	2.2%

Top 10 Assets (by value)

Asset	Value %
Kayley Industrial Estate, Manchester	6.7%
DHL Stanton, Bury St Edmunds	5.8%
Hengrove Leisure Park, Bristol	4.8%
Spectrum Mead Way, Swindon	4.7%
Broadmead & Merchant Square, Bristol	4.6%
Weston Road, Crewe	4.1%
London East Leisure Park, Dagenham	3.8%
Pryzm, Kingston Upon Thames	2.9%
Oak Furniture Land, Swindon	2.7%
Grazebrook Industrial Park, Dudley	2.5%

Disposals

Norseman and Wescott House, South Queensferry

- Two office buildings totalling 36,131 sq. ft. located in West Edinburgh
- Sold for £5.25m

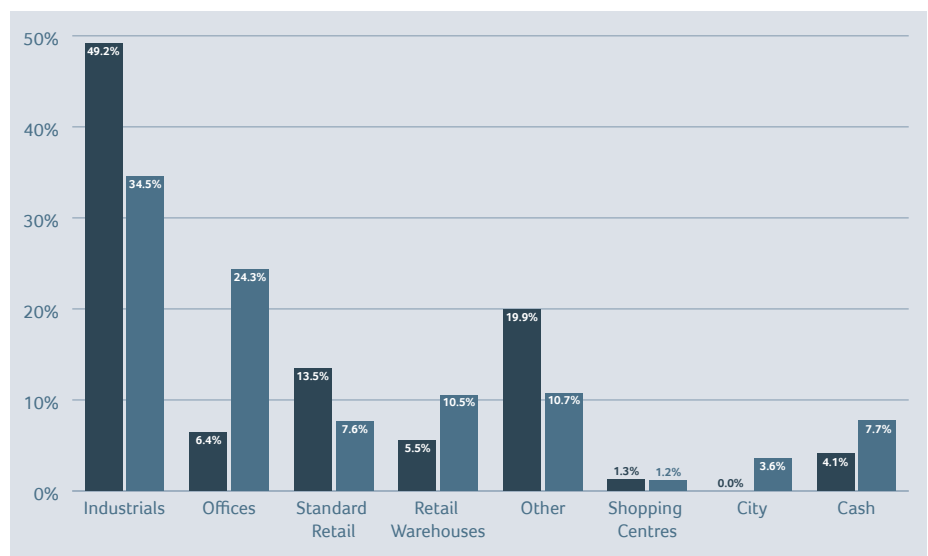
Puma, Grange Road, Batley

- Sale of vacant industrial unit, previously let to Puma. Owner occupier
- Sold for £5m

1 Queen Anne Drive, Edinburgh

- Single let industrial unit
- Sold for £4.4m

MSCI/AREF sector weightings



* Source: MSCI/AREF UK Quarterly Property Fund Index – to 31 March 2021.

Key contact



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