



# **AEW UK Real Estate Feeder Unit Trust**

Unaudited Interim Report and Financial Statements  
for the period ended 30 June 2022

# Contents

Statement of Authorised Status of the Scheme .....	1
Investment Objectives.....	1
Investment Policies .....	1
Basis of Reporting.....	1
Summary of Material Portfolio Changes .....	3
Fund Information .....	3
Statement of Total Return .....	7
Statement of Changes in Net Assets Attributable to Unitholders .....	7
Balance Sheet.....	8
Statement of Cash Flows .....	9
Notes to the Financial Statements .....	10
Trustee, Manager & Advisers.....	14

# AEW UK Real Estate Feeder Unit Trust

## Statement of Authorised Status of the Scheme

AEW UK Real Estate Feeder Unit Trust (the 'Trust') is a unit trust authorised by the Financial Conduct Authority ('FCA') with effect from 5 July 2013. The Trust is a Qualified Investor Scheme ('QIS').

The Trust is constituted as an umbrella unit trust which at the date of this report, has two sub funds, the AEW UK Core Property Feeder Fund and the AEW UK Real Return Feeder Fund.

The AEW UK Real Estate Fund (the 'Company') is an investment company with variable capital ('ICVC') that is a Property Authorised Investment Fund ('PAIF').

The Company is a Qualified Investor Scheme ('QIS') that is open to Eligible Investors as defined in the COLL Sourcebook issued by the FCA. The Company is incorporated in England and Wales and is authorised by the FCA.

The Company currently consists of two sub-funds, the AEW UK Core Property Fund and the AEW UK Real Return Fund.

AEW UK Investment Management LLP is the Manager of the Trust ('the Manager'), the Alternative Investment Fund Manager ('AIFM') and is the Authorised Corporate Director ('ACD') of the Company.

## Investment Objectives

The investment objective of the AEW UK Core Property Feeder Fund and the AEW UK Real Return Feeder Fund is to provide a return from capital appreciation and income over the longer term.

## Investment Policies

The AEW UK Core Property Feeder Fund will invest all or substantially all of its assets in the shares of the AEW UK Core Property Fund. To the extent the AEW UK Core Property Feeder Fund is not fully invested in the AEW UK Core Property Fund, the AEW UK Core Property Feeder Fund will hold its remaining assets in cash.

The AEW UK Real Return Feeder Fund will invest all or substantially all of its assets in the shares of the AEW UK Real Return Fund. To the extent the AEW UK Real Return Feeder Fund is not fully invested in the AEW UK Real Return Fund, the AEW UK Real Return Feeder Fund will hold its remaining assets in cash.

## Basis of Reporting

The Trust is constituted as an umbrella unit trust which at the date of this report, has two sub funds, the AEW UK Core Property Feeder Fund and the AEW UK Real Return Feeder Fund.

The AEW UK Real Return Feeder Fund remains inactive since inception, has not prepared financial statements, and therefore this report for the period ended 30 June 2022 relates solely to the AEW UK Core Property Feeder Fund (hereafter referred to as the 'Fund').

# AEW UK Core Property Feeder Fund

Interim Report and Financial Statements

for the period ended 30 June 2022



# AEW UK Core Property Feeder Fund

## Summary of Material Portfolio Changes

for the period ended 30 June 2022

As at 30 June 2022, there were no investments to report. There were no purchases or sales during the period.

## Fund Information

### Distributions in the period

There were no distributions made during the period to 30 June 2022.

### Performance Record (per calendar year)

Period	Unit Class	Highest Unit price (p)	Lowest Unit price (p)
2022	Income Units	-	-
2021	Income Units	-	-
2020	Income Units	-	-
2019	Income Units	-	-

### Net asset value (as calculated in accordance with the prospectus)

Period	Unit Class	Net Asset Value £	Units in issue	Net Asset Value per unit (p)
<b>30 June 2022</b>	<b>Income Units</b>	-	-	-
31 December 2021	Income Units	-	-	-
31 December 2020	Income Units	-	-	-
31 December 2019	Income Units	-	-	-

All units in the Trust were redeemed on 1 December 2017.

# AEW UK Core Property Feeder Fund

## Fund Information (continued)

### Turnover of units

During the six months to 30 June 2022, there were no units created, transferred or redeemed.

### Subscriptions

Eligible Investors may purchase units in the Fund on a monthly basis on the dealing day, being the first business day in each calendar month, provided the subscription request has been made before the cut-off point for the Fund and the Manager is in receipt of cleared funds on the dealing date. The cut-off point for the Fund is the close of business on the business day fourteen days before the dealing date.

Valid applications to purchase units in the Fund will be processed at the unit price calculated at the next valuation point following receipt of the application, except in the case where dealing in the Fund has been deferred or suspended. The valuation point for the Fund is 11pm on the last calendar day of each month.

If there are more applications to subscribe for units than it has capacity to invest, then the Manager will operate a contractual waiting list.

Each prospective application to subscribe will be satisfied in full or partially at the first dealing day for subscription at which the Fund has capacity. The subscription will remain at the top of the contractual waiting list until the application is fully satisfied. Each application will be retained and satisfied in strictly chronological order. As at 30 June 2022, there were no subscriptions in the queue.

The Manager will give twelve business days' notice for the drawdown of funds before the dealing day for subscription, so that prospective subscribers can ensure that the Manager receives cleared funds in time.

### Redemptions

Every unitholder is entitled on any dealing day for redemption to redeem its units subject to the limitations on redemption. Valid redemption requests may be made to the Manager on any business day but must be received by the redemption cut-off point, being the close of business on the last business day one month before the dealing date.

Valid instructions to the Manager to redeem units in the Fund will be processed at the unit price calculated at the next valuation point following receipt of the instruction, except in the case where dealing in the Fund has been deferred or suspended. The valuation point for the Fund is 11pm on the last calendar day of each month. As at 30 June 2022, there were no redemptions in the queue.

# AEW UK Core Property Feeder Fund

## Fund Information (continued)

### Deferrals

Where the Manager considers it to be in the best interests of the unitholders, the Manager may defer redemptions on a dealing day to any one of the subsequent six dealing days for redemption. A redemption will be deferred to the dealing day for redemption when the Fund has sufficient liquidity to enable it to meet the redemption, providing it is in the best interests of the unitholders to do so. The Manager will review the position every month.

The Manager must give unitholders notice of the deferral no later than seven business days before the relevant dealing day for redemption. The price at which the units will be redeemed will be the price for redemptions on the dealing day for redemption on which the units are actually redeemed.

### Secondary market

In addition to purchasing and selling units through the Manager, units are able to be traded between parties using third party brokerage facilities available in the market with the Manager able to assist with contacts if required.

### Investor analysis

There were no Investors in the Fund as at 30 June 2022. On 01 July 2022, the Trust became active following the issuing of 58.6m units to a new Unitholder in the amount of £92.5m.

### Treatment of certain investors

The Manager has and will continue to enter into agreements with certain investors who may receive preferential treatment. These investors include (i) those investors that are investing sufficiently large amounts either initially or are anticipated to do so over time and (ii) Cornerstone investors that provide seed capital and take the initial risk in the early stage of the Fund. As a result, the terms and conditions of certain investor's investment in the Fund may differ to those of other investors.

### Remuneration

The AIFM has adopted a Remuneration Policy which accords with the principles established by AIFMD.

AIFMD Remuneration Code Staff includes the members of the AIFM's Management Committee, those performing Control Functions, Department Heads, Risk Takers and other members of staff that exert material influence on the AIFM's risk profile or the AIFs it manages.

Staff are remunerated in accordance with the key principles of the firm's remuneration policy, which include (1) promoting sound risk management; (2) supporting sustainable business plans; (3) remuneration being linked to nonfinancial criteria for Control Function staff; (4) incentivise staff performance over longer periods of time; (5) award guaranteed variable remuneration only in exceptional circumstances; and (6) having an appropriate balance between fixed and variable remuneration.

As required under section 'Fund 3.3.5.R(5)' of the Investment Fund Sourcebook, the following information is provided in respect of remuneration paid by the AIFM to its staff for the six months period to 30 June 2022:

# AEW UK Core Property Feeder Fund

## Fund Information (continued)

### Remuneration (continued)

	Period ended 30 June 2022		
Total remuneration paid to employees for six months ended 30 June 2022			
a) remuneration, including, where relevant, any carried interest paid by the AIFM			£2,345,389
b) the number of beneficiaries			29
The aggregate amount of remuneration of the AIFM Remuneration Code staff, broken down by			
a) senior management			£331,424
b) members of staff			£2,013,965
	Fixed remuneration £	Variable remuneration £	Total remuneration £
Senior management	181,250	150,174	331,424
Staff	1,119,353	894,612	2,013,965
<b>Total</b>	<b>1,300,603</b>	<b>1,044,786</b>	<b>2,345,389</b>

Fixed remuneration comprises basic salaries and variable remuneration comprises bonuses.



## AEW UK Core Property Feeder Fund

### Statement of Total Return

for the period ended 30 June 2022

	Notes	Period ended 30 June 2022		Period ended 30 June 2021	
		£	£	£	£
<b>Income</b>					
Revenue		-		-	
Expenses	3	-		-	
<b>Net gain/(loss) before taxation</b>		-		-	
Taxation	4	-		-	
Net gain/(loss) after taxation			-		-
<b>Total gain/(loss) before distributions</b>			-		-
Distributions			-		-
<b>Change in net assets attributable to unitholders from investment activities</b>			-		-

## AEW UK Core Property Feeder Fund

### Statement of Changes in Net Assets Attributable to Unitholders

for the period ended 30 June 2022

	Period ended 30 June 2022		Period ended 30 June 2021	
	£	£	£	£
Net assets at the start of the year		400		400
Amounts payable on cancellation of units	-		-	
Change in net assets attributable to unitholders from investment activities		-		-
<b>Closing net assets attributable to unitholders</b>		<b>400</b>		<b>400</b>

The notes on pages 10 to 13 form an integral part of these financial statements.

# AEW UK Core Property Feeder Fund

## Balance Sheet

as at 30 June 2022

	Notes	As at 30 June 2022		As at 31 December 2021	
		£	£	£	£
<b>Assets</b>					
<b>Current assets</b>					
Cash and bank balances	5	<u>400</u>		<u>400</u>	
Total current assets			<u>400</u>		<u>400</u>
<b>Total assets</b>			<u><b>400</b></u>		<u><b>400</b></u>
<b>Liabilities</b>					
Creditors falling due within one year	6	<u>-</u>		<u>-</u>	
<b>Total liabilities</b>			<u>-</u>		<u>-</u>
<b>Net assets attributable to unitholders</b>			<u><b>400</b></u>		<u><b>400</b></u>

The financial statements on pages 7 to 13 were approved by the Manager 31 August 2022 and signed on their behalf by:



On behalf of the Manager

The notes on pages 10 to 13 form an integral part of these financial statements.

# AEW UK Core Property Feeder Fund

## Statement of Cash Flows

for the period ended 30 June 2022

	Period ended 30 June 2022		Period ended 30 June 2021	
	£	£	£	£
Total gain/(loss) before distributions for the period	-		-	
Add back: Taxation	-		-	
Net gain/(loss) before taxation	-		-	
<b>Net cash outflow from operating activities</b>		-		-
<b>Taxation paid</b>		-		-
<b>Net decrease in cash for the period</b>		-		-
<b>Cash and cash equivalents at the start of the period</b>		<b>400</b>		<b>400</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>400</b>		<b>400</b>

The notes on pages 10 to 13 form an integral part of these financial statements.

# AEW UK Core Property Feeder Fund

## Notes to the Financial Statements

for the period ended 30 June 2022

### 1. Accounting policies

#### 1.1. Basis of accounting

The financial statements for the period ended 30 June 2022 have been prepared on the historical cost basis, as modified by the revaluation of investments, and in accordance with the applicable United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard' and the Trust Instrument. The financial statements are also prepared in accordance with the Statement of Recommended Practice ('SORP') issued by the Investment Association in May 2014.

There is no investment or investors in the Fund at the Balance Sheet date, however the Fund received new investment in July 2022, and remains open to prospective investors, therefore the Financial Statements have been prepared on a going concern basis. The Manager is satisfied that it is appropriate to continue to adopt the going concern basis in preparing these financial statements and, after due consideration, the Manager considers that the Fund is able to continue for the foreseeable future and at least twelve months from the date of this report.

#### 1.2. Revenue

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned within the distribution is deducted from the cost of the scheme and does not form part of distributable revenue.

#### 1.3. Expenses

All expenses, except for those relating to the purchase and sale of investments are charged against revenue.

#### 1.4. Taxation

Corporation tax is provided at 20% on taxable revenue, after the deduction of allowable expenses. As an authorised unit trust, the Fund is exempt from tax on capital gains.

#### 1.5. Distribution policy

Net revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature and deduction of income tax, is distributable to unitholders. The Manager can make adjustments to distributions at his own discretion. Distributions which have remained unclaimed by unitholders for more than six years are credited to the assets of the Fund.

#### 1.6. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at banks. Cash is stated at its face value.

#### 1.7. Debtors

Amounts due but not received are included within debtors at transaction value. Provision is made where there is objective evidence that the Fund will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

# AEW UK Core Property Feeder Fund

## Notes to the Financial Statements

for the period ended 30 June 2022

### 1. Accounting policies (continued)

#### 1.8. Creditors

Creditors are stated at their transaction value. Amounts received in respect of future years are included within creditors as deferred income.

### 2. Risk management policies

The AEW UK Core Property Feeder will invest all or substantially all of its assets in the shares of the AEW UK Core Property Fund. Therefore, the AEW UK Core Property Feeder Fund is exposed to risk through investing in the AEW UK Core Property Fund. As at 30 June 2022, there were no investments held in the Fund.

The AEW UK Core Property Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, political and economic risk, and further risks inherent to investing in investment property.

The AEW UK Core Property Fund's objective in managing risk is the creation and protection of unitholder value. Risk is inherent in the AEW UK Core Property Fund's activities, but it is managed through a process of ongoing identification, measurement, and monitoring, subject to risks limits and other controls.

The ACD has appointed a Governance Committee with an independent chair, with responsibility to oversee the aspects of risk control.

### 3. Expenses

	Period ended 30 June 2022 £	Period ended 30 June 2021 £
<b>Operating expenses</b>		
Auditor's fees*	-	-
Finance cost	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>

\* 2021 Auditor's fees of £3,000 were paid by the Manager.

# AEW UK Core Property Feeder Fund

## Notes to the Financial Statements (continued)

for the period ended 30 June 2022

### 4. Taxation

The Fund is subject to income tax. Currently income tax is charged at 20%. The Fund's income, net of income tax, is distributed to unitholders quarterly. Holders receive distributions of income, which are deemed to carry an income tax credit. Holders who are exempt from tax on income may reclaim their tax credits from HM Revenue & Customs. The tax charge for the period ended 30 June 2022 was £nil (2021: £nil). The Fund is exempt from tax on capital gains realised on the disposal of its investments.

	<b>Period ended 30 June 2022 £</b>	Period ended 30 June 2021 £
<b>(a) Analysis of tax charge for the period</b>		
UK Income tax on profits in the period	-	-
	-	-
<b>(b) Factors affecting the tax charge for the period</b>		
Net loss before taxation	-	-
UK dividends not taxable	-	-
Taxable income	-	-
Income tax at 20%	-	-
<b>Total tax charge</b>	-	-

# AEW UK Core Property Feeder Fund

## Notes to the Financial Statements (continued)

for the period ended 30 June 2022

### 5. Cash and bank balances

	Period ended 30 June 2022 £	Period ended 31 December 2021 £
Amounts held at bank	400	400
<b>Total cash and bank balances</b>	<b>400</b>	<b>400</b>

### 6. Creditors falling due within six months

	Period ended 30 June 2022 £	Period ended 31 December 2021 £
Corporation tax	-	-
Income accruals	-	-
Total income creditors	-	-

### 7. Subsequent events

On 01 July 2022, the Trust became active following the issuing of 58.6m units to a new Unitholder in the amount of £92.5m.

#### Fund restructuring:

Effective 1st July 2022, the AEW UK Core Property Fund restructured as a “Core Plus” Fund. This was following extensive discussions with the Fund’s Governance Committee, investors, approval from the FCA and completion of the investor notification period.

The changes (as detailed in the investor circular) include:

- Change of the Fund’s name to a “Core Plus” Fund;
- Amending the investment objective, policy and strategy of the Fund to reflect the new “Core Plus” strategy;
- An increase to the maximum permitted level of leverage;
- An increase to the ACD fee and the introduction of a volume-based discount model;
- Changes to the performance fee model.

Accordingly, the AEW UK Core Property Feeder Fund was renamed as AEW UK Core Plus Property Feeder Fund.

# Trustee, Manager & Advisers

## **Trustee**

The Bank of New York Mellon (International) Ltd  
One Canada Square  
London  
E14 5AL

## **Registrar and Transfer Agent**

Link Fund Administrators Limited  
6<sup>th</sup> Floor  
65 Gresham Street  
London  
EC2V 7NQ

## **Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 8AN

## **Legal Advisers**

Eversheds Sutherland LLP  
One Wood Street  
London  
EC2V 7WS

## **Manager**

AEW UK Investment Management LLP  
33 Jermyn Street  
London  
SW1Y 6DN

## **Fund Administrator**

Link Alternative Fund Administrators Limited  
10<sup>th</sup> Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

## **Custodian**

The Bank of New York Mellon (International) Ltd  
One Canada Square  
London  
E14 5AL



**United Kingdom**

33 Jermyn Street  
London  
SW1Y 6DN

+44 20 7016 4800  
[www.aewuk.co.uk](http://www.aewuk.co.uk)

**France**

22 rue du Docteur Lancereaux  
75008 Paris  
France

+33 1 78 40 92 00  
[www.aew.com](http://www.aew.com)

**United States of America**

Two Seaport Lane  
Boston MA 02210  
United States

+1 617 261 9000  
[www.aew.com](http://www.aew.com)