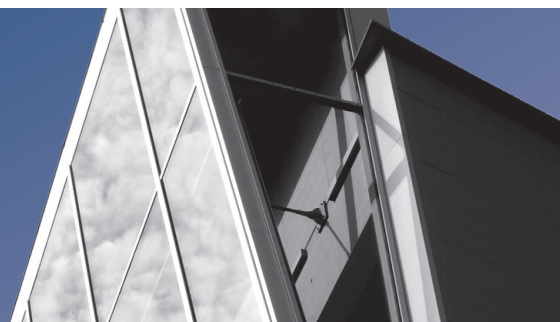


Fund Highlights

- Average outperformance of 7.3% over 12 months against the IPD All Balanced Property Fund Index, weighted average¹
- Top performing balanced fund over 6, 9, 12 months and 2 years to 30/09/2014¹
- Annualised distribution yield of 9.3%¹
- Improved rent collection rates within 28 days

¹ Source: All Balanced Property Fund Index – IPD UK Pooled Property Fund Index for the period ending 30 September 2014 and 30 September 2013



Asset Management

AEW UK's asset management is carried out in house by dedicated asset managers responsible for income and value creation. The following case studies provide examples of how we are adding value to the bottom line in our portfolio.

With 34 assets in the Fund as at end September, and this due to increase to nearer 50 by year end, we have recruited two additional asset managers.

We work hard to maximise the returns from all of our properties. Intensive asset management and close liaison with tenants is yielding strong results:

Edinburgh

Let and extend!

After receiving interest in the vacant first floor by EDM I Europe Limited we were able to negotiate favourable terms with one of the existing tenants, Gallagher Basset. As part of this transaction we were able to vary the ground floor lease and as a result extending their commitment to the building. The transaction is due to complete in Q4 2014.



Peterborough

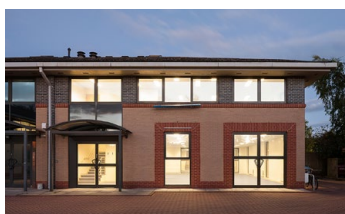
Savers committing to Peterborough! We currently are under offer to the tenant Savers based upon a 10 year lease with a break at year 5. Rental of £45,000 per annum, against an ERV of £38,800 per annum.



Woking

Commitment to the location!

The tenant within Unit 2 River Court Woking did not action their break option and will remain in occupation of the property. The company Shere Consulting Limited occupy 3,235 sq ft which equates to approximately 14% of floor area of River Court.



AEW UK Core Property Fund has been awarded a green star and is in the upper quartile.

GRESB is an industry driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe.



The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.

Q3 Investment Acquisitions

Burgess House Coventry

This property is located in the city centre within a secondary retail pitch close to West Orchards and The Precinct Shopping Centres.

The property comprises a part five storey and part three storey building totalling 26,747 sqft. The ground floor provides eight retail units with office and ancillary accommodation above. Purchased for £2.8m, 10.0% triple net initial yield.

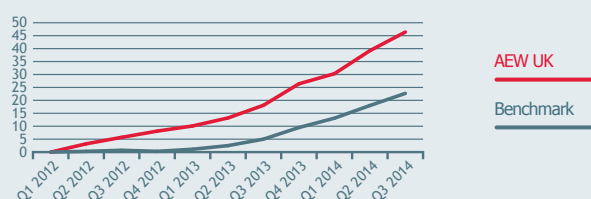


Beales Department Store

This flagship Beales Group department store has a very prominent frontage onto Old Christchurch Road. The store comprises retail accommodation on the ground and six upper floors, with a restaurant area at the fifth floor. The basement and lower ground floors provide ancillary accommodation and upper sales floors are served by escalators, sales stairs and a customer lift. Purchased for £7.0m, 12.3% triple net initial yield.



Cumulative outperformance of benchmark



Source: IPD All Balanced Funds Index Weighted Average and AEW UK Core Property Fund independently verified performance data. Calculated by AEW UK Investment Management LLP.

Investment	3 months	6 months	9 months	12 months
Performance %	%	%	%	%
AEW UK Core Fund	5.2	12.4	16.0	24.1
Weighted Average	4.0	8.5	12.1	16.8
Upper Quartile	4.6	9.3	13.4	18.3
Median	4.0	8.4	11.6	16.4
Lower Quartile	3.7	7.8	11.2	15.4
Funds in Universe	27			

Source: All Balanced Property Fund Index – IPD UK Pooled Property Fund Index for the period ending 30 September 2014.

Fund Facts



Portfolio Manager
Richard Tanner

Fund aim

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

Property Authorised Investment Fund

Benchmark

All Balanced Property Fund Index – IPD UK
Pooled Property Fund Index – weighted average

Fund size (Net Asset Value): £122.9m

Triple net initial yield (% p.a.): 10.57%

Number of investors: 22

Number of AEW employee investors: 3

Number of properties acquired: 34

Number of properties under offer: 14

Gearing (% of NAV): 0%

Capital Cash holdings (% of NAV): 7.1%

Single price

September NAV price – 1.0768

September single price – 1.1393

Annual management charge: 0.7% per annum*

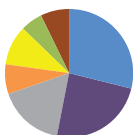
Distribution dates

Income is allocated to investors quarterly and paid within three months of the end of the quarter during which they were earned.

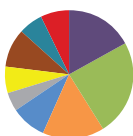
* The Authorised Corporate Director (ACD) is entitled to a performance fee of 0.25% of the Net Asset Value per annum, if the AEW UK Core Property Fund is ranked in the top ten funds of the All Balanced Property Funds Index – IPD UK Pooled Property Fund Index – weighted average over a three year rolling period and if the return is positive.

Until the three year rolling period Index is available, the performance-related fee will be calculated by reference to the Fund's performance over a twelve month rolling period.

10 largest assets	Location	Sector	Value (GBPm)	% of Fund Value
Belvedere House	Basingstoke	Office	8.1	6.55%
Pryzm	London	Other	7.7	6.27%
1-6 Salter Row & 17-21 Woolmarket	Pontefract	Standard Retail	7.1	5.78%
36-42 Old Christchurch Road	Bournemouth	Standard Retail	7.0	5.70%
18/20 St. Mary's Square	Swansea	Standard Retail	5.4	4.40%
Rivercourt Uxbridge	Uxbridge	Office	5.3	4.31%
Eddie Stobart, Grandstand Road	Wakefield	Industrial	5.3	4.31%
Rivergate Shopping Centre	Peterborough	Shopping Centre	4.8	3.87%
Bridgefoot House	Radlett	Office	4.5	3.66%
730 Aztec West	Bristol	Office	4.3	3.48%



Sector weightings	Fund	Relative weightings	
		Index	Position
Offices	28.9%	29.0%	-0.1%
Standard Retail	24.4%	13.5%	+10.9%
Industrials	16.6%	20.3%	-3.7%
Retail Warehouses	7.4%	18.3%	-10.9%
Other	10.0%	8.9%	+1.1%
Shopping Centres	5.6%	4.2%	+1.4%
Cash	7.1%	6.0%	+1.1%



Geographical weightings	Fund
West Midlands	17.05%
South East	24.33%
Yorkshire and Humberside	15.45%
Eastern	8.86%
Wales	4.71%
Rest of London	6.71%
South West	9.83%
North West	6.06%
Scotland	7.00%

Lease Profile – AEW UK Core Property Fund against the All Balanced Property Fund Index – IPD UK PPFI	AEW UK Core Property Fund	PPFI
Average weighted unexpired lease term to break	4.9 years	8.2 years
Average weighted unexpired lease term to expiry	6.4 years	9.2 years

Source: All Balanced Property Fund Index – IPD UK PPFI – weighted average for the period ending 30 June 2014. AEW UK Core Property Fund data as at 30 September 2014 properties exchanged and completed.

Risk and volatility statistics	Annualised quarterly data
Absolute standard deviation	3.72%
Tracking error	1.72%
Information ratio	3.89
Beta	0.92

Source: Based on annualised quarterly data and calculated by the AEW Capital Management Research Team. Benchmark is the All Balanced Property Funds Index – IPD UK Pooled Property Fund Index – weighted average. These statistics are provided for information purposes only and cannot be relied upon for in relation to any decision. All data provided should be considered in the light of the age and size of the Fund. The above statistics are based on annualised quarterly data since the Fund's inception. It can be considered a small sample and as a result the statistics may not be meaningful.

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