

Covid-19 Investor Statement



March 2020

Dear Investor,

As the UK struggles with containing Coronavirus (COVID-19), we wanted to provide an update on the steps we are taking across our UK investment strategies to protect your investments whilst continuing to work with our tenants and help safeguard their future.

Operations

As you will have seen in the recent announcement from Rob Wilkinson, our European CEO, we have adopted a number of policies across the platform to ensure the safety of our clients, employees and their families. We have adopted a homeworking policy for all our staff and we remain fully operational and able to continue to perform our duties as Investment Manager. All of our key suppliers also have robust procedures in place to provide continuity of service.

Valuations

We have been advised by our Valuers that, due to the impact on market activity of the COVID-19 outbreak, they cannot attach the same weight to recent comparable market evidence when forming opinions of value.

Valuers are still able to produce valuations and make professional judgements but with less certainty than under normal market conditions. Valuations will therefore be reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global Standards.

Consequently, less certainty, and a higher degree of caution, should be attached to valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, this is particularly important when considering the pricing of shares and we will keep valuations under frequent review.

Pricing

The team have many decades of experience of running open and closed ended funds in previous challenging property markets with uncertainty around tenant income, unreliable valuations and wider capital market impacts. We believe that with the experience and the structure we have in place with the Governance and Pricing Sub-Committees, we are well positioned to steer the open-ended funds through the uncertainty that we are experiencing.

Each fund's Independent Pricing Sub-Committee will be meeting this week to discuss the various options available to manage the current situation and will be making recommendations to AEW UK as the Authorised Corporate Director (ACD). Pricing adjustments may be considered by the ACD, as well as deferment or suspension of dealing, influenced by any guidance from the FCA. We will of course be communicating the outcome of this to investors as and when a decision is made and we will continue to monitor the evolving situation.

Tenants

In these uncertain times our priority is maintaining open communication and working with our tenants on a case by case basis. We are proactively engaging with all tenants and closely following the Government's measures to support businesses, which will likely set a precedent for decisions going forward.

We will continue to monitor the situation closely and to communicate our position as the future becomes clearer.

Most importantly, we hope you and your families are staying safe during this time.

Kind regards,

Richard Tanner
Managing Director, AEW UK Investment Management LLP

About AEW

AEW is one of the world's largest real estate asset managers, with €69.5bn of assets under management as at 31st December 2019. AEW has over 700 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 31 December 2019, AEW managed €33bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 400 employees based in 9 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of over €20bn of real estate across European markets. www.aew.com

AEW UK Investment Management LLP

AEW UK Investment Management LLP employs a well-resourced team comprising 26 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with €69.5bn of assets under management as at 31 December 2019. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 31 December 2019, AEW Group managed €33bn of real estate assets on behalf of a number of funds and separate accounts with over 400 staff located in 9 offices. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW. In May 2019, AEW UK Investment Management LLP was awarded Property Manager of the Year at the Pensions and Investment Provider Awards. www.aewuk.co.uk

Disclaimer

This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment.

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