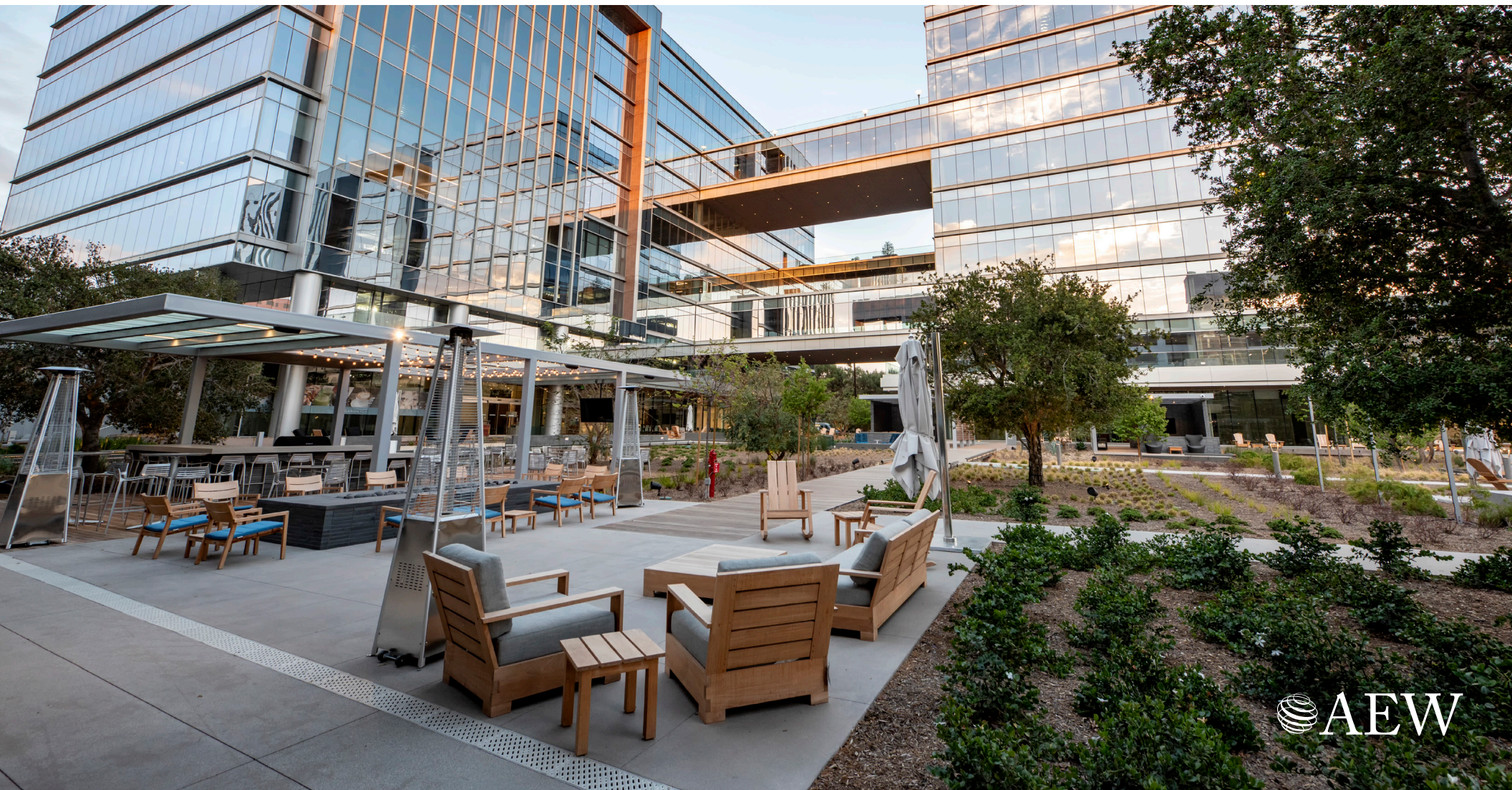
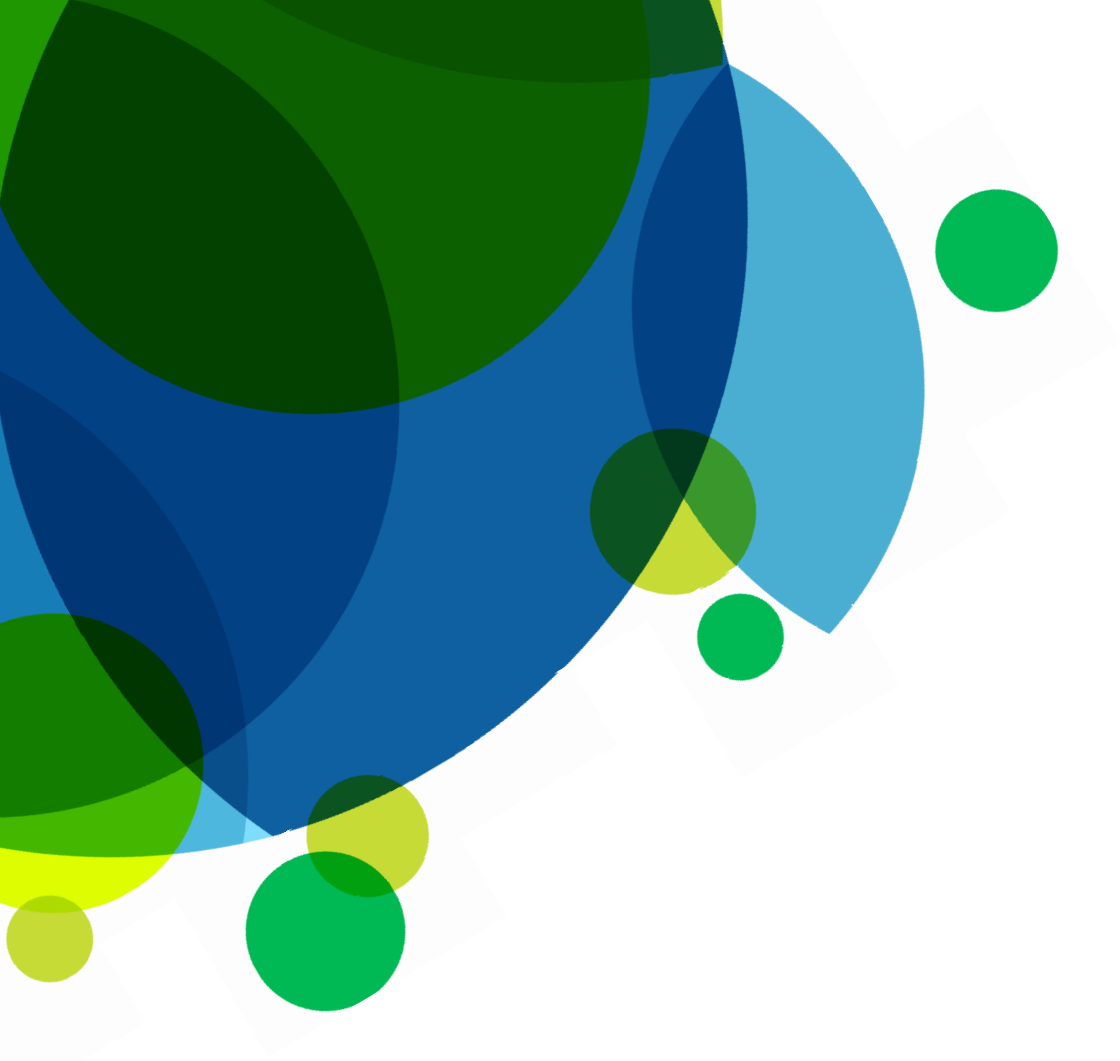




FOCUSED ON THE FUTURE

2017 SUSTAINABILITY REPORT





COMMITMENT TO SUSTAINABILITY

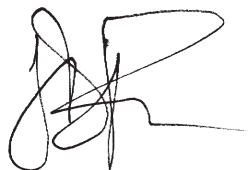
A NOTE FROM JEFF FURBER, CHIEF EXECUTIVE OFFICER

Taking mindful care of the environment where we work, live and play is critical to maintaining a sustainable planet. Whether it comes from consciously investing in efficient properties or improving those properties that are already in our portfolios, AEW is committed to being environmentally responsible. We continue to advance our commitment to integrate the values of sustainability and resource conservation into our business practices, while carefully considering sustainability in our investment and management decisions. In addition, AEW analyzes its return on investment and payback on capital investments made toward sustainability. Ultimately, the goal of our program is to reduce resource consumption while delivering attractive risk-adjusted returns for our investors.

Each year, we strive to build on the foundation of the previous year's efforts by raising the bar for improving the environmental performance of our portfolios. Today, we are proud to say several assets across AEW's property portfolios have obtained certifications including LEED Gold; LEED Silver; LEED Certified; National Green Building Standard (NGBC); CalGreen; Energy Star; and Green Globe. In addition, AEW is now a member and benchmark committee member for GRESB and a signatory of UNPRI. Over the long-term, we believe these achievements will positively impact the valuations and performance of our properties, and people and tenants will increasingly want to live, work and play in them.

It is our hope you will take a moment to learn more about our ongoing efforts, partnerships and goals by reading our 2017 Sustainability Report. As your fiduciary, we will continue to promote this cause and work diligently to be a socially responsible corporate citizen.

Sincerely,



Jeff Furber, Chief Executive Officer



ENVIRONMENTALLY RESPONSIBLE INVESTING

AEW is committed to a vision of prudent property stewardship with the goal to enhance the sustainability measures of its commercial property investments. AEW has instituted a systematic approach to improve the operating metrics of its investments by incorporating ESG elements – environmental, social and governance- into its asset analyses, as well as health and well-being as applicable. This commitment is embodied in an environmental policy which seeks to:

- 1 REDUCE ENERGY CONSUMPTION, CARBON EMISSIONS AND WATER USAGE THROUGH CONSCIENTIOUS MANAGEMENT AND INNOVATIVE PRACTICES**

- 2 CREATE HEALTHY WORK ENVIRONMENTS THAT STIMULATE PRODUCTIVITY AND PROMOTE THE SUSTAINABLE COMMUNITIES IN WHICH THEY RESIDE**

- 3 RAISE AWARENESS AND COMMUNICATE OUR SOUND ENVIRONMENTAL PRACTICES TO EMPLOYEES, PARTNERS, INVESTORS AND TENANTS**

- 4 ELIMINATE RISK AND LOWER OPERATING EXPENSES TO INCREASE THE EFFICIENCY AND LONG-TERM VALUE OF OUR PROPERTIES**

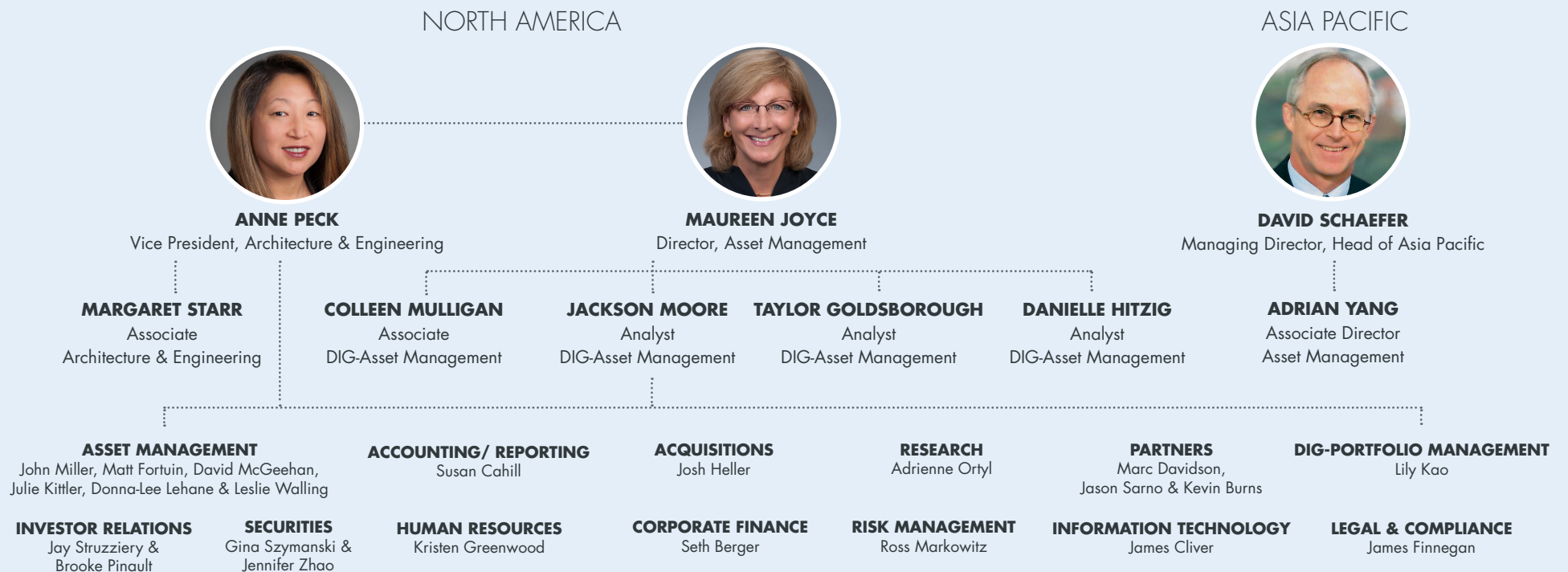


AEW SUSTAINABILITY COMMITTEE'S WORK

The Sustainability Committee members include AEW's Director of Asset Management and a senior professional from the firm's Architecture and Engineering group ("A&E") as co-chairs as well as other members of A&E, Asset Management team leaders and representatives from each business unit within the firm.

AEW's Sustainability Committee is responsible for identifying specific sustainability issues and establishing goals for assets under management, as well as firm-wide goals to address the issues identified. Additionally, the Committee is in charge of making policy and process recommendations to the firm's Management Committee which will further benefit AEW stakeholders.

AEW uses Energy Star's Portfolio Manager to rate property emissions and track energy consumption and, where feasible, seek LEED certification from the U.S. Green Building Council (USGBC) or similar green certifications. Furthermore, we utilize energy management tools, such as EnerNOC's energy intelligence software, which tracks and monitors daily energy trends in relationship to weather patterns and tenant demand allowing our teams to strategically activate systems to efficiently heat and cool buildings; thus reducing the overall building load and carbon footprint. AEW uses its extensive network of peers to share best practices and identify emerging trends in the sustainability world. We use the knowledge and experience of our global property managers to implement best practices.



ENVIRONMENTAL SOCIAL GOVERNANCE AT AEW

AEW INVESTMENT PROCESS

AEW's Investment Committee, which is comprised of the firm's most senior professionals, reviews and approves all proposed investments. Upon completion of due diligence by the investment team, unanimous approval by the Investment Committee is required for any transaction to be executed. During the investment process, AEW's investment team reviews ESG issues as part of the overall strategy and business plan for an investment.

Prior to the final Investment Committee approval, an energy audit by a third-party consultant is completed for new acquisition during the due diligence process. The purpose of the audit is to identify opportunities to reduce energy and water usage, thereby enhancing operations at the property and reducing operational expenses. Additionally, all properties are evaluated for LEED and other green certifications by which the team utilizes a third party sustainability consultant for their specialized knowledge and expertise. Furthermore, all new development projects are screened for potential green certifications, and for opportunities to reduce impacts on the community and direct environment.

Throughout AEW's ownership of assets, ESG factors are considered and monitored alongside other investment metrics. Investment annual business plans address sustainable measures to be implemented for the upcoming year, as well as the long-term, five-year capital plan. Any sustainability initiatives implemented by AEW are practical, cost-effective and add value to the real estate we manage on behalf of our clients through reduced operating expenses. On a portfolio basis, sustainability-related issues are reviewed and approved annually by the firm's Risk Management Committee. To insure that we are meeting our cost/benefit goals AEW, tracks the impact of our sustainability practices. Examples of this include: the reduction in consumption of energy, waste, and water on a year-over-year basis; as well as sustainability capital projects, such as upgrades to LED lights and low-flow toilets at our properties.



AEW INVESTMENT & RISK MANAGEMENT COMMITTEES

AEW's Investment and Risk Management Committees are dedicated to making sound investment decisions that take into consideration all ESG-related issues that could impact our portfolios and ultimately, our investors and tenants alike. Comprised of the most senior investment professionals across the firm, these committees provide guidance on operational and investment risk, review all new investment opportunities, and approve annual business plans and dispositions. All investments require unanimous approval by the Firm's Investment Committee.



JEFF FURBER
CHIEF EXECUTIVE OFFICER
33 years of experience
20 years at AEW



PAMELA HERBST
DIRECT INVESTMENT GROUP
36 years of experience
35 years at AEW



MARC DAVIDSON
PARTNERS FUNDS
36 years of experience
22 years at AEW



ROBERT PLUMB
DIRECT INVESTMENT GROUP, ACQUISITIONS
34 years of experience
28 years at AEW



JONATHAN MARTIN
CHIEF OPERATING OFFICER
25 years of experience
16 years at AEW



JAMES FINNEGAN
GENERAL COUNSEL
32 years of experience
23 years at AEW



MICHAEL ACTON
DIRECTOR OF RESEARCH
32 years of experience
27 years at AEW



MATTHEW TROXELL
REAL ESTATE SECURITIES
37 years of experience
23 years at AEW

Jonathan Martin and Matthew Troxell are members of the AEW Risk Management Committee only.

AEW VISION STATEMENT

ESG ACROSS OUR PORTFOLIOS

AEW is committed to a vision of prudent property stewardship that endeavors to enhance the sustainability and resiliency of its commercial property investments while also positively impacting long-term performance. Further, AEW seeks to engage stakeholders amongst its assets. A summary of our detailed process is outlined below:

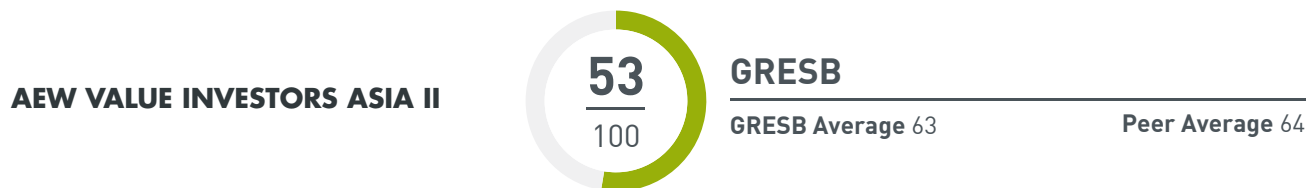
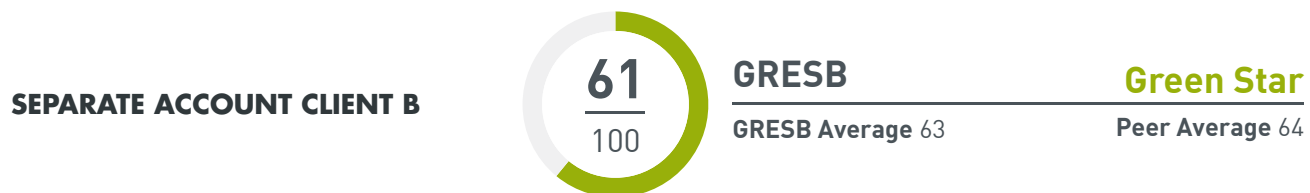
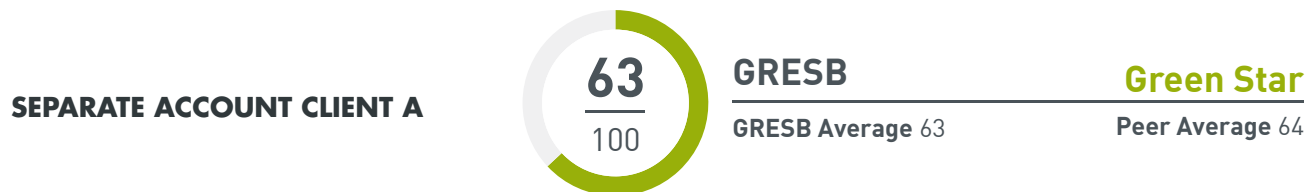
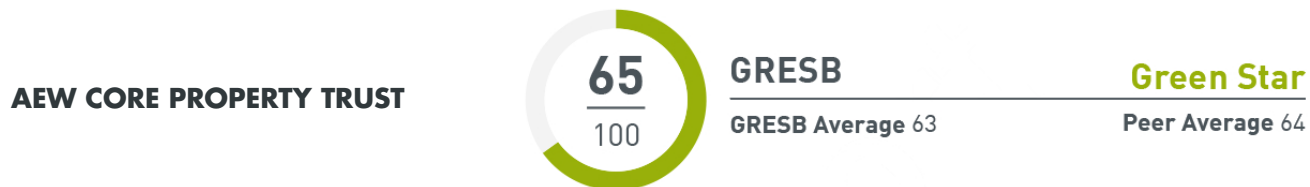
- Sustainability issues and goals are identified as part of each investment's underwriting and presented to the firm's Investment Committee.
- Environmental goals are a requirement of each asset's annual business plan. Capital invested in sustainability measures are analyzed from a return on cost basis as well as payback period for every asset under management.
- AEW educates and engages the tenants within its buildings to improve their health and well-being through surveys to elicit feedback, social media and building events.
- Communities are engaged through building and tenant outreach as well as volunteerism amongst our managers, tenants and investment professionals.
- Portfolio-level assessment of environmental and energy issues is presented annually to AEW's Risk Management Committee.
- Overall objective is not only to reduce emissions and improve operating costs, but also to enhance the position of assets in their markets, reduce obsolescence and promote resiliency.



Pictured clockwise from top left: LEED SILVER, Boardwalk, Irvine, CA; LEED SILVER, 699 Boylston, Boston, MA; LEED GOLD, 2050 Main, Irvine, CA; BUILT GREEN, 481 Mathilda, Sunnyvale, CA

GRESB RANKING

AEW has been reporting to the Global Real Estate Sustainability Benchmark (GRESB) and partnering with firms such as GOBY and EnerNOC to monitor and manage energy consumption, emissions, water usage and waste management across the following funds' portfolios.



SIGNIFICANT IMPROVEMENTS ACROSS **OUR PORTFOLIOS IN 2017**

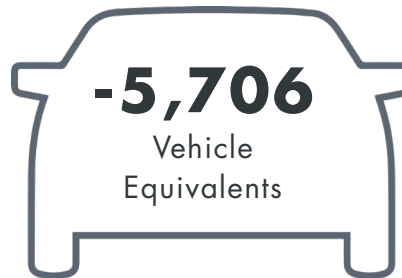
ENERGY CONSUMPTION

-10%



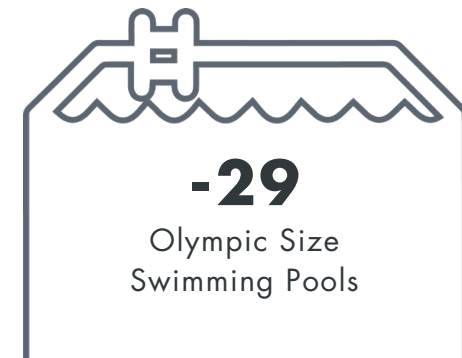
GHG EMISSIONS

-10%



WATER USAGE

-2%



The above results include information for the AEW Core Property Trust, Separate Account A and Separate Account B portfolios only. Reduction figures are only reflective of same-store results that have a complete year of data points.



AEW SUSTAINABILITY
CASE STUDIES



CASE STUDY #1 IRVINE, CA

2050 MAIN STREET

BACKGROUND

In April 2017, 2050 Main Street received a LEED-EB O+M Platinum Certification, the highest level of accreditation from the U.S. Green Building Council (USGBC) and an improvement over the Property's LEED-EB O+M Silver accreditation achieved in 2012. The Property has since set a number of goals each year to continue to improve upon its sustainability which is guided by the LEED-EB O+M and ENERGY STAR programs.

2017 SUSTAINABILITY INITIATIVES

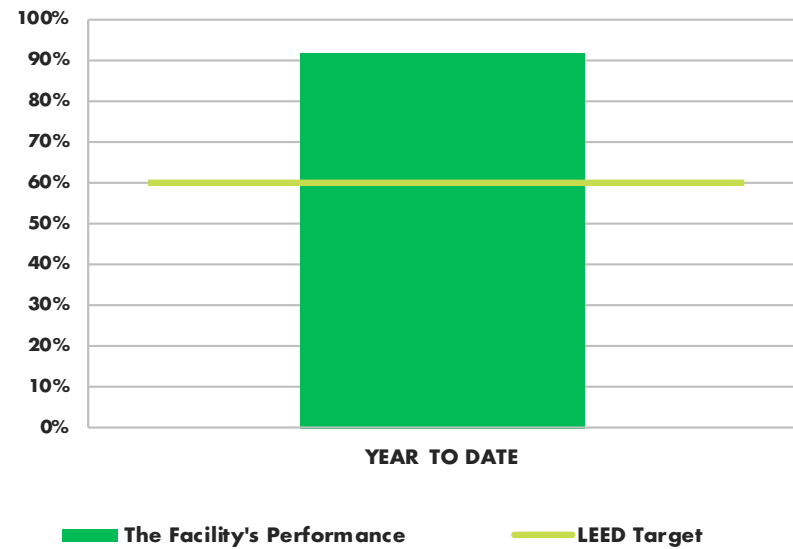
- Installed auto faucets & soap dispensers in restrooms on floors 8, 9 & 10
- Maintained LEED-EB O+M Platinum operating standards during 2017
- Received ENERGY STAR certification for sixth year in a row with a score of 95
- Hosted annual Earth Day event and eWaste collection
- Began Phase I of the chiller optimization project
- Swapped out recycle bin with compactor



ENERGY STAR SCORE

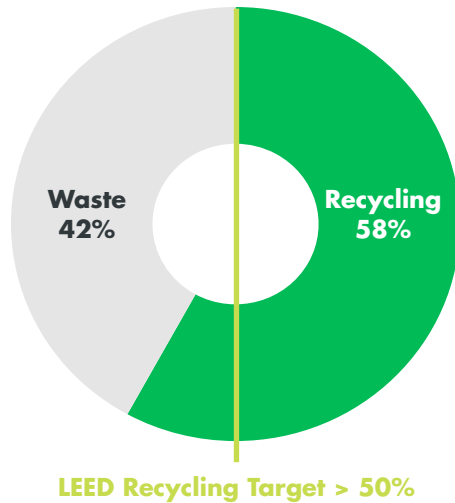


SUSTAINABLE JANITORIAL PRODUCTS

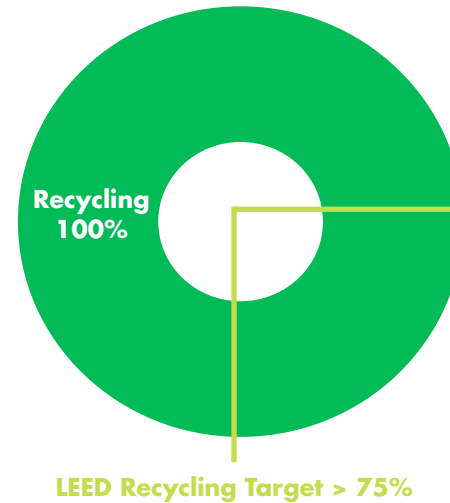


DIVERSION RATES

ONGOING CONSUMABLES



DURABLE GOODS





CASE STUDY #2 HINGHAM, MA

LINCOLN PLAZA

OPPORTUNITY

Lincoln Plaza is a 129,815 square foot, Class A, grocery-anchored community shopping center located in Hingham, MA built in 1971 and renovated in 2010. The property is anchored by a 68,087 square foot Stop & Shop grocery store and a 31,882 square foot Marshalls. The property consists of one main building and two-out parcel buildings. It is currently leased to a mix of service and destination tenants including the 99 Restaurant, Rockland Trust, Weight Watchers, and Shoe Market. Although all tenants are separately metered and pay their own utilities, AEW identified the opportunity to upgrade all parking lot lights to LED for energy savings at the property.

SOLUTION

AEW obtained bids to implement the installation of energy efficient LED lighting on posts in the parking field from three contractors. The project was completed in the third quarter of 2017 at a cost of approximately \$70,000. It enhanced Lincoln Plaza by brightening the center, decreasing environmental impact, and reducing costs.

RESULTS

As of the fourth quarter of 2017, 28,679 kWh of energy was conserved, which equates to \$3,912 in savings. The result is an average monthly savings of 59% in costs in the four months subsequent to installation. The projected payback period will be approximately three years.



AEW GREEN PORTFOLIO

OFFICE

LEED Platinum

2050 Main

LEED Gold

250 Park Avenue

1310 N. Courthouse

303 Almaden

360 Lexington

100 Bayview Circle

699 Boylston

(BOMA 360 & Silver Impact Winner)

Boardwalk

Eldridge Oaks

Machine Works

Heritage Plaza

525 West Van Buren

Tycon Courthouse

Waterview I-III*

Natomas Corporate Center*

LEED Silver

Plaza Ridge II

Airport Professional Center

One Clearlake Center*

LEED Certified

Quarry Oaks III

South Point I

MULTIFAMILY

LEED Gold

Highland Park

LEED Silver

Nic on 5th

LEED Certified

Atmark

NGBS

Artisan Brightleaf

Odenton Gateway

Landmark Gateway

Old Katy Road

The Residence at Melrose Station

Blake at Edgewater

Built Green

481 Mathilda

CALGreen

Stone Way

Green Globes

Delray Preserve*

INDUSTRIAL

LEED Silver

MCA Wild Horses (Petco)

Capital Logistics Center*

CALGreen

Brea Industrial

Palm Street*

RETAIL

LEED Silver

Promenade at Coconut Creek

RENEWABLE ENERGY

Solar Array

1300 Viele

PROPOSED/IN PROCESS

Block 9 – NGBS

Block 328 - NGBS

Modera Midtown- NGBS

LCB Chadd's Ford – NGBS

The Atworth at Mellody Farms – NGBS Bronze

The Dakota – NGBS

The Penrose – NGBS

Alexan LoHi – LEED

Modera Redmond – LEED

Temp at McClintock – LEED Gold

Optimus Logistics – LEED Silver, CALGreen

Grainger – LEED Silver, CALGreen

Southpark- LEED EBOM

100 SouthPark – LEED EBOM

1300 SouthPark – LEED EBOM

Civica Commons – LEED EBOM

330 Hudson - LEED Gold Performance Score**

Gateway V– CALGreen

Palm Street- CALGreen

The Alameda - CALGreen

Jack London Square – BuiltGreen

3 Ballston Plaza- BREEAM

Tempe Market Place – IREM Green

*Denotes sold properties. **Pursuing additional certification.

AEW GREEN PORTFOLIO

- LEED PLATINUM
- LEED GOLD
- LEED SILVER
- LEED CERTIFIED
- NGBS
- BUILT GREEN
- CALGREEN
- GREEN GLOBES
- PROPOSED/IN PROCESS



THE AEW
WORKPLACE

MADE WITH ♥ BY

 AEW

THE AEW WORKPLACE

AEW has taken a strong stance within its own corporate headquarters at Two Seaport Lane in Boston, MA where it occupies 66,000 square feet on two, full-floors. Over its tenancy, measures to improve its green practices and the health and well-being of its employees have included:

AEW's Boston headquarters is registered for WELL certification



Single-stream recycling program

More than 30% of workstations have push-button adjustable height



Sensor activated LED lighting



Ride share shuttle service to and from North Station

Free memberships to Blue Bikes - Boston's bike-share program



On-site fitness center with shower facilities

On-site dining with over 50% of available options consisting of fruits and vegetables

Tiny Pulse employee survey program



Subsidized zip car membership



Public transportation incentives

Installation of dual-flush toilets in all of its bathrooms



AEW's headquarters is located in a LEED certified office building

CORPORATE CITIZENSHIP

As a responsible corporate citizen, AEW has long-supported the needs of the communities in which it works and operates. The AEW Charitable Giving Committee encourages its employees to bring forth local causes that are meaningful to them on a personal level or to their community-at-large. Targeted areas for financial support include those involving public education, the environment, health awareness and homelessness. Even more, AEW gives its employees the flexibility to personally volunteer during their work day at events organized by the firm. Some of the organizations in which AEW has been involved as a firm include: Hurricane Relief Funds, Boston Children’s Hospital, YMCA, Best Buddies, Aids Action Committee, ALS Association/For Pete’s Sake and Mass Housing & Shelter Alliance.





BOSTON

LOS ANGELES

LONDON

PARIS

DÜSSELDORF

HONG KONG

SINGAPORE

SYDNEY

|

AEW.COM