

The Local Authorities' Property Fund

Fund Fact Sheet – 31 December 2011

Overview

- High quality, well-diversified commercial and industrial property portfolio
- Focus on delivering attractive income
- Actively managed to add value

Fund objective

The objective for this Fund is to generate long term growth in capital and a high and rising income over time.

Suitable for

The Fund is suitable for any Local Authority seeking the benefits of exposure to property.

Who can invest?

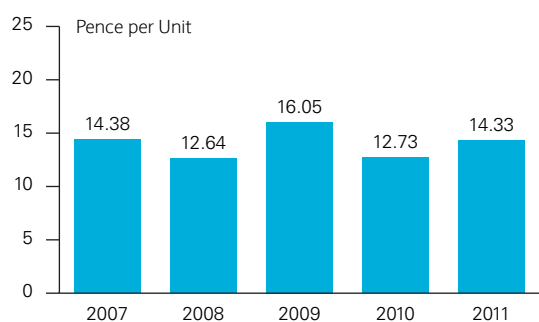
Any local authority in England, Wales, Scotland and Northern Ireland.

Income

Gross dividend yield	6.03%*
IPD Balanced PUTs	4.60%
FTSE All-Share gross dividend yield	3.52%
FTSE UK Govt. All Stocks yield	2.51%
Base Rate	0.50%

* Based upon the net asset value and historic annual dividend of 14.0716p, the gross income less management expenses.

Past distributions

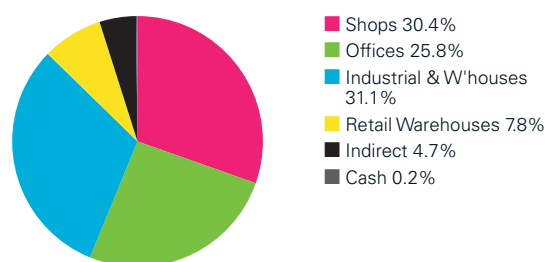


Fund update

The two tier market in the sector has continued. Good quality assets with a secure income stream have been in demand but secondary assets have found less support and suffered valuation weakness. Transaction volumes have remained thin and the subjective tone to valuations noted in the Autumn has continued. Against this backdrop we are maintaining a clear focus on quality. We believe that there are particularly attractive opportunities in the industrial sector and, after recent weakness, in retail. We do not expect any near term capital growth from the sector; returns will continue to come from income.

The main event during the quarter has been the completion of a new lease for the retail warehouse in Bishops Stortford. The new contract, with Wickes, has a higher rent and longer term and has resulted in a strong improvement in the valuation. The vacant shop in Leicester has been let on a short lease. Refurbishment has begun on the Meridian Business Park property.

Asset allocation



Discrete year total return performance (gross)

12 months to 31 December	2011	2010	2009	2008	2007
The Local Authorities' Property Fund	+7.3%	+19.9%	+0.8%	-28.6%	-1.6%

Annualised total return performance (gross)

Performance to 31 December 2011	1 year	3 years	5 years
The Local Authorities' Property Fund	+7.3%	+9.1%	-1.8%

Gross performance shown before management fees and expenses with gross income reinvested: net returns will differ after the deduction of fees and charges. Past performance is no guarantee of future returns. Investments in long term funds can go down as well as up and you may not get back the original amount invested. The properties within the Fund are valued by an external property valuer; any such valuations are a matter of opinion rather than fact. The performance of the Fund may be adversely affected by a downturn in the property market which could impact on the capital and or income value of the Fund.

Top ten property holdings – total 74.1%

London, Fenchurch Street	Birmingham, Junction Six
Lutterworth, Magna Park	London, Threadneedle Street
Chichester, East Street	Glasgow, Blythswood Square
Reading, Broad Street	Henderson UK Retail Warehouse Fund
Bishops Stortford, Stansted Road	Norwich, Gentleman's Walk

Key facts

Fund size	£79m
Number of holdings	19

Income units

Offer (buying) price	241.18p (xd)
Net asset value	233.36p (xd)
Bid (selling) price	229.74p (xd)
Bid/offer spread	4.9%

Launch date	18 April 1972
Unit types	Income
Minimum initial investment	£250,000
Minimum subsequent investment	£10,000
Dealing day	Month end valuation day*
Sedol number	0521664
ISIN number	GB0005216642
Dividend payment dates	End January, April, July & October
Annual management charge (taken 100% from income)	0.65%

* Instructions for the issue or redemption of units must be received by CCLA no later than 5pm on the business day prior to the Valuation Date. If the valuation day is a bank holiday, the dealing day will be the previous working day. Units are only realisable on each monthly dealing date and redemptions may not be readily realisable; a period of notice not exceeding six months may be imposed for the redemption of units.

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The Fund is an unregulated collective investment scheme established under a Scheme approved by H M Treasury under Section 11 of the Trustee Investments Act 1961 and is subject to provisions of a Trust Deed dated 6 April 1972 and a supplemental Trust Deed dated 13 September 1978. The Fund operates as an open-ended Fund under Part IV of the schedule to the Financial Services and Markets Act 2000 (Exemption) Order 2001.

CCLA Investment Management Limited (registered in England no. 2183088 at the office above) is authorised and regulated by the Financial Services Authority and is the manager of the Local Authorities' Property Fund.