



# The Local Authorities' Property Fund

Fund Fact Sheet – 31 December 2010

## 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                | 5.45%* |
| FTSE All-Share gross dividend yield | 2.89%  |
| FTSE UK Govt. All Stocks yield      | 3.70%  |
| Base Rate                           | 0.50%  |

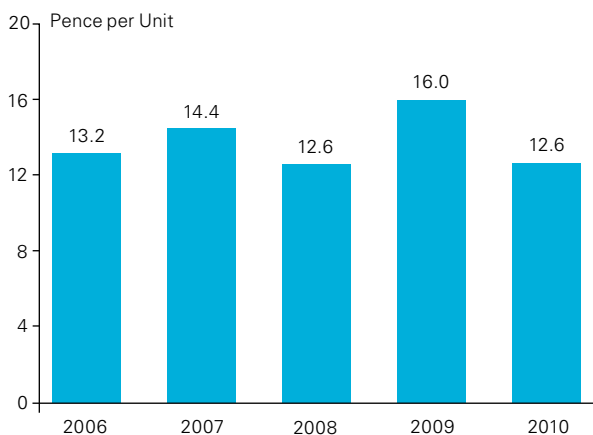
\* Based upon the net asset value and historic annual dividend of 12.7127p, the gross income less management expenses.

## Fund update

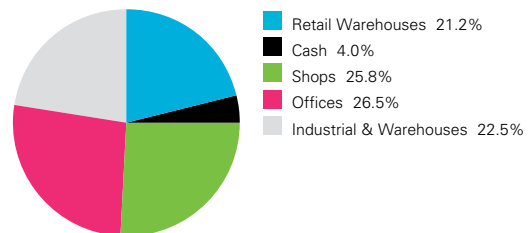
Investment conditions have remained positive although the returns achieved have been less strong than those earned earlier in the year. As valuation improvement has slowed so income has become a greater component of the total. Over the final three months of 2010 the IPD Index showed a total return of +2.8% of this 1.3% came from capital and 1.5% from income. Transaction volumes have remained relatively low but there has been a steady flow of buyers for attractive properties, especially those with a strong income profile. Overall rental values have gradually stabilised and are now steady for prime assets, there is income growth in the south east and in particular in London. Offices are the strongest sector.

There have been no recent purchases or sales from the portfolio. Two voids however have found tenants, the office in Threadneedle Street and a retail property in Leicester. Rental increases have been achieved on properties in Glasgow and Norwich. On a negative note a lease expiry in a Glasgow office property has resulted in a vacant floor. Most importantly the leases expire this year on the Ashford retail site and redevelopment options for this key asset are being appraised.

## Past distributions



## Asset allocation





### Discrete year total return performance (gross)

| 12 months to 31 December             | 2010   | 2009  | 2008   | 2007  | 2006   |
|--------------------------------------|--------|-------|--------|-------|--------|
| The Local Authorities' Property Fund | +19.9% | +0.8% | -28.6% | -1.6% | +21.1% |

### Annualised total return performance (gross)

| Performance to 31 December 2010      | 1 year | 3 years | 5 years |
|--------------------------------------|--------|---------|---------|
| The Local Authorities' Property Fund | +19.9% | -4.8%   | +0.6%   |

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 76.5%

|                          |                                  |
|--------------------------|----------------------------------|
| Ashford, Retail Park     | Glasgow, Blythswood Square       |
| London, Fenchurch Street | Bishops Stortford, Stansted Road |
| Reading, Broad Street    | London, Threadneedle Street      |
| Chichester, East Street  | Bardon, Interlink Park           |
| Birmingham, Junction Six | Norwich, City Trading Estate     |

### Key facts

|   |                                    |
|---|------------------------------------|
| Fund size   | £75m                               |
| Number of holdings                                | 17                                 |
|   | <b>Income units</b>                |
| Offer (buying) price                              | 241.03p (xd)                       |
| Net asset value                                   | 233.22p (xd)                       |
| Bid (selling) price                               | 229.61p (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.