

The Local Authorities' Property Fund

Fund Fact Sheet – 30 June 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.

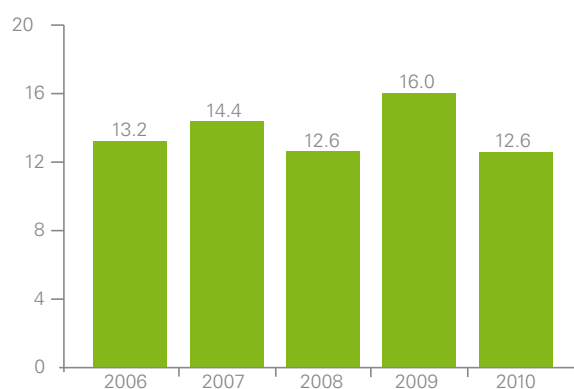
Income

Gross dividend yield	5.46%*
FTSE All-Share	
gross dividend yield	3.34%
FTSE UK Govt. All Stocks yield	3.66%
Base rate	0.50%

* Based upon the net asset value and historic annual dividend of 12.3987p, the gross income less management expenses.

Past distributions

Pence per unit

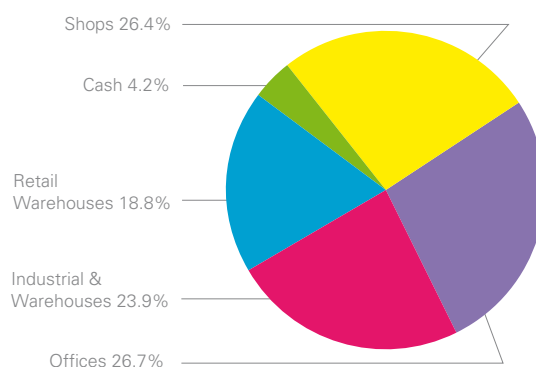


Fund Update

The strong improvement in sector valuations seen early in 2010 has slowed substantially in recent months. Transaction volumes have reduced too as buyers, faced with higher prices but a still challenging economic environment, have held back from the market. Over the past 12 months the IPD Balanced Property Unit Trust Index, a measure of net performance, has returned +18.8% (the Fund +28.7%), over the past three months +3.0% (+5.3% from the Fund). Rental values have remained under pressure but the overall pace of decline has lessened and in one or two spots, notably central London offices, has reversed.

The Fund has sold one property, the relatively small office space in Austin Friars in the City of London. Proceeds were £2.1 million. Portfolio management has included a rent review on the units on the City Trading Estate in Norwich, which have resulted in increased income for the Fund. We have also completed the letting of the refurbished holding at Fenchurch Street. The retail warehouse in Ashford, previously let to Allied Carpets, is under offer at a rent substantially higher than previous levels achieved on the retail park. The void rate on the Fund is 11% but this includes the Ashford property which is expected to be under lease shortly. Despite the increased rents achieved and the difficult occupier market, the portfolio is still reversionary.

Asset allocation



Discrete year total return performance (gross)

12 months to 30 June	2010	2009	2008	2007	2006
The Local Authorities' Property Fund	+32.3%	-34.1%	-13.5%	+15.3%	+22.2%

Annualised total return performance (gross)

Performance to 30 June 2010	1 year	3 years	5 years
The Local Authorities' Property Fund	+32.3%	-9.0%	-1.2%

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 75.0%

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	Glasgow, Bell Street

Key Facts

Fund size	£73m
Number of holdings	17
	Income Units
Offer (buying) price	234.66p (xd)
Net asset value	227.05p (xd)
Bid (selling) price	223.53p (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 numbers	0521664
ISIN numbers	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.

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 below) is authorised and regulated by the Financial Services Authority and is the manager of the Local Authorities' Property Fund.



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