



Local Authorities' Property Fund

Fund Manager Review

31st March 2008

Fund Manager Commentary

The first quarter of the year saw both purchase and sale activity in the Fund. Added to the portfolio is a retail warehouse property in Bishops Stortford at a cost of £7.1m. The investment brings to the portfolio an attractive immediate income level but one also with excellent prospects for income growth in the future. There were two disposals; a part vacant office building in Watford and an empty industrial warehouse in Banbury. Despite the difficult conditions in the market the disposals achieved a price above valuation.

The redevelopment of the Chichester retail holdings has reached practical completion and will become income generating very soon. The refurbishment of the property in Fenchurch Street is only a few weeks behind and we will shortly begin marketing.

Leasing activity on the office holding on Threadneedle Street has boosted income, as has an improvement at an industrial property in Birmingham. A rental review in Ashford has produced an attractive income uplift and there is more to come in the same retail park in the near term. Overall we expect to generate a substantial increase in income in the balance of the year.

Paul A. Hannam

Fund Manager

The Local Authorities' Property Fund
Head of Property

CCLA INVESTMENT MANAGEMENT LTD
80 Cheapside, London EC2V 6DZ

Liz Carter, Local Authorities Manager. T: 0844 561 5025

www.ccla.co.uk