

The Local Authorities' Property Fund

Fund Fact Sheet – 31 March 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?

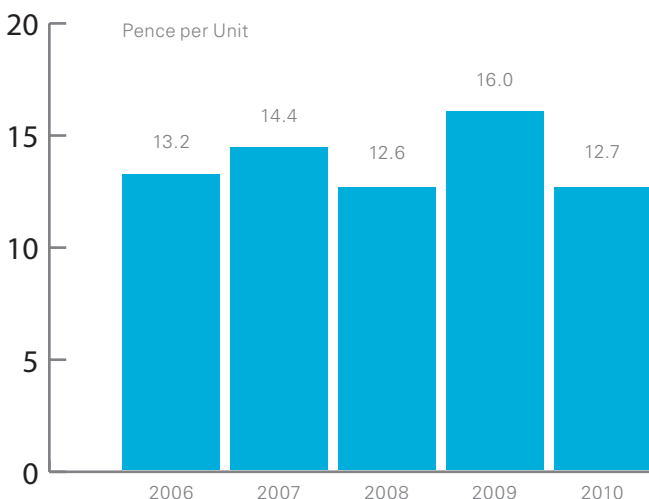
Any local authority in England, Wales, Scotland and Northern Ireland.

Income

Gross dividend yield	5.80%*
FTSE All-Share gross dividend yield	3.16%
FTSE UK Govt. All Stocks yield	4.06%
Base rate	0.50%

* Based upon the net asset value and historic annual dividend of 12.7310p, the gross income less management expenses.

Past Distributions

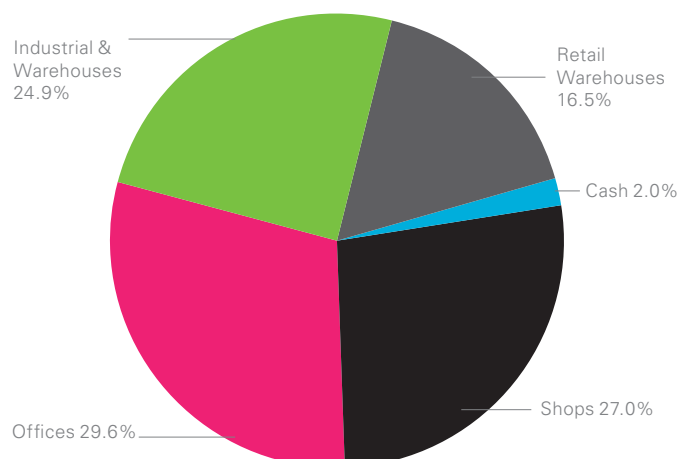


Fund Update

After two years of falling valuations the final quarter of 2009 proved to be the turning point for the sector. Since that time recovery has been swift, IPD data suggests that valuations are 7.6% higher over the past year and 11.6% up on the last 6 months as the recovery has taken hold. Rental values are 5.9% lower over the year but are showing signs of stabilisation in most areas and even growth in some – central London offices the obvious example. Transaction volumes have risen alongside improved levels of confidence but remain relatively low, one factor being the unwillingness of sellers to accept current valuations.

The Fund has sold two properties, a mixed retail and office in London and a retail warehouse in Sunderland, both of these were viewed as increasingly high income risks. The proceeds were used to purchase a prime retail investment in Reading. There have been a number of lease events where higher returns have been achieved and vacant properties let, these include an office in Austin Friars where a high yield short term lease will lead to a sale later this year. The void rate has fallen slightly, to 9.8% as a result of these activities. The empty properties include an Ashford property let to Allied Carpets, we have high confidence that this will swiftly find a new tenant at an improved rent. Despite the increases in rents achieved, the portfolio remains reversionary.

Asset Allocation



Discrete year total return performance (gross)

12 months to 31 March	2010	2009	2008	2007	2006
The Local Authorities' Property Fund	+21.4%	-33.8%	-8.3%	+18.0%	+20.3%

Annualised total return performance (gross)

Performance to 31 March 2010	1 Year	3 Years	5 Years
The Local Authorities' Property Fund	+21.4%	-9.7%	+0.9%

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 74.2%

Ashford, Retail Park	Glasgow, Blythwood Square
London, Fenchurch Street	Bishops Stortford, Stansted Road
Reading, Broad Street	London, Threadneedle Street
Birmingham, Junction Six	Bardon, Interlink Park
Chichester, East Street	Glasgow, Bell Street

Key Facts

Fund size	£70m
Number of holdings	18
	Income Units
Offer (buying) price	226.75p (xd)
Net asset value	219.40p (xd)
Bid (selling) price	216.00p (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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