

The Local Authorities' Property Fund

Fund fact sheet – 31 December 2023

Investment objective

The fund aims to provide a high level of income and capital growth over the long-term (defined as 5 years).

Investment policy

The fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties, but may invest in other assets, which may be either liquid or illiquid in nature.

The fund may also invest some of its assets in instruments that are easier to buy and sell to maintain appropriate levels of liquidity. Instruments used for this purpose may include cash and near-cash, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

The fund is managed in line with CCLA's responsible property investment and values-based screening policies, which you can read in the policies and reports section on our website.

Target investors

The fund is designed for local authorities looking for exposure to UK commercial property for their long-term investments.

Independent governance

The trustee is the Local Authorities' Mutual Investment Trust, a body controlled by members and officers appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Officers' Superannuation Committee, the Welsh Local Government Association and investors in the fund.

Who can invest?

Any local authority in the United Kingdom.

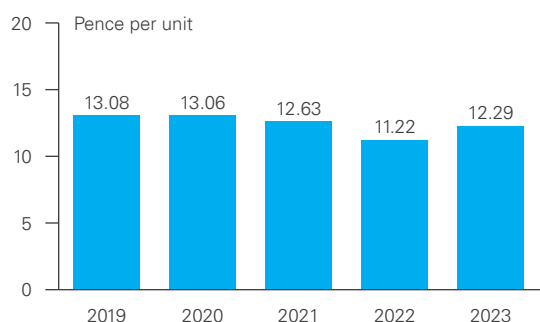
Income

Gross dividend yield (see note 1) 4.94%

MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index yield 3.71%

Note 1: Based on the fund's net asset value and historic annual dividend of 13.77 pence per unit.

12 month distributions to 31st March:



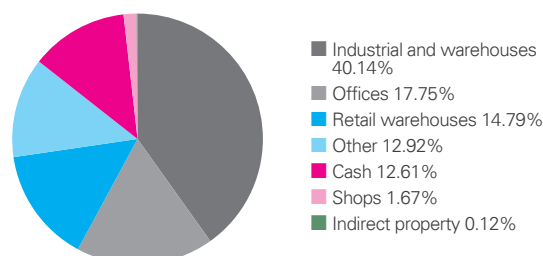
Fund update

Occupier and rental markets remained solid, supporting the income flows which make up a sizeable part of long term total returns to property investors. Capital markets are still very subdued, however, with transaction volumes at near-record low levels. The associated lack of 'price discovery' – observable prices paid for properties in actual transactions – has left prospective buyers and sellers, as well as property fund valuers, in a cautious mood and property valuations lost further ground over the period as investors demand higher yields. Offices remained the most troubled sector in a challenging market, due to a combination of changing working practices and more stringent environmental standards adding to landlords' costs. Over the quarter the Fund's total return was -0.7% compared with a return on the comparator benchmark of -1.5%. Over the past 12 months the Fund returned -0.5% compared to the comparator benchmark return of -2.0%.

The portfolio is managed actively with the aim of providing a high income and long term capital appreciation. There is a bias towards industrial assets, and retail warehouses are also well represented; whereas there is little exposure to high street shops. Two office properties, in Bracknell and in Elstree, were sold during the period. Other activity in the latest quarter included a lease renewal on one of the Fund's largest sources of income, an industrial property in Bolton, at a substantially higher rent than previously.

Valuations are likely to remain under pressure until bond yields fall significantly – this will restore some of the yield premium necessary to attract larger volumes of investors back to the property market. For the time being income will continue to be the key driver of total returns from property. Investors in the office sector face particular challenges and active, selective management will be especially important in this part of the property market.

Asset allocation at 31 December 23



Total return performance by year

12 months to 31 December	2019	2020	2021	2022	2023
The Local Authorities' Property Fund	+2.27%	-0.55%	+19.12%	-7.70%	-0.45%
Comparator benchmark	+1.78%	-1.04%	+18.03%	-8.72%	-2.04%

Annualised total return performance

Performance to 31 December 2023	1 year	3 years	5 years
The Local Authorities' Property Fund	-0.45%	+3.06%	+2.17%
Comparator benchmark	-2.04%	+1.82%	+1.23%

Performance shown after management fees and other expenses. The comparator benchmark is MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index. **Past performance is not a reliable indicator of future results.** Source: CCLA

Top 10 holdings at 31 December 23 – Total 36.35%

London, Beckton Retail Park	London, Pickett's Lock
London, Goodman's Yard	Bristol, Gallagher Retail Park
London, Cathedral Street	Coventry, Torrington Avenue
London, Imperial House	Bolton, Great Bank Road
Leeds, 27 Industrial Estate	Huntingdon, DHL Cardinal

Key facts

Manager	CCLA Fund Managers Limited
Investment Manager	CCLA Investment Management Limited
Fund size	£1,143m
Number of holdings	67

	Income units
Offer (buying) price	297.71 pence
Net asset value	278.88 pence
Bid (selling) price	274.56 pence
Launch date	18 April 1972
Unit type	Income
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dealing day	Month-end valuation date (see note 2)
SEDOL	0521664
ISIN	GB0005216642
Dividend payment dates	Last business day of January, April, July, and October
Annual management charge (taken from income)	0.65%
Fund management fee (FMF)	0.73% (see note 3)
PRIPs other ongoing costs	0.73% (see note 4)

Note 2: Dealing instructions for the purchase of units must be received by 5pm on the business day before the valuation date. Whilst units can be sold on each monthly dealing date, all redemption requests are currently subject to a minimum notice period of 6 months (this may be reduced to 90 days at the manager's discretion) and will therefore be processed on the next available dealing day following expiry of the notice period.

Note 3: The FMF includes the annual management charge and other costs and expenses of operating and administering the fund, such as depositary, custody, audit, and regulatory fees.

Note 4: The packaged retail and insurance-based investment products (PRIIPs) other ongoing costs include the FMF and, where relevant, synthetic charges. Synthetic charges are the effect that costs incurred as a result of investment in relevant underlying funds or similar investments have on the fund. The PRIIPs other ongoing costs do not include transaction costs. For more information on costs, including transaction costs, please see the fund's key information document.

Please refer to <https://www.ccla.co.uk/glossary> for explanations of terms used in this communication. If you would like the information in an alternative format or have any queries, please call us on 0800 022 3505 or email us at clientservices@ccla.co.uk.

Please Contact

Kelly Watson

Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Jamie Charters

Market Development
T: +44 (0)207 489 6147
M: +44 (0)7468 560 680
E: jamie.charters@ccla.co.uk

Lee Jagger

Market Development
T: +44 (0)207 489 6077
E: lee.jagger@ccla.co.uk

Risk warning and disclosures

This document is a financial promotion and is for information only. It does not provide financial, investment or other professional advice. To make sure you understand whether our product is suitable for you, please read the key information document and scheme information and consider the risk factors identified in those documents. CCLA strongly recommend you get independent professional advice before investing. Past performance is not a reliable indicator of future results. The value of investments and the income from them may fall as well as rise. You may not get back the amount you originally invested and may lose money. The properties held by the fund are valued by an external property valuer and any valuations are a matter of opinion rather than fact. The performance of the fund may be negatively affected by a downturn in the property market which could impact on the value of the fund. Any forward-looking statements are based on our current opinions, expectations and projections. We may not update or amend these. Actual results could be significantly different than expected. Investment in the fund is only available to eligible local authorities. The fund is an unauthorised UK alternative investment fund and an unregulated collective investment scheme established under a scheme approved by HM Treasury under Section 11 of the Trustee Investments Act 1961, together with the trust deed dated 6 April 1972 as amended by supplemental trust deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019. Issued by CCLA Investment Management Limited (registered in England and Wales, number 02183088, at One Angel Lane, London EC4R 3AB) who is authorised and regulated by the Financial Conduct Authority. CCLA Fund Managers Limited (registered in England and Wales, number 8735639, at One Angel Lane, London EC4R 3AB) is authorised and regulated by the Financial Conduct Authority. For information about how we collect and use your personal information please see our privacy notice, which is available at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.