

The Local Authorities' Property Fund

Fund Fact Sheet – 30 June 2022

Investment objective

The Fund aims to provide a high level of income and long-term capital appreciation.

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 invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

Target investors

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

Independent Governance

The trustee is the Local Authorities' Mutual Investment Trust (LAMIT) 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 England, Wales, Scotland and Northern Ireland.

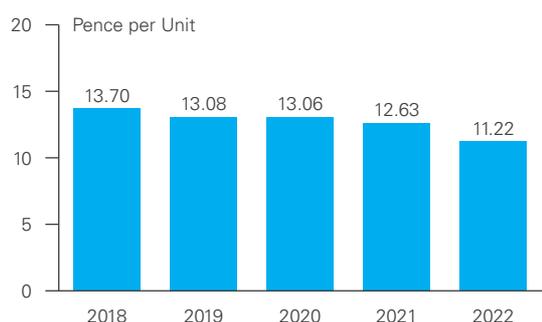
Income

Gross dividend yield	2.30%*
MSCI/AREF UK Other Balanced Quarterly Property Fund Index yield	2.75%**

* Based upon the net asset value and historic gross annual dividend of 8.3532p.

** As at 30 June 2022

Rolling 12 month distributions to 31st March:



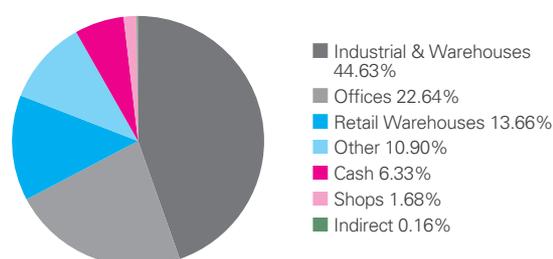
Fund update

UK commercial property continued to build on recent strong returns, although there were signs of headwinds developing which could slow the rate of progress in the coming period. Rising concerns about the outlook for the economy can be expected to feed through to demand for property, and the downward pressure on yields (upward pressure on prices) has started to ease across a range of sub-sectors. Competition to acquire properties when they come to market is starting to become less intense, not least because rising interest rates are reducing demand from debt-funded investors. Rental income flows were helped by the normalisation of terms for the majority of leases which had been under special arrangements during the pandemic. However rental growth, which at times can be a key driver of property returns, is scarce in most sub-sectors other than distribution warehouses. Over the quarter the Fund returned 6.07% compared with a return on the benchmark of 3.97%. Over the past 12 months the Fund returned 23.70% compared to the benchmark return of 22.72%. Relative performance was supported by the asset blend which favours industrial assets, with only a modest exposure to conventional shops and no holdings in shopping sectors.

The portfolio is actively managed at both the strategic and individual asset level in support of the objectives of providing a high income and capital appreciation over the long term. Currently there is a strong bias towards industrial assets and away from retail, where holdings are concentrated in the warehouse subsector and there is only a modest exposure elsewhere in the sector. There were no new purchases during the quarter, and one sale of offices premises at an out-of-town site in the southwest of England.

Investor interest in property as an asset class, not least because of its potential to provide attractive income at times of rising inflation, should continue to support total returns although both capital and income growth are likely to be slower than in recent periods. Within the portfolio the asset allocation remains broadly unchanged but such transactions as do occur will reflect our view of the prospects for individual properties as well as wider market factors, such as changes in the pattern of consumer behaviour and office use.

Asset allocation at 30 June 22



Discrete year total return performance

12 months to 30 June	2022	2021	2020	2019	2018
The Local Authorities' Property Fund	+23.70%	+11.73%	-3.47%	+5.46%	+9.36%
Comparator Benchmark	+22.72%	+8.49%	-2.48%	+4.05%	+10.23%

Annualised total return performance

Performance to 30 June 2022	1 year	3 years	5 years
The Local Authorities' Property Fund	+23.70%	+10.09%	+9.00%
Comparator Benchmark	+22.72%	+9.09%	+8.29%

Net performance shown after management fees and other expenses. Comparator Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Past performance is not a reliable indicator of future results. Source: CCLA

Top 10 property holdings at 30 June 22 – Total 33.73%

London, Beckton Retail Park	London, Kean Street
London, Palace House	Centennial Park, Elstree
London, Pickett's Lock	Bristol, Gallagher Retail Park
Leeds, 27 Industrial Estate	Coventry, Torrington Avenue
London, Goodman's Yard	Bracknell, Arlington Square West

Key facts

Fund size	£1,529
Number of holdings	76
	Income units
Offer (buying) price	387.73p (xd)
Net asset value	363.21p (xd)
Bid (selling) price	357.58p (xd)
Launch date	18 April 1972
Unit types	Income
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dealing day	Month end valuation date*
Sedol & ISIN numbers	0521664, GB0005216642
Dividend payment dates	End January, April, July & October
Annual management charge (taken 100% from income)	0.65%
Fund management fee (FMF)	0.72% **
PRIPs other ongoing costs	0.72% ***

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* Dealing instructions for the purchase of units must be received by 5.00pm on the business day preceding the valuation date. If the valuation date is a bank holiday, the dealing day will be the previous business day. Whilst units are realisable on each monthly dealing date, all redemption requests are subject to a minimum notice period of 90 calendar days and will therefore be processed on the next available dealing day following expiry of the notice period.

** 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.

*** The PRIPs other ongoing costs includes the FMF and where relevant, synthetic charges. Synthetic charges are the impact to the Fund of costs incurred in relevant underlying funds or similar investments. It does not include transaction costs. For more information on costs, including transaction costs, please refer to the Fund's Key Information Document.

Risk warning and disclosures

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. To ensure you understand whether our product is suitable, please read the Key Information Document and Scheme Information and the risk factors identified therein. We strongly recommend you seek independent professional advice prior to investing. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. Investment in the Fund is for Eligible Local Authorities only. The Fund is an unauthorised UK Alternative Investment Fund and 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 supplemental Trust Deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019. 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 Fund Managers Limited (registered in England & Wales No. 8735639 at Senator House, 85 Queen Victoria Street, London EC4V 4ET) is authorised and regulated by the Financial Conduct Authority and is the Manager of the Local Authorities' Property Fund. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.