The Local Authorities' Property Fund

Fund fact sheet – 30 September 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?

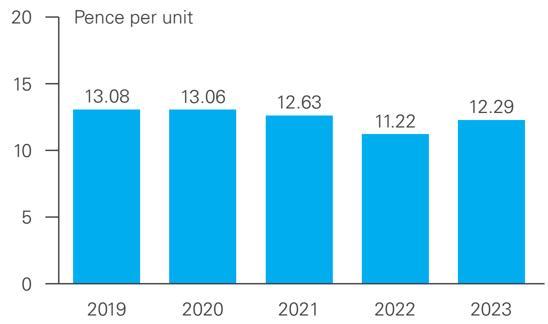
Any local authority in the United Kingdom.

Income

Gross dividend yield (see note 1)	4.66%
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 13.27 pence per unit.

12 month distributions to 31st March:



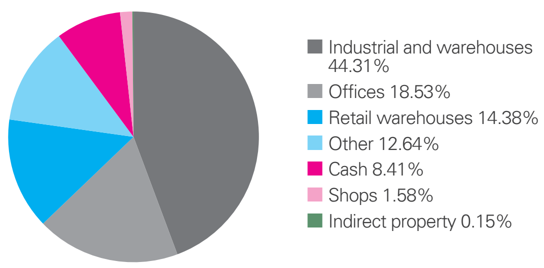
Fund update

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 have been 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. Markets also firmed up their expectations that interest rates would remain 'higher for longer'. This has kept capital values in the property market under pressure 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 +0.1% compared with a return on the comparator benchmark of -0.6%. Over the past 12 months the Fund returned -14.4% compared to the comparator benchmark return of -14.5%.

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 asset sales, an office property in Middlesex and shop premises in York, were completed during the quarter as part of our planned reshaping to reduce the Fund's exposure to more vulnerable sectors. Meanwhile several leases were entered into or renewed, supporting occupancy rates and helping to secure future income flows.

Valuations are likely to remain under pressure until investors are confident that the peak of the interest rate cycle has been reached. Even then, with property yields now enjoying a lower premium over the bond market, capital growth will be subdued. Income will therefore 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 30 September 23



Total return performance by year

12 months to 30 September	2019	2020	2021	2022	2023
The Local Authorities' Property Fund	+4.46%	-2.70%	+15.52%	+14.59%	-14.41%
Comparator benchmark	+2.82%	-2.75%	+12.94%	+13.30%	-14.52%

Annualised total return performance

Performance to 30 September 2023	1 year	3 years	5 years
The Local Authorities' Property Fund	-14.41%	+4.25%	+2.86%
Comparator benchmark	-14.52%	+3.03%	+1.81%

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 30 September 23 – Total 34.17%

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

Key facts

Manager	CCLA Fund Managers Limited
Investment Manager	CCLA Investment Management Limited
Fund size	£1,186m
Number of holdings	73
	Income units
Offer (buying) price	303.70 pence
Net asset value	284.50 pence
Bid (selling) price	280.09 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)
PRIIPs other ongoing costs	0.73% (see note 4)

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

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.

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