

The Local Authorities' Property Fund

Fund Profile – 31 December 2025

A unique, specialist property fund available only to local authority investors.

Price at 31.12.25

Net asset value

Income units 282.77p (xd)

Gross dividend yield 4.52%*

* Based upon the net asset value and historic gross annual dividend of 12.7851p.

Strong governance

The trustee is the Local Authorities' Mutual Investment Trust (LAMIT). LAMIT is 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 to represent unitholders. As fully independent trustee, LAMIT approves the investment strategy and the risk profile of the portfolio and reviews performance.

Meeting your needs

Suitable for local authorities, the Fund aims to provide a high level of income and long-term capital appreciation.

The Fund is designed to achieve long term capital growth and a rising income from investments in the UK commercial property sector.

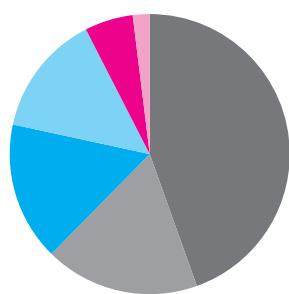
The portfolio of the Fund is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

The Fund has a broad sector spread, with prudent diversification to keep risks under control.

Sector strategy

Holdings in the Fund are categorised as Treasury investments and so are not deemed capital expenditure.

Asset allocation at 31 December 2025



Fund size: £1,042 million

Property portfolio details

Top 5 properties = 22.07% of the portfolio

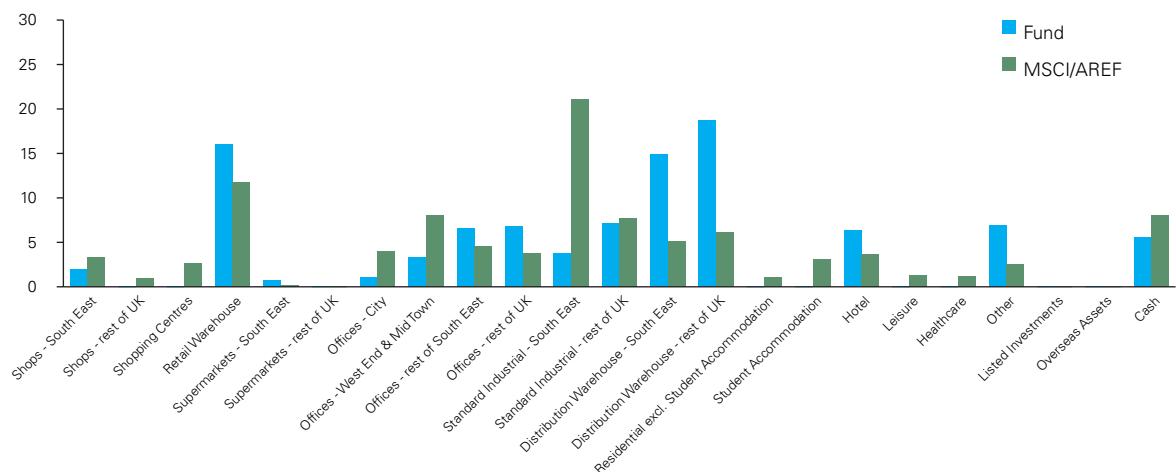
Top 5 tenants = 26.11% of rental income

Weighted unexpired lease term to first break 6.25 years

Void rate excluding developments in progress 13.6%

Void rate including developments in progress 16.6%

Asset allocation by region and category 31 December 2025



Fund data and MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index data as at 31 December 2025. Source: CCLA & MSCI/AREF

Top 10 property holdings at 31 December 2025 – Total 38.29%

London, Beckton Retail Park
London, Goodman's Yard
Leeds, 27 Industrial Estate
London, Kean Street
London, Palace House

Maidenhead Retail Park
Coventry, Torrington Avenue
Bristol, Gallagher Retail Park
London, Pickett's Lock
Bolton, Wingates

Market background

The fund returned an 1.05% for the quarter, versus its comparator benchmark's return of 0.44%. Income remained the main driver of returns, as capital growth flat-lined in 2025. The fund's income yield held steady in 2025, while income yields for its benchmark have fallen. The fund's high weighting in industrial warehouses was key to its outperformance. Occupier market fundamentals in this segment remained supportive, with attractive rental value growth on which the fund capitalised at lease events. Income remained the major component of returns, albeit with headwinds from office vacancies and, in retail, the risk of tenant failure. The economic backdrop continued to hold back capital growth. What modest growth there was, mostly came from rental value growth and property management (e.g. lease renewals). Market activity remained limited, not helped by the later-than-usual upcoming Autumn Budget. The spread in returns between sectors (offices, retail etc.) narrowed. Active management remained vital to control risks tied to individual properties, obsolescence risk and the divergence between prime and lower-quality assets.

Fund activity

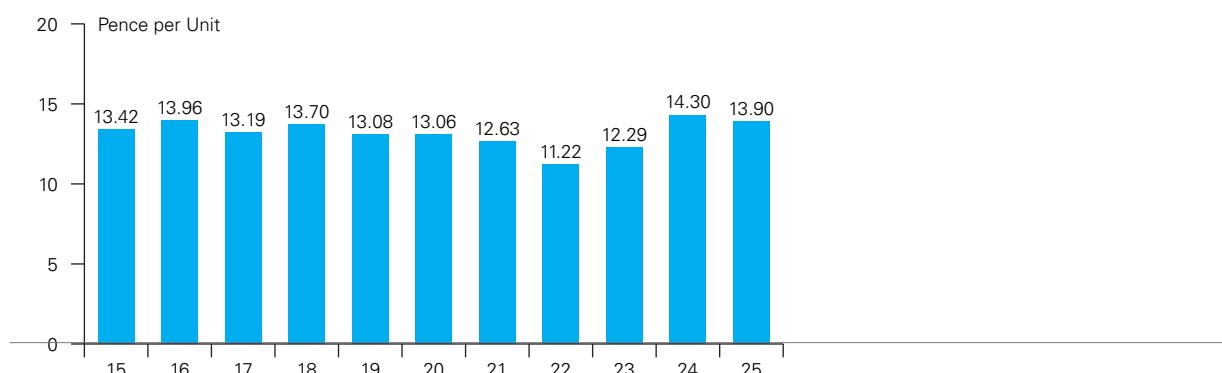
Asset management activity continued to be vital to protect the fund's income and grow its valuation. We sold a vacant office building in Maidenhead, a part-vacant office in Dartford, and two fully let retail units in Wakefield, all for higher prices than their valuations in the fund. We relet industrial and retail warehouses in Huntingdon and Beckton and renewed a lease on a retail warehouse unit in Maidenhead. We let the final remaining space in an office in the City of London. The only material new vacancy was a lease expiry on an office in Nottingham, which we plan to refurbish and re-let.

Outlook

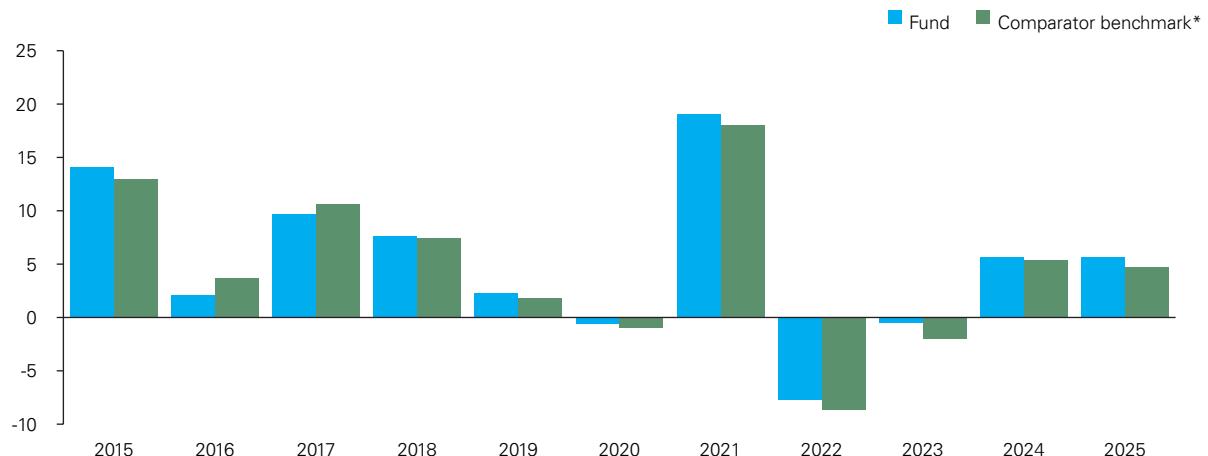
There has been scant market activity on which to base our 2026 outlook lately. In our analysis, however, property yields are near their peaks and stable. The Bank of England is cutting interest rates, but the uncertain economic backdrop continues to hold back a recovery in capital values, leaving investment yields 'higher for longer'. Investing for capital gain appears risky, and the subdued economic environment is leaving investors unmotivated. On the supply side, we continue to see a pricing gap between buyers and sellers, with a shortage of high-quality assets. Our 2026 outlook is for returns to improve somewhat, but for income to continue to dominate, with delayed yield compression and a scaling back of expected rental growth.

Dividend history of the Local Authorities' Property Fund

Years to 31 March



Calendar performance versus the comparator benchmark (net)



* The comparator benchmark is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

Net performance shown after management fees and other expenses. Past performance is not a reliable indicator of future results and future returns are not guaranteed.

Source: CCLA & MSCI/AREF

Note: Fund calendar performance refers to total return whereas investment returns (shown below) splits the total return between income and capital. A small difference arises as a result of the compounding on the income and capital components.

The Local Authorities' Property Fund investment returns (after expenses)



MSCI/AREF UK Annual Property Digest returns (before expenses)



Source: CCLA & MSCI/AREF

Income from Property and the Fund has been consistent even in downturns, a reflection of its contractual basis.

Long-term performance

Total return performance (net) 12 months to 31 December

	2025	2024	2023	2022	2021
The Local Authorities' Property Fund	+5.67%	+5.68%	-0.45%	-7.70%	+19.12%
Comparator Benchmark	+4.73%	+5.39%	-2.04%	-8.72%	+18.03%

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

Costs and charges

Our policy is always to keep costs and charges as low as possible. We believe that high costs and charges have a very damaging cumulative effect on investor returns. We negotiate to keep expenses low and monitor dealing costs closely. The Fund has no entry or exit fees and the only income taken by the manager is the annual management charge of 0.65%

Key facts

Dealing day	Month end valuation date*
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dividend payment dates	Last business day of January, April, July & October
Annual management charge	0.65% (deducted from income)
Unit types available	Income
Sedol number	0521664
ISIN number	GB0005216642

* Dealing instructions for the purchase of units must be received by 5.00pm on the business day preceding the valuation date. Whilst units are realisable 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.

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