

The Local Authorities' Property Fund

Fund Profile – 30 June 2025

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

Price at 30.06.25

Income units
Gross dividend yield

Net asset value

282.80p (xd)
4.71% *

* Based upon the net asset value and historic gross annual dividend of 13.3156p.

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.

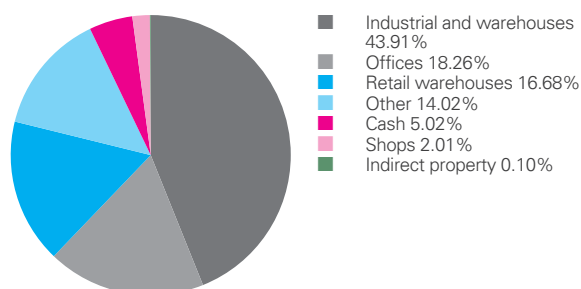
The portfolio of the Fund is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

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 30 June 2025



Fund size: £1,047 million

Property portfolio details

Top 5 properties = 21.31% of the portfolio

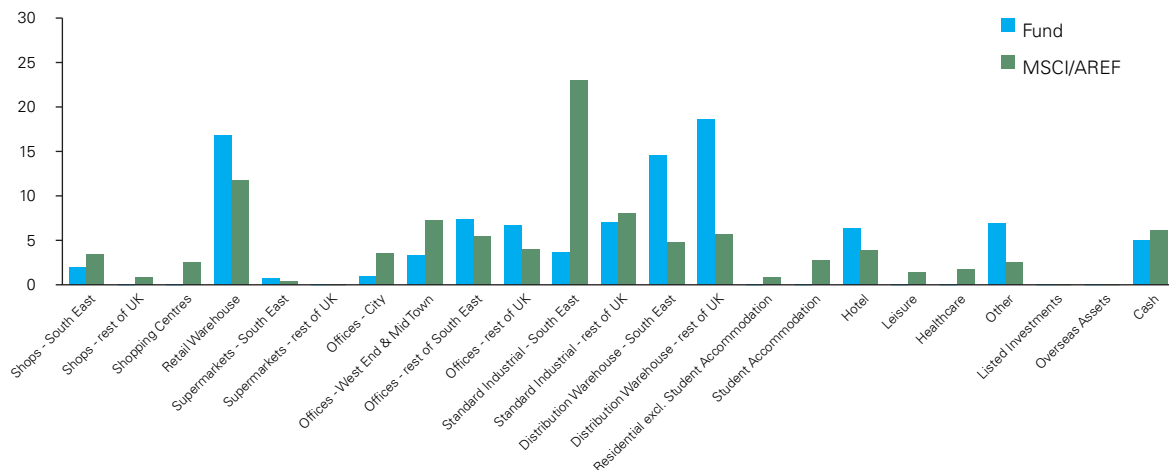
Top 5 tenants = 26.20% of rental income

Weighted unexpired lease term to first break years
6.4yrs

Void rate excluding developments in progress 10.74%

Void rate including developments in progress 16.85%

Asset allocation by region and category 30 June 2025



Fund data and MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index data as at 30 June 2025. Source: CCLA & MSCI/AREF

Top 10 property holdings at 30 June 2025 – Total 37.27%

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

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

Market background

The fund returned 1.28% in the second quarter, net of fees, versus its comparator benchmark's return of 1.57%. In the 12 months to 30 June, the fund returned 7.59% and its comparator benchmark a 6.77%. President Trump's tariffs heightened uncertainty, which held back property investment and capital values. As a result, income (rents) continued to dominate returns. Market fundamentals for tenants continued to support attractive rental growth. By sector, industrial units and retail parks performed well, and shops provided high yields. Offices remained the main drag on returns. The fund performed in line with its benchmark. We made some valuation gains from how we managed the fund's properties during the quarter, but rental values rose for fewer properties than in the first quarter and some new vacancies arose.

Fund activity

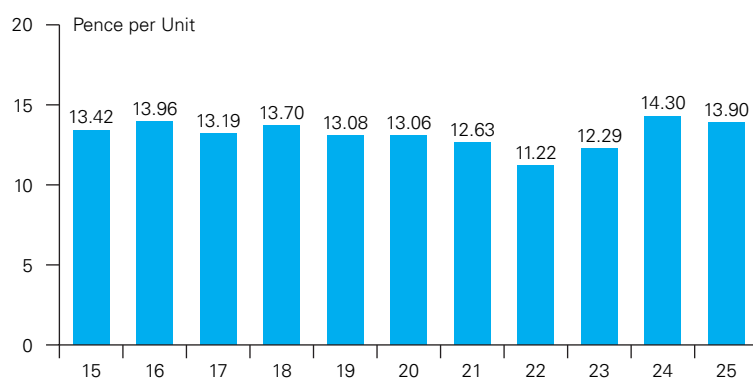
We sold a retail warehouse in Cheltenham for 8% more than its last valuation. We concluded new leases on industrial units in Enfield and Warrington, on the third floor at Imperial House, London, and at Beckton Retail Park. We completed a reversionary lease on a retail warehouse in Southampton, extending the term. Three office rent reviews achieved rental increases, notably at Park Row in Leeds. Hobbycraft, a tenant at Maidenhead and Wincheap retail parks, entered into a company voluntary arrangement, which reduced its rent.

Outlook

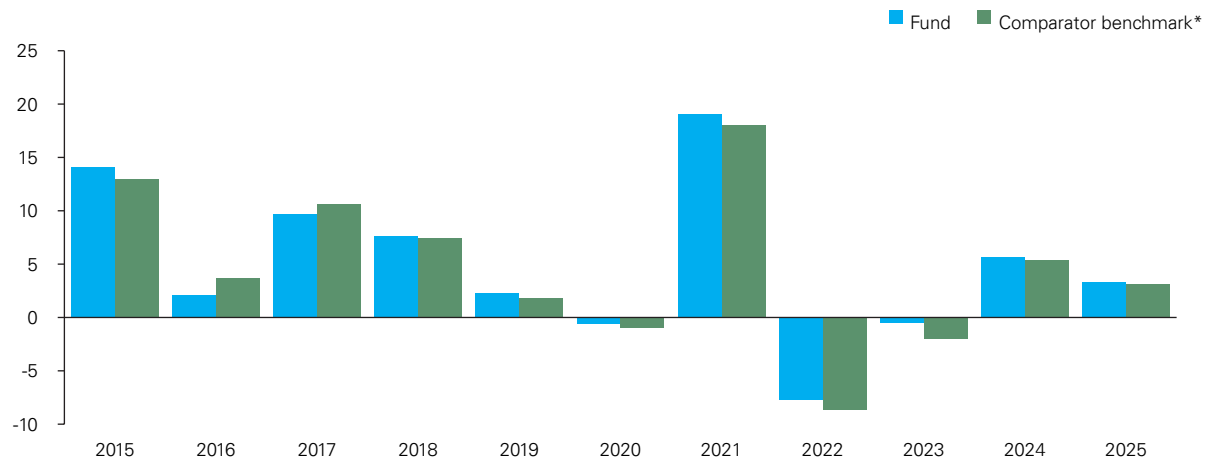
We expect income to remain dominant. But income from prime assets versus lower-quality assets differs significantly, and active management remains vital across the portfolio. Capital values have remained stable this year, a good result given international volatility, but we expect values to pick up. Transaction volumes and the pace of interest rate cuts will be key for sentiment. Rental growth expectations and how much income yields might compress are the main risks to our outlook.

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.

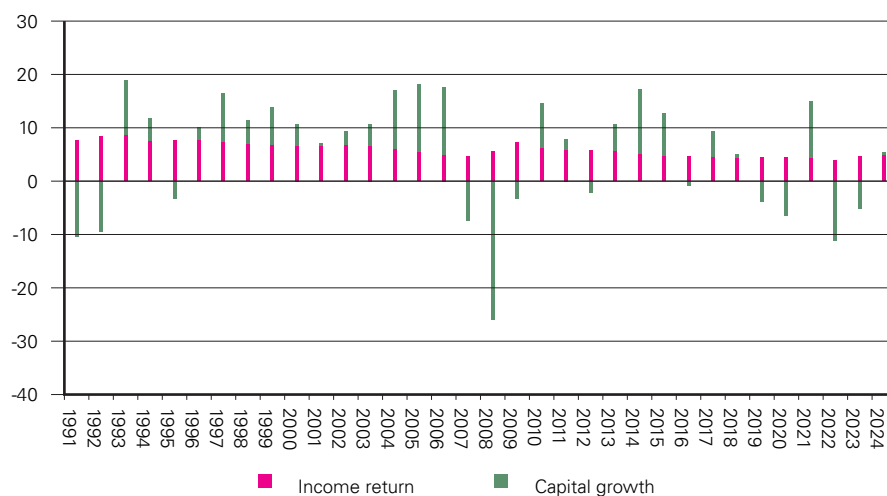
Source: CCLA & MSCI/AREF

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 30 June

	2025	2024	2023	2022	2021
The Local Authorities' Property Fund	+7.59%	+0.90%	-17.39%	+23.70%	+11.73%
Comparator Benchmark	+6.77%	-0.42%	-17.14%	+22.72%	+8.49%

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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