

The Local Authorities' Property Fund

Fund Profile – 30 June 2024

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

Price at 30.06.24

Income units
Gross dividend yield

Net asset value

275.65p (xd)
3.97%*

* Based upon the net asset value and historic gross annual dividend of 10.9507p.

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.

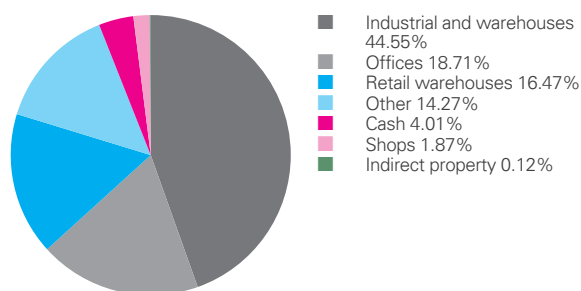
The portfolio of the Fund is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

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 2024



Property portfolio details

Top 5 properties = 21.20% of the portfolio

Top 5 tenants = 22.72% of rental income

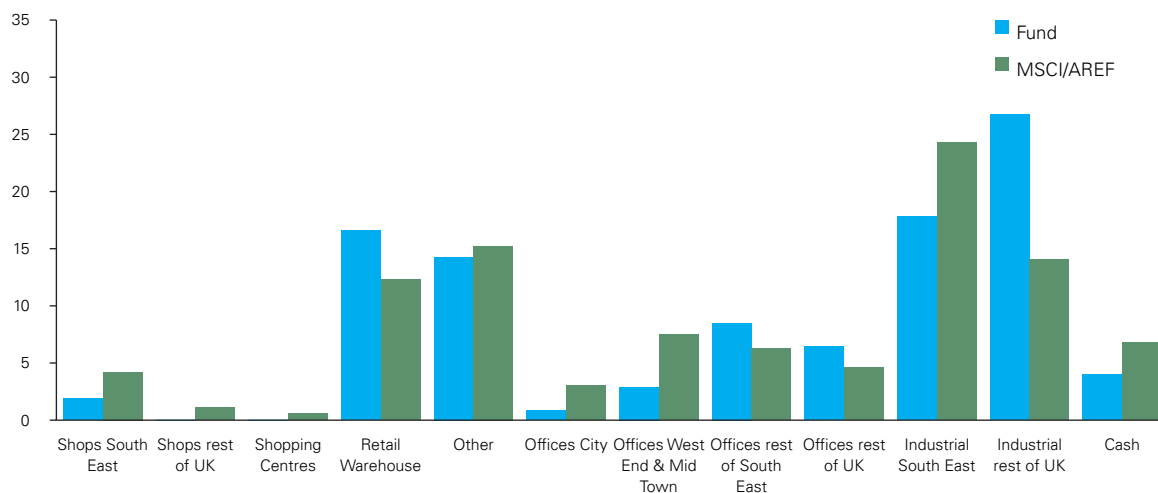
Weighted unexpired lease term to first break years 6.5 yrs

Void rate excluding developments in progress 10.7%

Void rate including developments in progress 13.8%

Fund size: £1,031 million

Asset allocation by region and category 30 June 2024



Fund data and MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index data as at 30 June 2024. Source: CCLA & MSCI/AREF

Top 10 property holdings at 30 June 2024 – Total 35.72%

London, Beckton Retail Park
 London, Goodman's Yard
 Leeds, 27 Industrial Estate
 London, Cathedral Street
 Bristol, Gallagher Retail Park

London, Pickett's Lock
 Coventry, Torrington Avenue
 London, Imperial House
 Bolton, Great Bank Road
 Huntingdon, DHL Cardinal

Market background

Occupier and rental markets in most sectors have remained competitive, supporting the income flows which make up a sizeable part of long term total returns to property investors. Capital markets are still subdued, however. Transaction volumes, despite rising slightly in the latest quarter, remain well below the long-term average and both prospective buyers and sellers have been in a cautious mood. Offices are still 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 +0.9% compared with a return on the comparator benchmark of +1.2%. Over the past 12 months the Fund returned +0.9% compared to the comparator benchmark return of -0.4%.

Fund activity

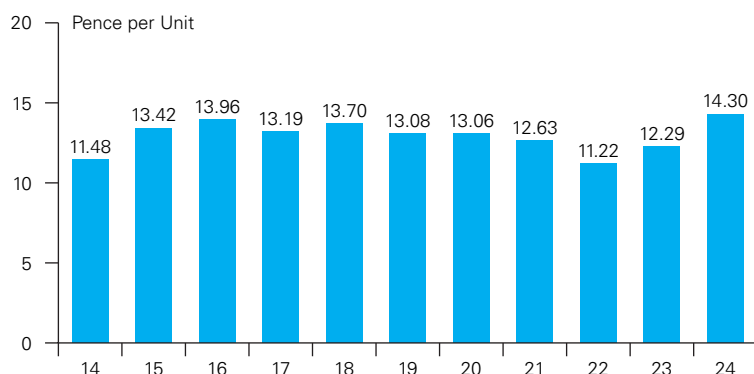
The portfolio is managed actively with the aim of providing a high income and long term capital appreciation. There were no sales or purchases during the quarter but it was a busy period for leasing and development activity. Income ceasing as a result of lease expiries was replaced by two new lettings, a lease renewal, and five rent reviews, including three which are linked to retail price inflation (RPI). Refurbishment is underway at two industrial warehouse for which there is letting interest in the premises prior to completion.

Outlook

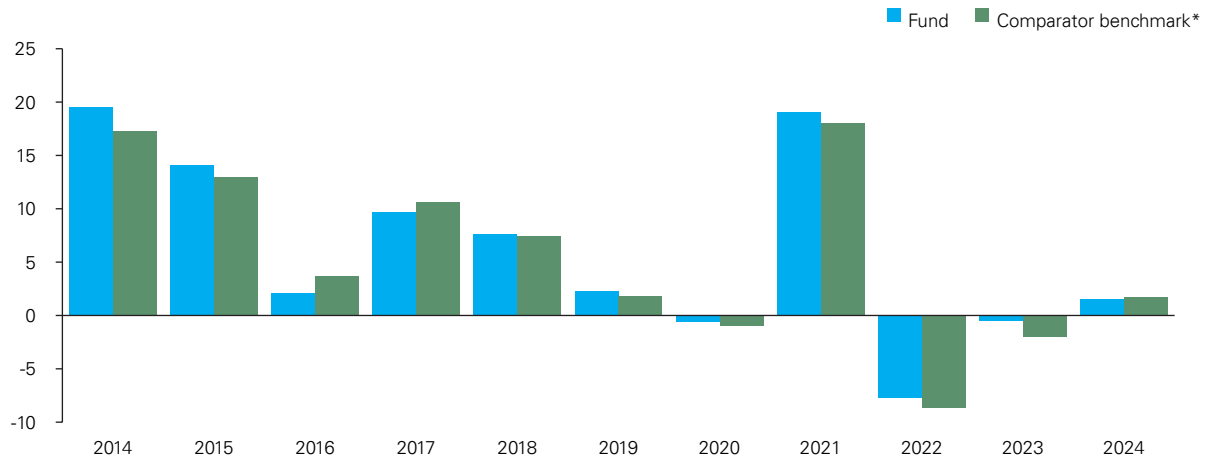
Buyer interest, notably from overseas investors, is finally beginning to recover. Nevertheless valuations are likely to remain under pressure until bond yields fall significantly – this will restore some of the yield premium necessary to attract larger volumes of investors back to the market. In the meantime, income will be the key driver of property returns. Investors in office space face particular challenges and active, selective management will be especially important in this sector.

Dividend history of the Local Authorities' Property Fund

Years to 31 March



Calendar performance versus the comparator benchmark (net)



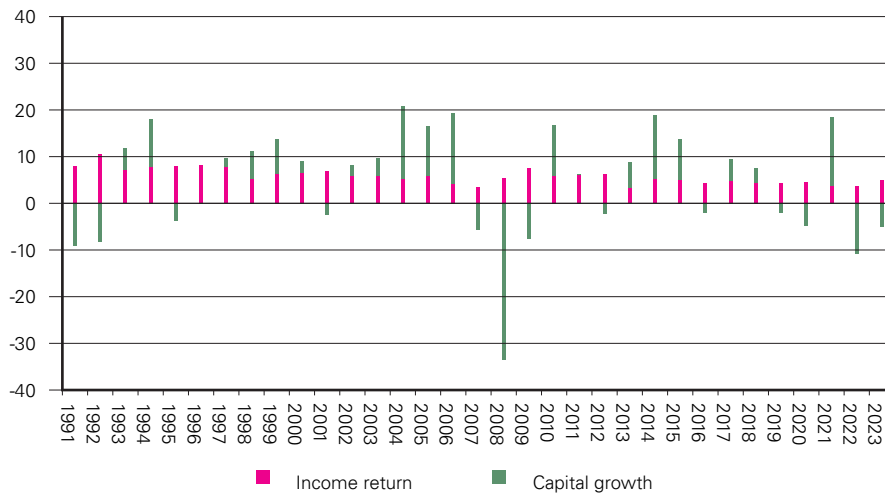
* The comparator benchmark is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

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.

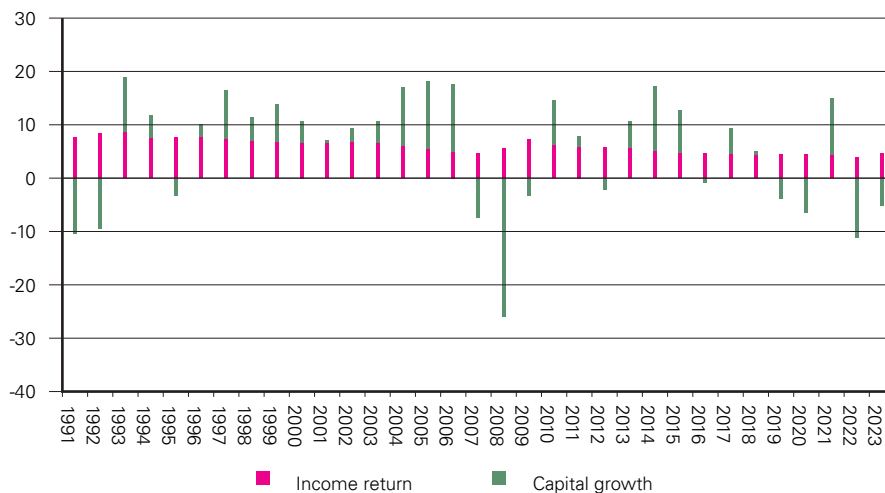
Source: CCLA & MSCI/AREF

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

	2024	2023	2022	2021	2020
The Local Authorities' Property Fund	+0.90%	-17.39%	+23.70%	+11.73%	-3.47%
Comparator Benchmark	-0.42%	-17.14%	+22.72%	+8.49%	-2.48%

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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