

The Local Authorities' Property Fund

Fund Fact Sheet – 30 June 2019

Investment objective

The Fund aims to provide investors with 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.

Suitability

The Fund is suitable for the long-term funds of any local authority seeking exposure to UK commercial property.

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 and investors in the Fund.

Who can invest?

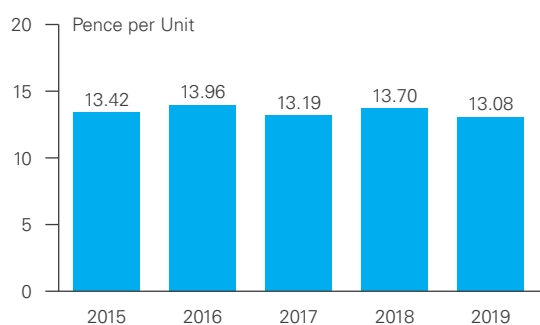
Any local authority in England, Wales, Scotland and Northern Ireland.

Income

Gross dividend yield	4.22%*
MSCI/AREF UK Other Balanced Quarterly Property Fund Index yield	3.61%
Official Bank Rate	0.75%

* Based upon the net asset value and historic gross annual dividend of 12.9425p.

Rolling 12 month distributions to 31st March:

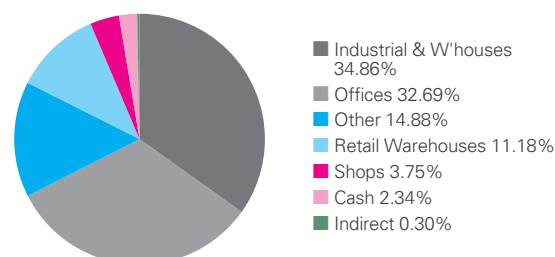


Fund update

The prime focus of the investment strategy is on asset selection and management. We try to identify assets which, through active management of the structure, lease or tenant can make a meaningful contribution to returns over time. This approach is supported by an active approach to portfolio structure, aligning the sub-sector exposures to those parts of the sector which we expect to provide the most supportive environment in the period ahead. Currently the portfolio has a relatively high weighting to offices and industrial assets and a low exposure to traditional shops and no exposure to shopping centres.

Cash flows into the Fund have continued at a high level, just under £30m was received in the quarter. There were two significant additions to the property portfolio; the first was an office in the increasingly popular 'Borough' area south of London Bridge, the second was a large supermarket in Reading, let to Sainsburys on a long lease. The total cost of the two acquisitions was just under £60m. There was one sale, of a development site in Glasgow at a price substantially above book cost. The major lease event was the replacement of Homebase at a large retail warehouse in Nottingham. The new tenant is Syntner. A refurbishment project began in Bracknell at one of the assets on the Arena development. At the end of the period, the void rate was 7.2% of which 4.3% was empty due to refurbishment activity.

Asset allocation at 30 June 19



The Fund has credit facilities which, at quarter end, were not utilised.

Discrete year total return performance (net)

12 months to 30 June	2019	2018	2017	2016	2015
The Local Authorities' Property Fund	+5.46%	+9.36%	+7.24%	+5.85%	+16.43%
Benchmark	+4.05%	+10.23%	+5.67%	+8.85%	+15.89%

Annualised total return performance (net)

Performance to 30 June 2019	1 year	3 years	5 years
The Local Authorities' Property Fund	+5.46%	+7.34%	+8.80%
Benchmark	+4.05%	+6.62%	+8.86%

Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Net performance shown after management fees and other expenses. Past performance is no guarantee of future returns. Source: CCLA

Top ten property holdings at 30 June 19 – total 35.28%

London, Beckton Retail Park	Elstree, Centennial Park
London, Kingsway	Leeds, Park Row
London, Palace House	Bracknell, The Arena
London, Goodman's Yard	Coventry, Torrington Avenue
London, Stockley Park, Longwalk	Brighton, West Street

Key facts

Total fund size	£1178m
Current borrowing	£0m
Number of holdings	75

Income units

Offer (buying) price	327.66p (xd)
Net asset value	306.94p (xd)
Bid (selling) price	302.19p (xd)
Launch date	18 April 1972
Unit types	Income
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dealing day	Month end valuation day*
Sedol & ISIN numbers	0521664, GB0005216642
Dividend payment dates	End January, April, July & October
Annual management charge (taken 100% from income)	0.65%

* Instructions for the issue or redemption of units must be received by CCLA no later than 5pm on the business day prior to the Valuation Date. If the valuation day is a bank holiday, the dealing day will be the previous working day. Units are only realisable on each monthly dealing date and redemptions may not be readily realisable; a period of notice not exceeding six months may be imposed for the redemption of units.

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 Scheme Particulars 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. Holders of the Fund are not covered by the Financial Services Compensation Scheme (FSCS). The Fund is an unauthorised 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 a supplemental Trust Deed dated 13 September 1978. 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. The company 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>.
