

The Local Authorities' Property Fund

Fund Fact Sheet – 30 September 2018

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?

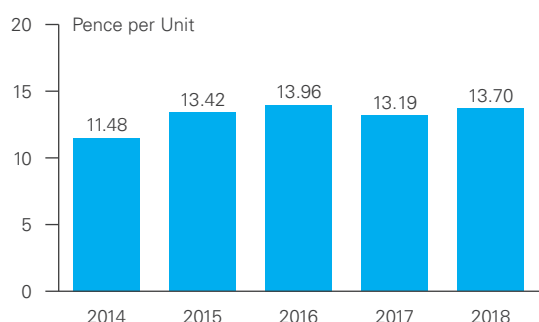
Any local authority in England, Wales, Scotland and Northern Ireland.

Income

Gross dividend yield	4.27%*
AREF/IPD™ Other Balanced Property Fund	
Index yield	3.52%
Official Bank Rate	0.75%

* Based upon the net asset value and historic gross annual dividend of 12.9575p. Distribution for the most recent quarter has been estimated.

Rolling 12 month distributions to 31st March:



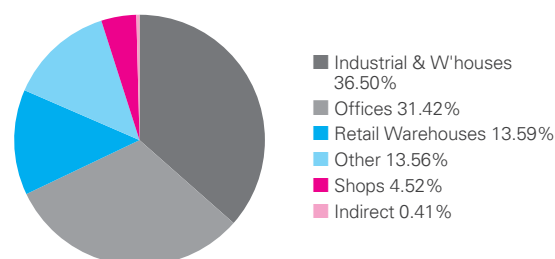
Fund update

The prime focus of our investment strategy is on asset selection and management. We try to identify assets which, through active management, can make a significant contribution to total returns and to the income payment to investors. We also bias the sub-sector weightings to reflect our view of their relative attractiveness. At present, this means a relatively high weighting to industrial and office assets and a relatively low weighting to retail, with no shopping centre or supermarket holdings.

The Fund continued to receive capital inflows over the period. Six assets were acquired, a portfolio of four car dealerships in greater London, two industrial sites in Peterborough and a multi-let industrial estate in Enfield. Total purchase costs were £88m, expenditure which takes the Fund to a fully invested position. No sales were completed but disposals are progressing and are likely to complete before the end of the year. Near term, the void rate is likely to edge higher to 8.8%, but new lettings currently being progressed should bring the total down in the fourth quarter.

The Fund is not materially affected by the current spate of store closures and CVA issuance. Similarly, exposure to standard retail units is low at 2.6%, excluding outlets associated with central London office buildings.

Asset allocation at 30 September 2018



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

Discrete year total return performance (net)

12 months to 30 September	2018	2017	2016	2015	2014
The Local Authorities' Property Fund†	+7.61%	+9.36%	+2.93%	+15.25%	+20.23%
Benchmark	+9.47%	+9.47%	+4.31%	+14.78%	+17.27%

Annualised total return performance (net)

Performance to 30 September 2018	1 year	3 years	5 years
The Local Authorities' Property Fund†	+7.61%	+6.60%	+10.91%
Benchmark	+9.47%	+7.72%	+10.97%

Benchmark – AREF/IPD™ Other Balanced Property Fund Index. Net performance shown after management fees and other expenses. Past performance is no guarantee of future returns. †Distribution for the most recent quarter has been estimated. Source: CCLA

Top ten property holdings – total 35.25%

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

Key facts

Total fund size	£1048m
Current borrowing	£0m
Number of holdings	71

Income units

Offer (buying) price	324.17p (xd)
Net asset value	303.67p (xd)
Bid (selling) price	298.97p (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.

Tax reclaims should be addressed to: Glynis Free, Specialist Repayment Team 7 South, Ty - Glas, Cardiff, CF14 8HR.
Telephone 03000 580618, 9.30am - 1pm.

Risk Warning

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. CCLA have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Fund Factsheet document and the Scheme Particulars. We strongly recommend you seek independent professional advice prior to investing. Investors should consider the following risk factors identified as specific to the Fund before investing: Counterparty/Tenant/Credit Risk (financial institution/tenants may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Expiry/Maturity Profile (timing of maturity of tenancies), Liquidity Risk (investment in non-readily realisable assets), Interest Rate risk (changes to interest rate affecting income), Concentration Risk (need for diversification and suitability of investment), Business Risk (possibility of lower than anticipated profits). Please see the Fund Scheme Particulars for further details.

Disclosure

Investment in the Fund is for Eligible Local Authorities only. Past performance is not an indicator of future performance. 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. Investments in the Fund and the Fund itself are not covered by the Financial Services Compensation Scheme (FSCS). However, the Manager may pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund. The Fund is an 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. CCLA Fund Managers Limited (registered in England No. 8735639 at the office below) 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>.