

# The Local Authorities' Property Fund

## Fund Fact Sheet – 30 September 2016

### 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 appointees of 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?

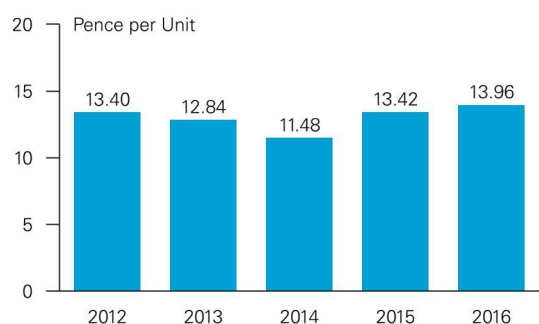
Any local authority in England, Wales, Scotland and Northern Ireland.

### Income

Gross dividend yield	4.89%*
AREF/IPD™ Other Balanced Property	3.96%
Fund Index yield	
Official Bank Rate	0.25%

\* Based upon the net asset value and historic gross annual dividend of 13.8136p.

### Past distributions



### Unique accounting advantages

Unlike other property fund investments or even direct property purchases, investment in the Fund does not count as capital expenditure for English or Scottish local authorities. Dividends are treated as revenue but the General Fund is protected from fluctuations in the unit price. The investment is treated as an available for sale financial asset.

### Fund update

Transaction volumes declined in the quarter as a number of investors pulled back from the market in the aftermath of the Brexit decision. This exacerbated the normal summer lull in trading. Valuations declined but were influenced more by valuer caution than any significant increase in selling pressure. In terms of office properties, the City of London and, more broadly, the south east were the areas where values were most questioned. In contrast, industrial properties remained well sought after. Occupier trends continued to strengthen although expectations for the rate of rental growth over the next year have been reduced.

The Fund continued to experience cash inflows over the quarter. One asset was added to the portfolio; an industrial estate in North West London. Negotiations are advanced for another industrial asset, this time in the Midlands.

### Asset allocation



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## Discrete year total return performance (net)

12 months to 30 September	2016	2015	2014	2013	2012
The Local Authorities' Property Fund	+2.9%	+15.2%	+20.1%	+4.8%	+4.7%
Benchmark	+4.3%	+14.8%	+17.3%	+3.9%	+2.1%

## Annualised total return performance (net)

Performance to 30 September 2016	1 year	3 years	5 years
The Local Authorities' Property Fund	+2.9%	+12.5%	+9.3%
Benchmark	+4.3%	+12.0%	+8.3%

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. Source: CCLA

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## Top ten property holdings – total 45.1%

London, Stockley Park, Longwalk	Coventry, Torrington Avenue
London, Kingsway	Cambridge, Science Park
Bracknell, The Arena	London, Fenchurch Street
London, Beckton Retail Park	Edinburgh, Lochside Avenue
Bristol, Gallagher Retail Park	Nottingham, Queens Drive

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## Key facts

Total fund size	£623m
Current borrowing	£0m
Number of holdings	48

### Income units

Offer (buying) price	301.38p (xd)
Net asset value	282.32p (xd)
Bid (selling) price	277.95p (xd)
Bid/offer spread	8.3%

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.

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## CCLA FUND MANAGERS LTD

### Income payments are now made gross of tax.

Any outstanding historic tax reclaims should be addressed to:  
Glynis Free  
Specialist Repayment Team  
7 South  
Ty - Glas  
Cardiff CF14 8HR  
Telephone 03000 580618 9.30am - 1pm

### Senator House

85 Queen Victoria Street  
London EC4V 4ET

Client Service

Freephone: 0800 022 3505

clientservices@ccla.co.uk

www.ccla.co.uk

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## Important Information

Investors are not certain to make profits; losses may be made. 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.

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 above) is authorised and regulated by the Financial Conduct Authority (FCA) and is the manager of the Local Authorities' Property Fund.