

The Local Authorities' Property Fund

Fund Fact Sheet – 31 March 2021

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.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trusts, regulated or unregulated investment funds, and loan notes.

Target investors

The Fund is aimed at local authorities seeking exposure to UK commercial property for their long-term investments.

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.

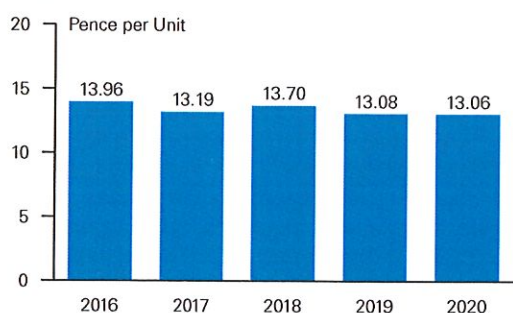
Income

Gross dividend yield	4.30%*
MSCI/AREF UK Other Balanced Quarterly Property Fund Index yield	3.31%**
Official Bank Rate	0.10%

* Based upon the net asset value and historic gross annual dividend of 12.6291p.

** As at 31 March 2021

Rolling 12 month distributions to 31st March:



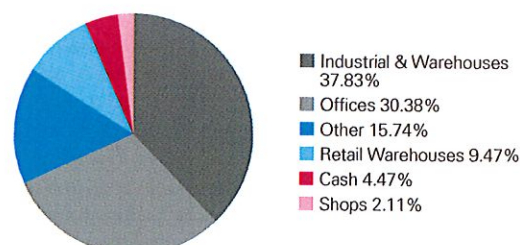
Fund update

The trends which dominated the sector in 2020 remained the most important influences on returns in the first quarter. Industrial assets continued to be well supported but values weakened again in retail sub-sectors with both capital values and rents under pressure. The one bright spot here were retail warehouses, supported by resilient demand for bulk goods and 'change of use' interest in sector assets from companies seeking local distribution hubs. Offices were mixed, regional prices held up well but yields in central London edged higher on concerns over the potential impact on demand from changes in working practices. Overall capital values were steady, continuing the improvement which began towards the end of 2020.

It was another busy quarter for the Fund, maintaining a programme of client contact, a key part of the strategy to protect income. There was just one transaction, the industrial asset in Warrington was sold, achieving a price far above the most recent valuation. Lease management activity on the office asset in Crawley saw the entire building let to Rentokil on a new 10 year lease. Also, a new 15-year lease was agreed with Homebase for the retail warehouse in Cheltenham.

Overall, we expect the steady trend in capital values to be maintained but, within that, the wide dispersion of performances at the sub-sector level will continue. Void rates for traditional high street shops and shopping centres are likely to rise further even though the sector can now open again for trading. We do not expect much change in office valuations but the trend evident in recent years, of a migration towards well located, good quality assets, is likely to continue. The portfolio remains well placed in the current environment, both at the strategic level and with regard to some attractive individual asset opportunities.

Asset allocation at 31 March 21



Fund has no credit facilities.

Discrete year total return performance

12 months to 31 March	2021	2020	2019	2018	2017
The Local Authorities' Property Fund	+3.75%	+0.66%	+5.99%	+9.72%	+3.07%
Comparator Benchmark	+2.46%	+0.12%	+5.69%	+10.46%	+4.58%

Annualised total return performance

Performance to 31 March 2021	1 year	3 years	5 years
The Local Authorities' Property Fund	+3.75%	+3.45%	+4.59%
Comparator Benchmark	+2.46%	+2.73%	+4.60%

Net performance shown after management fees and other expenses. Comparator Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Past performance is not a reliable indicator of future results. Source: CCLA

Top 10 property holdings at 31 March 21 – Total 33.82%

London, Beckton Retail Park	Bracknell, Arlington Square West
London, Palace House	Uxbridge, Stockley Park
London, Goodman's Yard	Bristol, Kings Orchard
London, Imperial House	Cambridge, Cambridge Science Park
Elstree, Centennial Park	Leeds, Park Row

Key facts

Total fund size	£1203
Current borrowing	£0m
Number of holdings	77

Income units

Offer (buying) price	313.45p (xd)
Net asset value	293.63p (xd)
Bid (selling) price	289.08p (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%
Fund management fee (FMF)	1.11% **
PRIPs other ongoing costs	1.11% ***

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* Dealing instructions for the purchase of units must be received by 5.00pm on the business day preceding the valuation date. If the valuation date is a bank holiday, the dealing day will be the previous working day. Whilst units are realisable on each monthly dealing date, all redemption requests are subject to a minimum notice period of 90 calendar days and will therefore be processed on the next available dealing day following expiry of the notice period.

** The FMF includes the Annual management charge and other costs and expenses of operating and administering the fund such as depositary, custody, audit and regulatory fees.

*** The PRIPs other ongoing costs includes the FMF and where relevant, synthetic charges. Synthetic charges are the impact to the Fund of costs incurred in relevant underlying funds or similar investments. For more information on costs, refer to the Fund's Key Information Document.

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 Information 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 supplemental Trust Deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019. 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>.

The Local Authorities' Property Fund

Fund Profile – 31 March 2021

A unique, specialist Property Fund available only to Local Authority Investors.

Price at 31.03.21

Income units
Gross dividend yield

Net asset value

293.63p (xd)
4.30%*

* Based upon the net asset value and historic gross annual dividend of 12.6291p.

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 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 investors with a high level of income and long-term capital appreciation.

The Property Fund is designed to achieve long term capital growth and a rising income from investments in the UK commercial property sector.

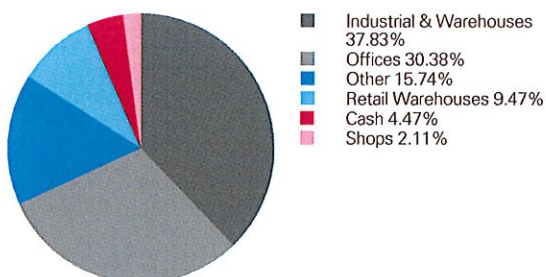
The portfolio is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

The Fund has a broad sector spread, with prudent diversification to keep risks under control.

Sector strategy

Holdings in LAPF are categorised as Treasury investments and so are not deemed capital expenditure.

Asset allocation at 31 March 2021



Fund has no credit facilities.

Fund size: £1,203 million

Property portfolio details

Top 5 properties = 19.7% of the portfolio

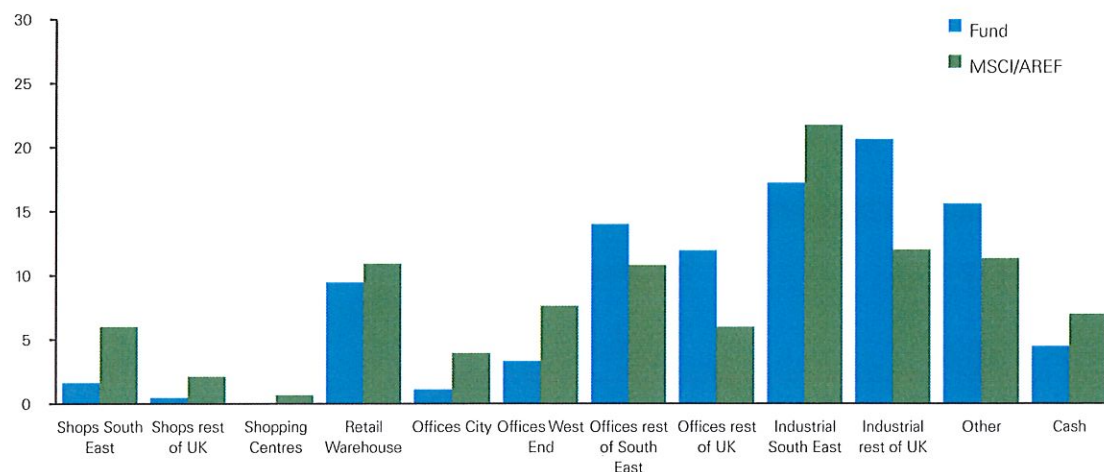
Top 5 tenants = 18.2% of rental income

Weighted unexpired lease term years 6.6 yrs

Void rate excluding developments in progress 9.7%

Void rate including developments in progress 10.2%

Asset allocation by region and category 31 March 2021



Fund Data and MSCI/AREF UK Other Balanced Quarterly Property Fund Index data as at 31 March 2021. Source: CCLA & AREF/IPD™

Top 10 property holdings at 31 March 2021 – Total 33.82%

London, Beckton Retail Park
 London, Palace House
 London, Goodman's Yard
 London, Imperial House
 Elstree, Centennial Park

Bracknell, Arlington Square West
 Uxbridge, Stockley Park
 Bristol, Kings Orchard
 Cambridge, Cambridge Science Park
 Leeds, Park Row

Market Background

The trends which dominated the sector in 2020 remained the most important influences on returns in the first quarter. Industrial assets continued to be well supported but values weakened again in retail sub-sectors with both capital values and rents under pressure. The one bright spot here were retail warehouses, supported by resilient demand for bulk goods and 'change of use' interest in sector assets from companies seeking local distribution hubs. Offices were mixed, regional prices held up well but yields in central London edged higher on concerns over the potential impact on demand from changes in working practices. Overall capital values were steady, continuing the improvement which began towards the end of 2020.

Fund activity

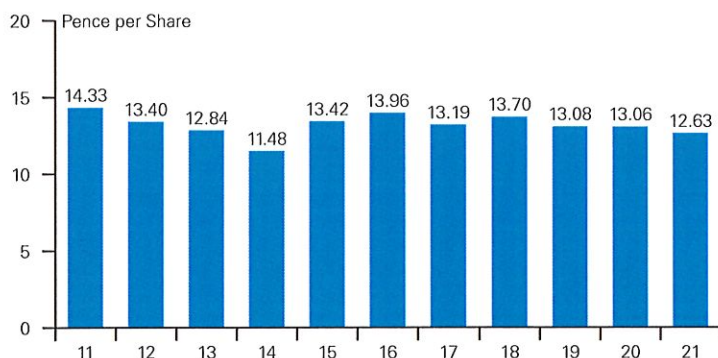
It was another busy quarter for the Fund, maintaining a programme of client contact, a key part of the strategy to protect income. There was just one transaction, the industrial asset in Warrington was sold, achieving a price far above the most recent valuation. Lease management activity on the office asset in Crawley saw the entire building let to Rentokil on a new 10 year lease. Also, a new 15-year lease was agreed with Homebase for the retail warehouse in Cheltenham.

Outlook

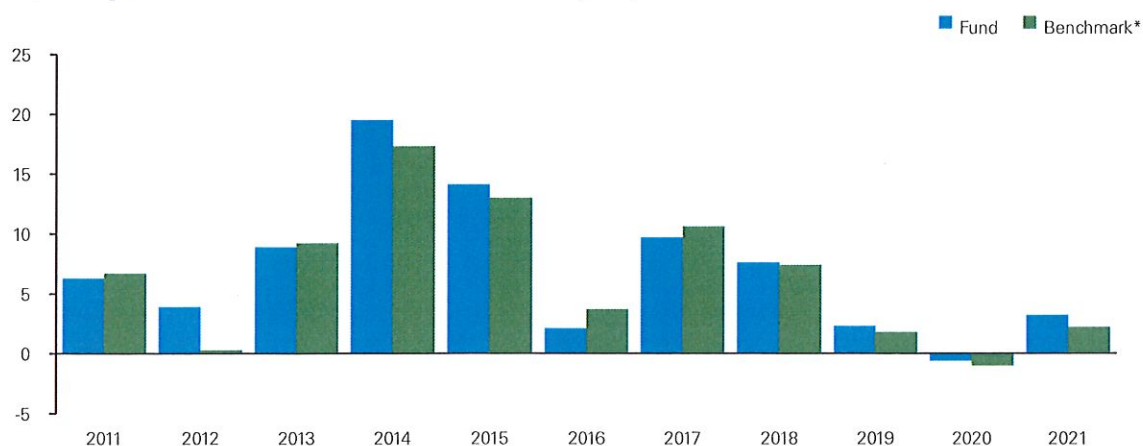
Overall, we expect the steady trend in capital values to be maintained but, within that, the wide dispersion of performances at the sub-sector level will continue. Void rates for traditional high street shops and shopping centres are likely to rise further even though the sector can now open again for trading. We do not expect much change in office valuations but the trend evident in recent years, of a migration towards well located, good quality assets, is likely to continue. The portfolio remains well placed in the current environment, both at the strategic level and with regard to some attractive individual asset opportunities.

Dividend history of The Local Authorities' Property Fund

Years to 31 March



Calendar performance versus the benchmark (net)

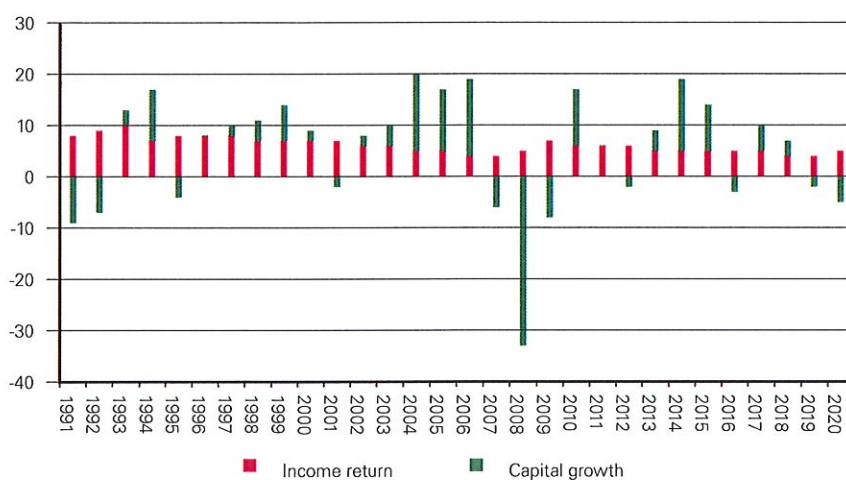


* The benchmark is the MSCI/AREF UK Other Balanced Quarterly Property Fund Index. Performance shown after management fees and other expenses. Past performance is not a reliable indicator of future results and future returns are not guaranteed.

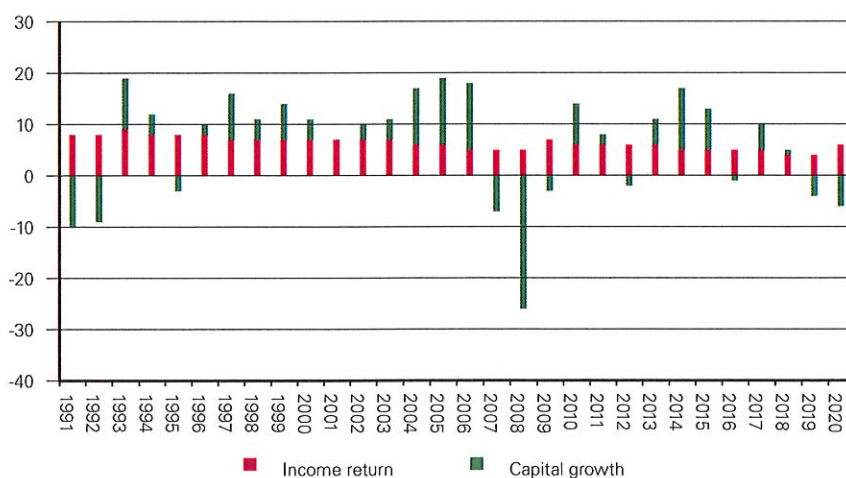
Source: CCLA & MSCI/AREF

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 31 March

	2021	2020	2019	2018	2017
The Local Authorities' Property Fund	+3.75%	+0.66%	+5.99%	+9.72%	+3.07%
Comparator Benchmark	+2.46%	+0.12%	+5.69%	+10.46%	+4.58%

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

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 low - 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. We have no entry or exit fees, the only income taken by the investment manager is the annual charge of 0.65%

Key facts

Dealing day	Month end valuation day*
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dividend payment dates	End January, April, July & October
Annual management charge	0.65% (deducted from income)
Unit types available	Income
Sedol number	0521664
ISIN number	GB0005216642

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The Local Authorities' Property Fund
Prices and Dividend Yields



End of	Apr-21	Mar-21	Feb-21	Jan-21	Dec-20	Nov-20	Oct-20	Sep-20	Aug-20	Jul-20	Jun-20	May-20
Offer Price p	314.43	313.45	311.36	307.64	306.91	303.10	302.33	302.56	301.67	302.10	303.14	305.90
Net Asset Value p	294.55	293.63	291.67	288.19	287.50	283.94	283.22	283.43	282.60	283.00	283.97	286.55
Bid Price p	289.98	289.08	287.15	283.72	283.05	279.54	278.83	279.04	278.22	278.61	279.57	282.11
Dividend on XD Date p		2.98			3.74			3.10			2.80	
Dividend - Last 12 Months p	12.63	12.63	12.90	12.90	12.90	12.37	12.37	12.37	12.72	12.72	12.72	13.06
Dividend Yield on NAV %	4.29	4.30	4.42	4.48	4.49	4.36	4.37	4.37	4.50	4.49	4.48	4.56
Fund Size £m	1211.6	1202.9	1194.9	1175.8	1172.6	1158.0	1155.0	1155.8	1152.4	1154.1	1158.0	1168.6

Risk Warning

Please remember that the value of units and the income from them can fall as well as rise and an investor may not get back the full amount invested. Past performance is no guarantee of future returns. The Property Fund's unit value will reflect fluctuations in property values and rents. The units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each month end valuation date and a period of notice may be imposed for the redemption of units.

Source: CCLA

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CCLA is Authorised & Regulated by the Financial Conduct Authority.

