

The Local Authorities' Property Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund provides facilities exclusively for local authorities to invest in commercial and industrial property on a collective basis, to obtain a spread of investment risk with constant expert property management. Its objective is to provide a satisfactory total capital and income return over the long term. The Fund's benchmark is the Other Balanced Fund component of the MSCI/AREF UK Quarterly Property Fund Index.

INVESTOR CONSTITUENCY

The Fund is open to investment only to Local Authorities' in England, Wales, Scotland, and Northern Ireland

Fund details	
Type of fund	Unregulated Collective Investment Scheme
Residence	United Kingdom
Launch date	Apr-72
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	31-Dec
NAV (GBPm)	1031.1

Source: CCLA Investment Management Limited

Note: Established under a scheme approved by HM Treasury under Section 11 of the Trustee Investments Act 1961

Management/professional advisors	
Operator	Local Authorities Mutual Investment Trust (LAMIT)
Manager & administrator	CCLA Fund Managers Limited
Fund Manager	Paul Hannam
Trustee	Local Authorities Mutual Investment Trust (LAMIT)
Auditors	PricewaterhouseCoopers LLP

Source: CCLA Investment Management Limited

	The Local Authorities' Property Fund	MSCI/AREF UK Quarterly Property Fund Index*		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	0.9	1.2	1.1	1.4
Year-to-date	1.5	1.7	1.7	1.7
12 months	0.9	-0.4	0.1	0.0
3 years+	1.0	0.4	0.6	0.0
5 years+	2.2	1.4	1.5	0.6
10 years+	5.4	5.1	4.8	4.0

Source: MSCI/AREF UK Quarterly Property Fund Index

Note: * Weighted average returns

Fund Restraints	
Property investment restrictions	
Maximum development exposure	n/a
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	n/a
Maximum lot-size holding permitted at purchase	n/a
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a
Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	n/a
Cash holdings (maximum)	n/a
Cash holdings (minimum)	n/a

Source: CCLA Investment Management Limited

	THE LOCAL AUTHORITIES' PROPERTY FUND +	MSCI/AREF UK Quarterly Property Fund Index**		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	1.9	4.2	3.7	3.4
Standard retail – Rest of UK	0.0	1.1	1.1	1.2
Supermarkets	0.8	0.7	1.1	1.7
Shopping centres	0.0	0.6	0.9	0.6

Retail warehouses	16.6	12.3	12.0	7.4
All UK retail	19.3	19.0	18.8	14.4
City offices	0.9	3.0	3.1	2.6
West End offices	2.9	7.5	6.6	4.8
Rest of South East offices	8.5	6.3	6.3	5.2
Rest of UK offices	6.5	4.6	4.0	4.4
All UK offices	18.7	21.4	20.0	17.0
South East industrial	5.2	19.2	20.1	18.0
Rest of UK industrial	5.1	7.7	7.2	6.5
South East Distribution Warehouse	14.3	5.1	5.4	4.1
Rest of UK Distribution Warehouse	19.9	6.4	6.3	5.3
All UK industrial	44.6	38.3	39.1	33.8
Residential excl Student Accomodation	0.0	0.5	1.3	2.4
Student Accomodation	0.0	2.8	3.3	10.7
Hotel	6.5	3.7	3.2	6.1
Leisure	0.0	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	7.0	3.8	3.2	4.1
Cash***	4.0	6.8	7.7	6.0
Overall	100.0	100.0	100.0	100.0

Source: CCLA Investment Management Limited

Note: +Including the fund's share of any properties held jointly or through indirect holdings

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	67	988.5	99.9
Joint and indirect holdings	1	1.3	0.1
Listed investments	0	0	0.0
Total	68	989.8	100.0

Source: CCLA Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
BECKTON RETAIL PARK	LONDON	Retail Park	61.5	6.2
GOODMANS YARD	LONDON	Hotel	42.5	4.3
3 CATHEDRAL STREET	LONDON	Office	37.0	3.7
LEEDS 27 INDUSTRIAL ESTATE	LEEDS	Industrial	35.8	3.6
IMPERIAL HOUSE, 8 KEAN STREET WC2	LONDON	Office	32.8	3.3
GALLAGHER RETAIL PARK	BRISTOL	Retail Park	32.4	3.3
5 PICKETT'S LOCK LANE	LONDON	Industrial	31.3	3.2
PEUGEOT PARTS DISTRIBUTION FACILITY	COVENTRY	Industrial	30.0	3.0
WINGATES INDUSTRIAL ESTATE	BOLTON	Industrial	28.7	2.9
3 CARDINAL DISTRIBUTION PARK, HUNTINGDON,	HUNTINGDON	Industrial	26.5	2.7
10 largest investments as % of portfolio			358.4	36.2

Source: CCLA Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	2	4.2	0.4
2.5 - 5	9	31.8	3.2
5-10	21	160.4	16.2
10-25	25	433.8	43.8
25 - 50	9	296.9	30.0
50 - 100	1	61.5	6.2
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	67	988.5	99.9
Average lot size		14.8	

Source: CCLA Investment Management Limited

Property Yield		Voids as % of ERV	
Net initial yield	5.32%	Investments	10.69%
Nominal equivalent yield	6.78%	Developments	3.16%
True equivalent yield	7.07%	Total	13.84%
Net reversionary yield	6.49%		

Source: CCLA Investment Management Limited

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
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Standard retail	2.5	1.9
Retail warehousing	15.2	12.5
Shopping centres	0.0	0.0
Central London offices	7.1	8.0
Other offices	20.8	25.1
Industrial	39.2	41.7
Other	15.2	10.8
Overall	100.0	100.0

Source: CCLA Investment Management Limited

Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented, % Rent Passing	Reversionary potential, % Rent Passing	Reversionary potential Net of Over renting, % Rent Passing	Market Value, % Rent Passing
Standard retail	1.6	-	-	-	-14.2	-6.4	-20.6	93.6
Retail warehousing	9.6	5.0	-	2.1	-4.9	-0.1	-5.0	99.9
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	4.5	-	-	34.8	-0.1	35.5	35.4	135.5
Other offices	13.2	1.9	18.4	23.8	-0.9	46.5	45.6	146.5
Industrial	24.9	0.3	-	13.3	-1.5	28.8	27.3	128.8
Other	9.6	-	-	-	-13.9	-13.9	-27.8	86.1
Overall	63.4	1.3	3.8	13.0	-4.0	21.2	17.2	121.2

*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source: CCLA Investment Management Limited

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases % of rent passing

Years	Including breaks	Excluding breaks
20 years or greater	10.0	10.8
15 years or greater, but less than 20	1.9	1.9
10 years or greater, but less than 15	4.7	5.7
5 years or greater, but less than 10	23.6	37.5
Less than 5 years	59.8	44.1

Source: CCLA Investment Management Limited

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation (GBPm)	Est. % of total portfolio
UK WAREHOUSE FUND	Retail Warehouse	INDIRECT RE - OTHER UNLISTED FUND	-	100.0	1.9	0.2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Source: CCLA Investment Management Limited

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above Risk Free Rates (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source: CCLA Investment Management Limited

Development exposure*

Capital value of developments

	Not yet started	In progress+	All developments	Cost to complete schemes in progress+
GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

* Includes joint ventures in which the Fund has an interest of 50% or more

Source: CCLA Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation-external	Monthly at every month end
Frequency of valuation-internal	See note below
External Valuers	Knight Frank LLP
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source: CCLA Investment Management Limited

Note: The manager reviews the external valuations in the intervening months in consultation, when deemed necessary, with the external valuers. (Additions to the portfolio are valued externally after acquisition.)

The contribution of major tenants to rental income

Tenant	%
TRAVELODGE HOTELS LTD	6.5
DHL SUPPLY CHAIN LTD	4.7
MARKS & SPENCER PLC	4.1
KAPLAN ESTATES LIMITED	3.9
DC MANAGEMENT SERVICES LIMITED	3.5
BEVAN BRITTAN LLP	3.2
TESCO STORES LIMITED	3.0
PEUGEOT MOTOR COMPANY PLC	2.8
B&Q PLC	2.7
PINSENT MASON	2.7
Three largest tenants' contribution to rental income	15.3
Five largest tenants' contribution to rental income	22.7
Ten largest tenants' contribution to rental income	37.2

Source: CCLA Investment Management Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	988.5	0.0	1.3	0.0	989.8
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	41.3	0.0	0.0	0.0	41.3
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1029.8	0.0	1.3	0.0	1031.1
Gearing (%)					
Net debt (cash)/properties	-4.2	-	0.0	-	-4.2
Net debt (cash)/equity	-4.0	-	0.0	-	-4.0

Source: CCLA Investment Management Limited

Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Bid (GBP)	283.80	283.41	280.09	274.56	272.73	271.38
Offer (GBP)	307.73	307.30	303.70	297.71	295.72	294.25
Mid (GBP)	295.76	295.36	291.89	286.13	284.22	282.82
Bid/offer spread	7.78%	7.78%	7.78%	7.78%	7.78%	7.78%
Net asset value (GBP)	288.27	287.87	284.50	278.88	277.02	275.69
Quarterly distribution (GBP)	3.09	3.35	3.73	3.54	3.60	3.75
Yield	4.27%	4.45%	4.66%	4.92%	5.13%	5.30%

Source: CCLA Investment Management Limited

Unit pricing

The unit price is calculated at the end of each month by the manager. Accrued income is accounted for separately from capital and is not reflected in the fund's unit price.

Distributions

Distributions of income are now made quarterly (one month after each quarter-end)

Minimum investment/disinvestment

Minimum initial investment:	GBP 25,000
Minimum additional investment:	GBP 10,000
Minimum redemption:	GBP 0

Creation, transfer and realisation of units

Local authorities may invest in the fund on any month-end valuation date.

Withdrawals from the fund may also be requested on any month-end valuation date. The fund may, however, at its discretion, defer the processing of any withdrawal for such a period from the relevant valuation date as it may think fit, to allow time for the sale of properties, if required. (See "Redemption notices outstanding".)

Taxation

Capital Gains Tax

The fund is exempt from capital gains tax.

Income Tax

The Fund is not subject to capital gains tax or income tax. Dividends are paid gross.

Stamp duty reserve tax

Transfers of units are subject to SDRT, currently 0.5%.

Charges

The property manager and administrator are together entitled to a fee equivalent to 0.65% pa of the value of the fund.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	234.0	53.0
1% or greater but less than 2%	13.0	17.4
2% or greater but less than 4%	9.0	24.3
4% or greater but less than 8%	1.0	5.3
Greater than 8.0%	0.0	0.0
Total	257	100.0
Major investors		
Largest holder	1	53.0
Three largest holders	3	17.4
Five largest holders	5	24.3
Ten largest holders	10	5.3
Internal/external investors		
Internal	0	0.0
External	257	100.0

Source: CCLA Investment Management Limited

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	356,200,898	367,793,017	367,968,557	370,553,207	372,548,591	365,020,049
Units issued during period	11647904	189,876	2,587,919	5,712,871	41,524	24,015
Units redeemed during period	-55784.84	-14,335	-3,269	-3,717,487	-7,570,066	-35,843,579
Units in issue at end of period	367,793,017	367,968,557	370,553,207	372,548,591	365,020,049	329,200,485
Unit transfers						
Matched bargains	0	0	0	0	0	0
Matched bargains %*	0	0	0	0.00%	0	0.00%

* as % of units in issue at the end of the period

Source: CCLA Investment Management Limited