

The Local Authorities' Property Fund

Fund Fact Sheet – 31 March 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?

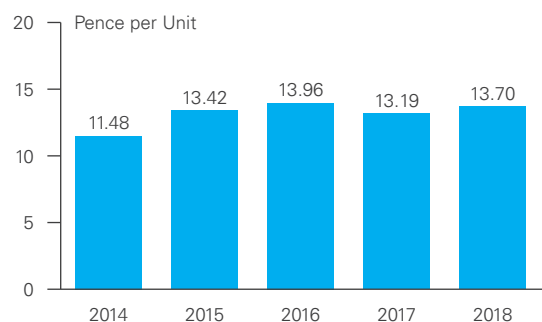
Any local authority in England, Wales, Scotland and Northern Ireland.

Income

| | |
|--|--------|
| Gross dividend yield | 4.54%* |
| AREF/IPD™ Other Balanced Property Fund | |
| Index yield | 3.60% |
| Official Bank Rate | 0.50% |

* Based upon the net asset value and historic gross annual dividend of 13.6993p

Rolling 12 month distributions to 31st March:



Unique accounting advantages

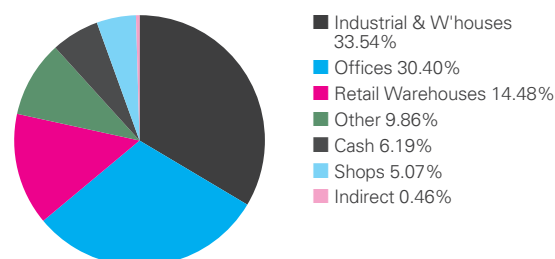
Unlike other property fund investments or even direct property purchases, investment in the Fund does not count as capital expenditure for English or Scottish local authorities. Dividends are treated as revenue but the General Fund is protected from fluctuations in the unit price. The investment is treated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

Fund update

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.

Cash flows into the Fund continued at a high level, however, just one property was added to the Fund. This is an educational facility in Derby, acquired at a total cost of £14.9m, on an initial yield of 5.7%, but with fixed annual income growth of 2.5% and a remaining lease life of 12 years. Lease management activity continued with one unwelcome immediate outcome, a pickup in expenditure and an increase in the void rate as assets are refurbished. The most significant current project is the major office asset in Kingsway, where there has been good early progress on marketing the new accommodation. So far two floors have been let and a substantial rental increase on one of the retail units has been secured. Elsewhere, a new letting in Wellingborough has improved income inflows, but this gain will be offset by the start of work at Stockley Park. The overall income level continues to be significantly reversionary, underpinning the potential for future income growth.

Asset allocation



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

Discrete year total return performance (net)

| 12 months to 31 March | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------------|---------|--------|---------|---------|---------|
| The Local Authorities' Property Fund | +9.72% | +3.07% | +11.26% | +17.81% | +14.27% |
| Benchmark | +10.46% | +4.58% | +10.98% | +16.86% | +12.16% |

Annualised total return performance (net)

| Performance to 31 March 2018 | 1 year | 3 years | 5 years |
|--------------------------------------|---------|---------|---------|
| The Local Authorities' Property Fund | +9.72% | +7.96% | +11.11% |
| Benchmark | +10.46% | +8.63% | +10.94% |

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

Top ten property holdings – total 36.43%

| | |
|---------------------------------|-----------------------------------|
| London, Kingsway | Bracknell, The Arena |
| London, Goodman's Yard | Bristol, Gallagher Retail Park |
| London, Stockley Park, Longwalk | Coventry, Torrington Avenue |
| London, Beckton Retail Park | Brighton, West Street |
| Elstree, Centennial Park | Leeds, Leeds 27 Industrial Estate |

Key facts

| | |
|---|------------------------------------|
| Total fund size | £976m |
| Current borrowing | £0m |
| Number of holdings | 63 |
| Income units | |
| Offer (buying) price | 322.40p (xd) |
| Net asset value | 302.01p (xd) |
| Bid (selling) price | 297.33p (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.