

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.

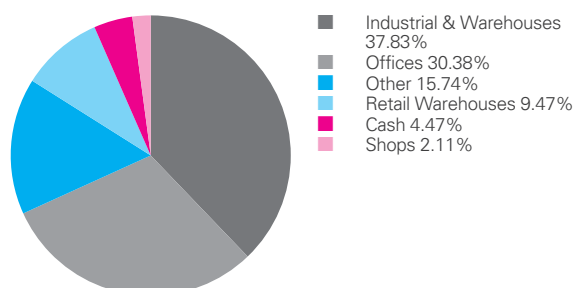
The portfolio is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

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

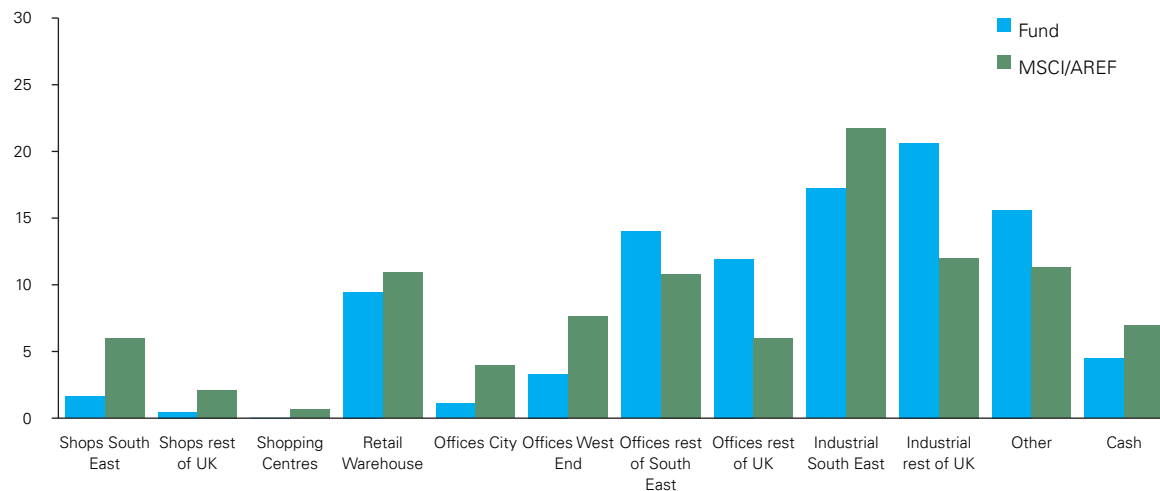
Top 5 tenants = 18.2% of rental income

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

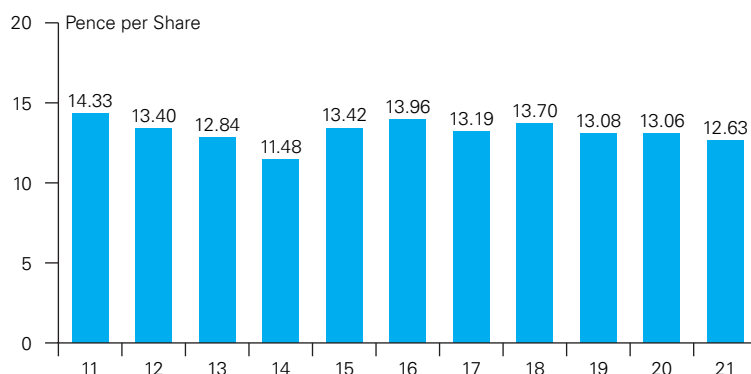
It was another busy quarter for the Fund, maintaining a programme of client contact, a key part of the strategy to protect income. There was just one transaction, the industrial asset in Warrington was sold, achieving a price far above the most recent valuation. Lease management activity on the office 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

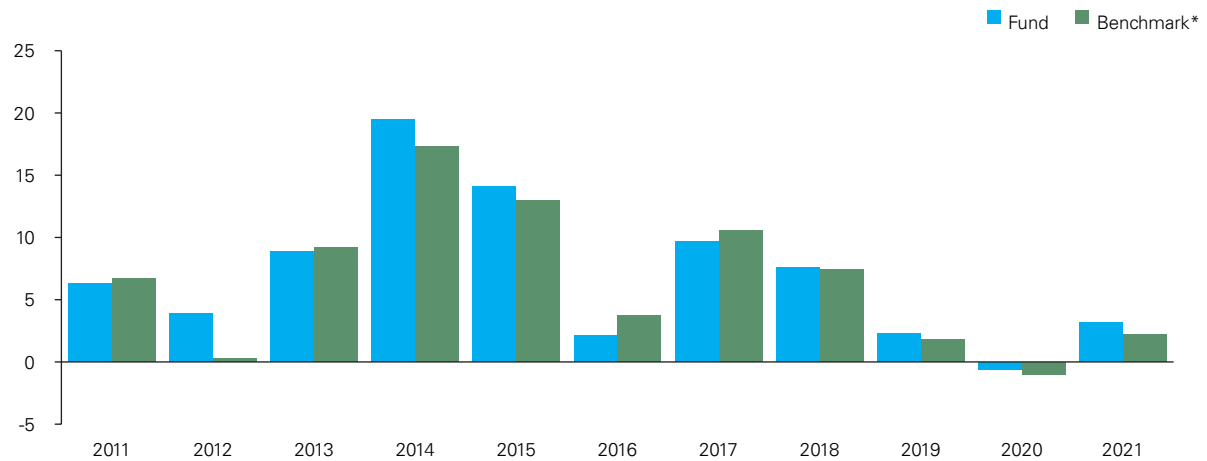
Overall, we expect the steady trend in capital values to be maintained but, within that, the wide dispersion of performances at the sub-sector level will continue. Void rates for traditional high street shops and shopping centres are likely to rise further even though the sector can now open again for 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.

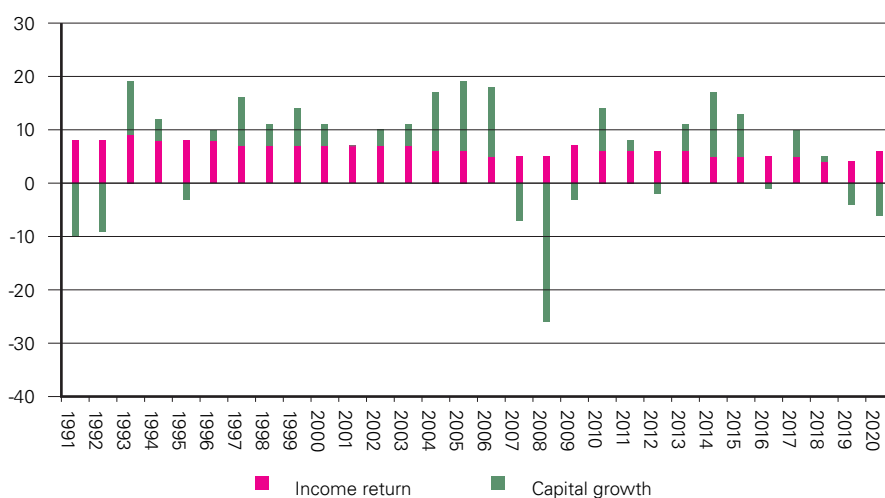
Source: CCLA & MSCI/AREF

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

* 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.

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