

The Local Authorities' Property Fund

Fund Profile – 30 September 2024

A unique, specialist property fund available only to local authority investors.

Price at 30.09.24

Income units
Gross dividend yield

Net asset value

276.04p (xd)
5.21%*

* Based upon the net asset value and historic gross annual dividend of 14.3864p.

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, the Welsh Local Government Association 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 a high level of income and long-term capital appreciation.

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

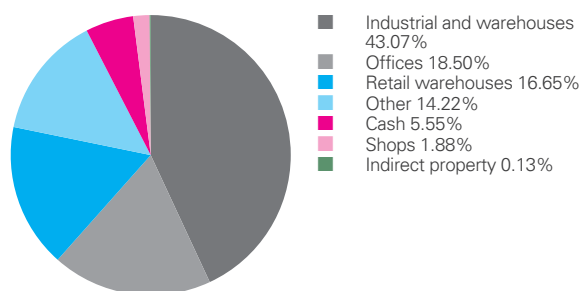
The portfolio of the Fund is actively managed with a focus on asset selection. The intention is to boost returns by lease and tenant management and property improvement.

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

Sector strategy

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

Asset allocation at 30 September 2024



Property portfolio details

Top 5 properties = 21.56% of the portfolio

Top 5 tenants = 23.92% of rental income

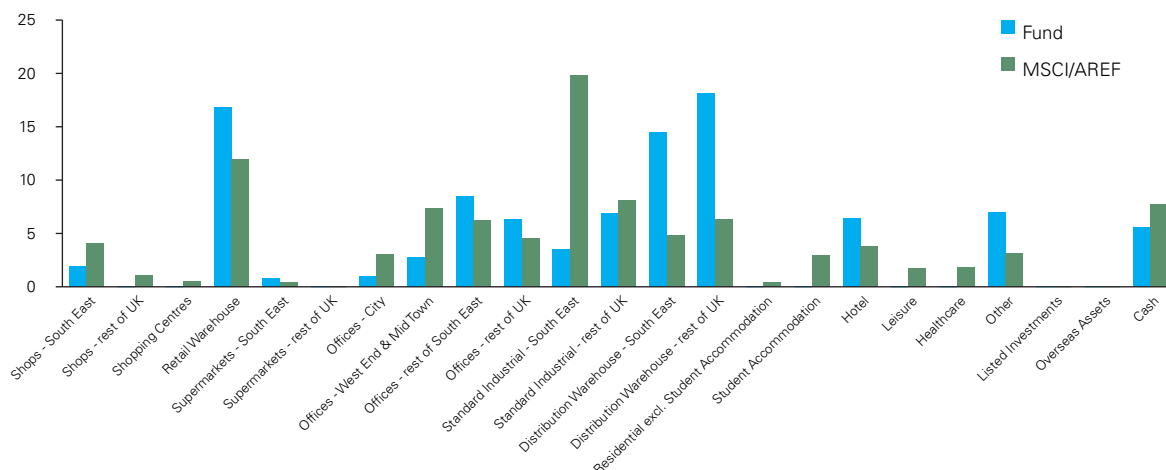
Weighted unexpired lease term to first break years
6.6yrs

Void rate excluding developments in progress 14.35%

Void rate including developments in progress 17.54%

Fund size: £1,032 million

Asset allocation by region and category 30 September 2024



Fund data and MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index data as at 30 September 2024. Source: CCLA & MSCI/AREF

Top 10 property holdings at 30 September 2024 – Total 36.65%

London, Beckton Retail Park
 London, Goodman's Yard
 London, Palace House
 Leeds, 27 Industrial Estate
 Bristol, Gallagher Retail Park

London, Kean Street
 London, Pickett's Lock
 Coventry, Torrington Avenue
 Bolton, Wingates
 Huntingdon, DHL Cardinal

Market background

Over the quarter the Fund's total return was +1.4% compared with a return on the comparator benchmark of +1.1%. Over the past 12 months the Fund returned +2.2% compared to the comparator benchmark return of +1.4%. Commercial property prices returned to growth in the third quarter, alongside the income that had made up most of this year's returns. This turnaround benefited the majority of sectors (industrial, retail warehouse, etc.) but performance differed between sectors. Rental growth continued, including in the office sector, where the supply of grade A offices refurbished to a high specification dwindled. Buyers and sellers across the country remained in cautious mood, however, so transaction volumes remained below their five-year and 10-year averages.

Fund activity

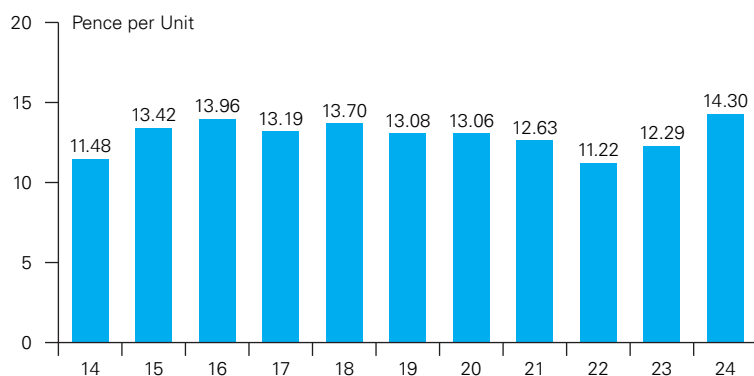
We manage the fund actively, with the aim of providing income and long term capital growth. During the quarter, the fund concluded new leases on three office buildings, in London and Edinburgh. Two leases expired, in Solihull and Leeds and the fund sold one warehouse unit, in Ellesmere Port at a premium to valuation.

Outlook

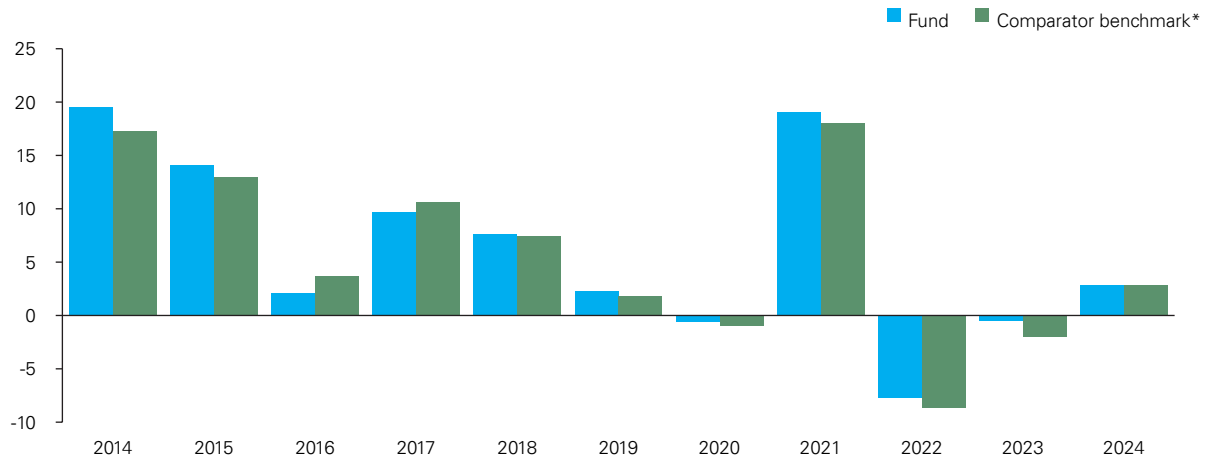
In August, the Bank of England cut its Official Bank Rate for the first time in four years, from 5.25% to 5.00%. More recently, the Bank's governor stated that it could be "a bit more aggressive" in its two remaining meetings this year, depending on inflation. If bond yields fall as well, property prices may continue to recover for the remainder of 2024. We expect any such recovery to be uneven, however, with good performance in the industrial and retail sectors.

Dividend history of the Local Authorities' Property Fund

Years to 31 March



Calendar performance versus the comparator benchmark (net)



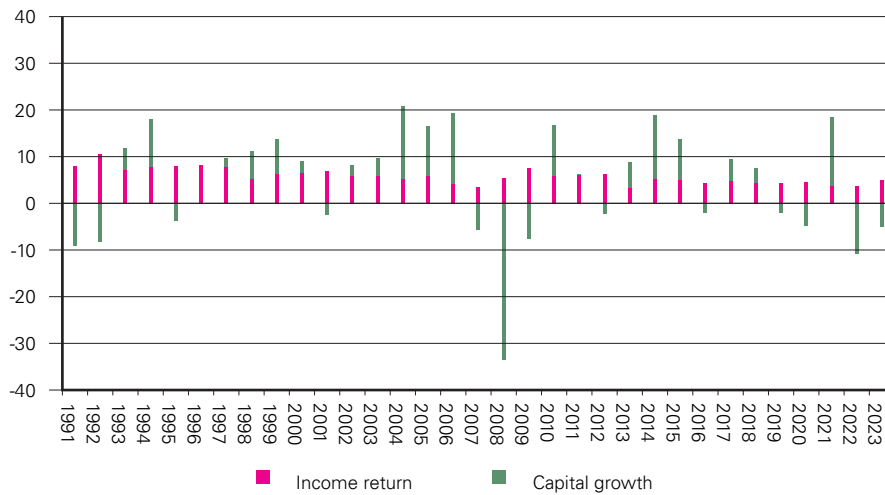
* The comparator benchmark is the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index.

Net performance shown after management fees and other expenses. Past performance is not a reliable indicator of future results and future returns are not guaranteed.

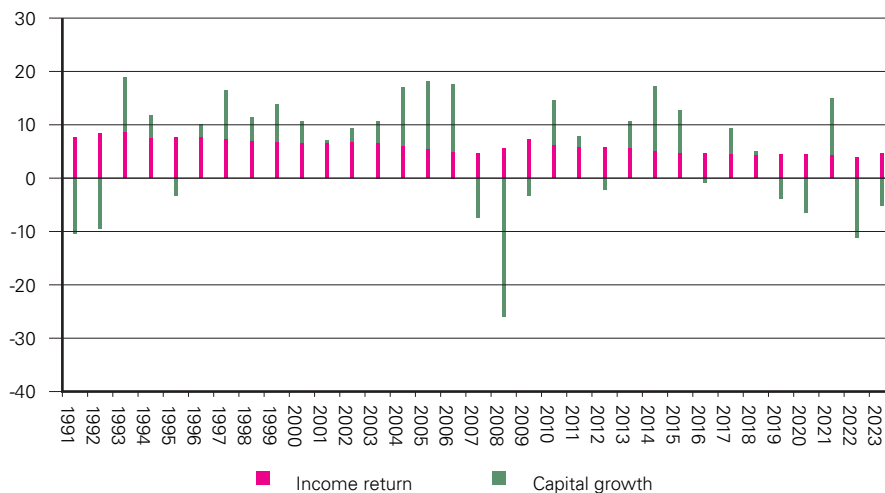
Source: CCLA & MSCI/AREF

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 30 September

	2024	2023	2022	2021	2020
The Local Authorities' Property Fund	+2.18%	-14.41%	+14.59%	+15.52%	-2.70%
Comparator Benchmark	+1.36%	-14.52%	+13.30%	+12.94%	-2.75%

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

Net 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 as low as possible. 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. The Fund has no entry or exit fees and the only income taken by the manager is the annual management charge of 0.65%

Key facts

Dealing day	Month end valuation date*
Minimum initial investment	£25,000
Minimum subsequent investment	£10,000
Dividend payment dates	Last business day of 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. Whilst units are realisable on each monthly dealing date, all redemption requests are currently subject to a minimum notice period of 6 months (this may be reduced to 90 days at the Manager's discretion) and will therefore be processed on the next available dealing day following expiry of the notice period.

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