

# The Local Authorities' Property Fund

## Important information

This document is intended to provide limited information about the Local Authorities' Property Fund (the fund). Investors in the fund must read the scheme information and the key information document. Investors must not rely on this document in making investment decisions. This document does not constitute the provision of financial, investment or other professional advice. 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.

Investment in the fund is for eligible local authorities only.

## Key facts

- The Local Authorities' Property Fund is established by a scheme approved by HM Treasury under section 11 of the Trustee Investments Act 1961.
- The fund aims to provide a high level of income and long-term capital appreciation from investments principally in the UK commercial property sector.

- The fund is only available to eligible local authority investors.
- The fund has direct holdings in property, which are inherently illiquid. There is a risk that in adverse conditions the ability of investors to redeem from the fund will be suspended.
- The fund has a minimum redemption notice period of 90 days. This can be increased to up to six months. The fund is therefore not suitable for investors that might have a need for immediate liquidity in their investments.
- Investors must be able to be categorised as professional clients or seek independent financial advice before investing.
- Potential investors in the fund must read the fund's scheme information and key information document. Potential investors should pay particular attention to the risks of investing in the fund.
- 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.

## Fund facts

Dealing day:	Month end valuation day*
Minimum initial investment:	£25,000
Minimum subsequent investment:	£10,000
Dividend payment dates:	End January, April, July and October
Ongoing charges figure:	0.88%
Annual management charge:	0.65% (deducted from income)
Unit types:	Income
Sedol number:	0521664
ISIN number:	B0005216642

\*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.

### Important information on commercial property investment

Commercial property refers to buildings that are used by businesses. There are four main types of commercial property:

- Retail – shops, shopping centres, retail warehouses
- Offices – including business parks
- Industrial – warehouses, distribution centres, factories
- Other assets – hotels, sports facilities, car parks

### Potential benefits of investment

#### Income

Income is the main source of return over the long-term for commercial property investors. Income can rise over time to offset inflation and to reflect higher capital values and asset improvements. Rents are set out in leases, formal legal contracts which fix the income payment for a term determined by the agreement

#### Capital gains

Capital values can rise over time to reflect improvements to the property, increases in rents, general economic conditions.

### Risks associated with the sector

- Income is not guaranteed. Tenants may experience difficulties, assets may become vacant, economic conditions could result in a general decline in rental levels.

- Capital values can decline. This can be caused by a wide range of factors including economic conditions, sector trends or factors relating to an individual asset. Lower values may persist for some time and so investors must have an appropriate investment horizon.
- Liquidity. Commercial property is an illiquid asset class and selling assets can take time. In addition, sales can be delayed should the Manager determine that a disposal at prevailing prices was not in the best interest of all investors.
- Other risks include those associated with changes in laws and local regulations, the risk of a failure by a counterparty and environmental and third-party risks, all of which can be significant.

**Potential investors should see the fund's scheme information document for a full list of the risks associated with investment in the fund.**

CCLA Fund Managers Limited is authorised and regulated by the Financial Conduct Authority and is the manager of the Local Authorities' Property Fund.

### WANT TO KNOW MORE?

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