

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AA+mmf
Fact Sheet – 31 May 2022

Investment objective

To maximise the current income consistent with the preservation of principal and liquidity.

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and instruments. All investments at the time of purchase will have the highest short term credit rating or an equivalent and correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. The Fund will not invest in derivatives or other collective investment schemes.

Target investors

The Fund is designed for local authorities and public sector investors seeking a high level of capital security and a competitive rate of interest for their short-term investments.

Who can invest?

Any public sector organisation can invest in the Fund.

Responsible investment policy

We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises external data resources and our in-house Ethical and Responsible Investment Team.

Key risks

Investors should consider the following risk factors before investing: Issuer/Credit Risk (issuer/financial institution may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Maturity Profile (timings of investment maturity), Liquidity Risk (investment in non-readily realisable assets), Concentration Risk (need for diversification and suitability of investment) and Interest Rate Risk (changes to interest rate affecting income). Please see the Fund Prospectus for further details.

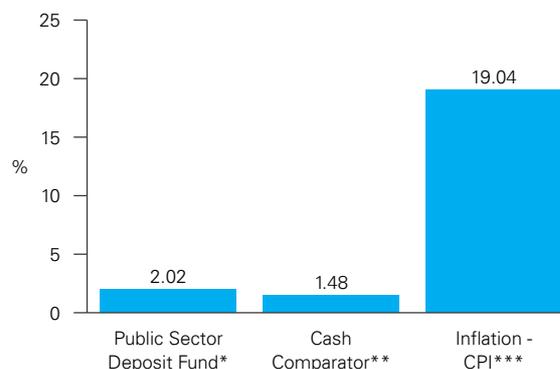
Top 10 counterparty exposures (%)

9.9%	Landesbank Baden-Wuerttemberg
9.0%	Yorkshire Building Society
8.8%	Bank of Montreal
7.6%	DBS Bank Limited
4.2%	Barclays Bank plc
4.2%	BNP Paribas
4.2%	Deutsche Zentral-Genossenschaftsbank (DZ Bank AG)
4.2%	Handelsbanken plc
3.8%	Landesbank Hessen-Thuringen Girozentrale
3.8%	Nordea Bank AB

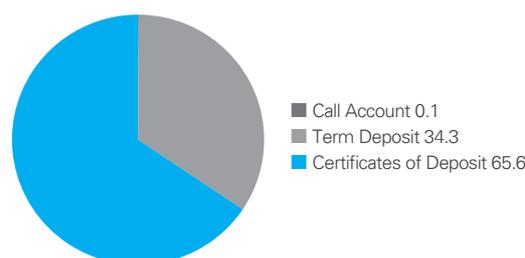
Share class 4 yield as at 31 May 2022

0.8732%

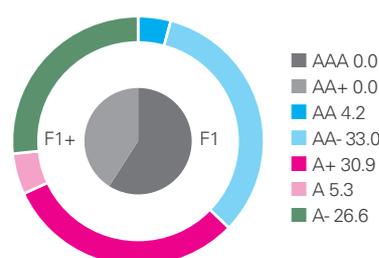
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

20.6%	United Kingdom
18.0%	Germany
13.4%	Canada
10.7%	Japan
9.9%	France
7.6%	Singapore
4.6%	Sweden
3.8%	Finland
3.1%	Netherlands
3.1%	United States

*Source: CCLA - Net performance shown after management fees and other expenses with gross income reinvested. The yield on the Fund will fluctuate and past performance is not a reliable indicator of future results. **Comparator Benchmark - Sterling Overnight Index Average (SONIA) from 1 January 2021. Prior to that, the comparator benchmark was the 7-Day Sterling London Interbank Bid Rate (7-Day LIBID). ***Consumer Price Index (CPI) is lagged one month. †Using Fitch Ratings methodology.

Income - period to end May

Average yield over the month	0.8297%
Yield at the month end	0.8732%

Discrete year total return performance

12 months to 31 May	2022	2021	2020	2019	2018
The Public Sector Deposit Fund	+0.22%	+0.09%	+0.66%	+0.71%	+0.32%
Comparator Benchmark	+0.26%	-0.03%	+0.42%	+0.55%	+0.26%
Relative	-0.04%	+0.12%	+0.24%	+0.16%	+0.06%

Annualised total return performance

Performance to 31 May	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.22%	+0.32%	+0.40%
Comparator Benchmark	+0.26%	+0.22%	+0.29%
Relative	-0.04%	+0.10%	+0.11%

Net performance shown after management fees and other expenses with gross income reinvested. Comparator Benchmark - SONIA from 1 January 2021. Prior to that, the comparator benchmark was 7-Day LIBID. Past performance is not a reliable indicator of future results. Source: CCLA

Market update

In the UK, as widely expected the Bank of England's Monetary Policy Committee (MPC) meeting early in May implemented a further 0.25% increase in the policy rate of interest, taking it to 1.00%. The MPC's announcement was accompanied by conspicuously bearish remarks on the outlook for economic growth in the UK, with forecasts of a contraction in 2022 and close to zero growth over the next 24 months being even more pessimistic than forecasts recently published by other commentators including the International Monetary Fund. The MPC's view was significantly informed by its belief that the squeeze on consumers' real incomes would suppress demand – it once again raised its forecast for inflation, to a peak of over 10% in autumn 2022.

Subsequently the latest employment data, showing a record low in the number of people looking for work, reinforced market expectations that the Bank would have little choice but to continue to tighten monetary policy despite the UK's weak economic growth. Gilt yields rose in response, and sterling recovered some of its recent losses against the US dollar.

Key facts

Fund size	£1,308m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	43.40 days
Launch date	May 2011
Minimum initial investment	£25,000.00
Minimum subsequent investment	£5,000.00
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	End of each month
Ongoing charges figure (OCF)**	0.08%***

*Dealing instructions (including cleared funds for purchases) must be received by 11.30 am. **The OCF is based on the annual management charge ("AMC") but excludes portfolio transaction costs. The AMC for the Fund is 0.10% and is inclusive of all other costs and expenses of operating and administering the Fund such as depositary, custody, audit and regulatory fees. The AMC was reduced to 0.08% on a temporary basis in November 2015 to improve the income distribution, due to low interest rates. In May 2021, the AMC was temporarily reduced further to 0.06%. ***With effect from 1 April 2022 and until further notice, the AMC applied to the Fund reverted to the previously discounted rate of 0.08%.

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Risk warning and disclosures

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