

The Public Sector Deposit Fund

Short term AAmmf UK Qualifying Money Market Fund Fact Sheet – 31 October 2018

Investment objective

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

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and securities. All investments purchased will have the highest available short term credit rating and a correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. There will be no exposure to derivatives or to other collective investment schemes.

Suitability

The Fund is a suitable investment for all public sector short term investments where the requirement is for a high level of capital security and a competitive rate of interest.

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises three 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.

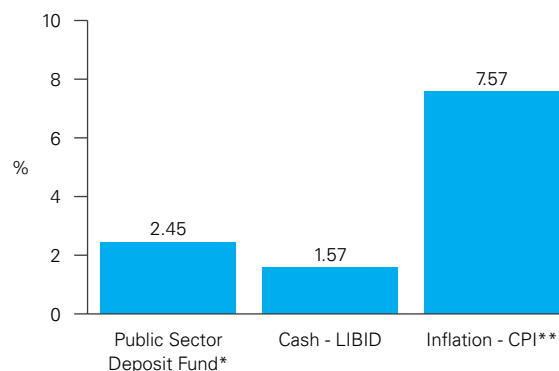
Top 10 counterparty exposures (%)

Landesbank Baden-Wuerttemberg	8.9
Bank of Tokyo-Mitsubishi UFJ	7.5
Mizuho Bank	7.1
National Bank of Canada	6.7
DBS Bank	5.6
Credit Industriel et Commercial (CIC)	4.5
Toronto-Dominion	4.3
Societe Generale	4.2
Sumitomo Mitsui Banking Corporation	4.2
UBS	4.2

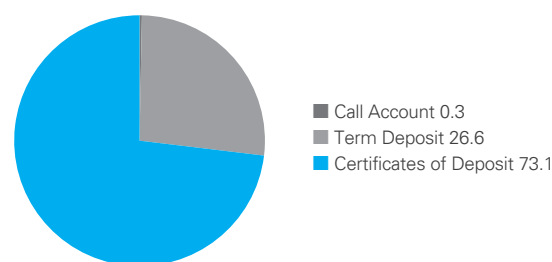
Share class 4 yield as at 31 October 2018

0.7162%

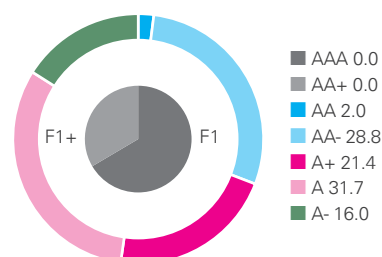
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

Japan	18.8
Canada	14.6
France	11.8
UK	11.6
Germany	11.6
Singapore	6.7
Denmark	4.2
Switzerland	4.2
Netherlands	3.8
Sweden	3.6

*Source: CCLA - Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns. Holdings in the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end October

Average yield over the month	0.7016%
Yield at the month end	0.7162%

Discrete year total return performance (gross)

12 months to 31 October	2018	2017	2016	2015	2014
The Public Sector Deposit Fund	+0.58%	+0.31%	+0.51%	+0.53%	+0.50%
Benchmark	+0.42%	+0.12%	+0.31%	+0.36%	+0.35%
Relative	+0.16%	+0.20%	+0.20%	+0.16%	+0.15%

Annualised total return performance (gross)

Performance to 31 October	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.58%	+0.47%	+0.49%
Benchmark	+0.42%	+0.28%	+0.31%
Relative	+0.16%	+0.19%	+0.17%

Source: CCLA - Benchmark - London Interbank Sterling 7 Day Bid Rate. Gross performance shown before management fees and other expenses with gross income reinvested. Net returns will differ after the deduction of fees and other expenses. The yield on the Fund will fluctuate and past performance is no guarantee of future returns.

Market update

In the Budget, the Chancellor increased government spending and reduced tax for those employed. He was able to do this because of higher than expected tax receipts and lower spending which, together, provided a projected windfall of some £68 billion, over the next five years. Debt is still forecast to decline but more slowly, with forecasts suggesting a reduction from 83.7% of gross domestic product this year to 74.1% in 5 years' time.

The latest inflation data showed an unexpectedly sharp drop in the pace of price increases, the consumer price index reduced to 2.4% from 2.7% previously. The Office of National Statistics (ONS) said the largest downward contribution to inflation was due to food and non-alcoholic drink prices, dropping by 0.1% between August and September. Meat and chocolate prices provided most of the downward contribution. Despite inflation easing across most sectors, some prices continued to climb last month, including energy; motor fuel increased 1.7p-per-litre last month, as global oil prices hit their highest levels since 2014.

The labour market continues to show signs of strength. Unemployment was unchanged at 4%, the lowest level in over 40 years and wage growth, excluding bonuses over last three months, was 3.1%, the highest in almost a decade. This, combined with the falling level of inflation has resulted in some welcome real pay growth. Despite the strong performance of the labour market, economic growth continues to be subdued. Retail sales disappointed and with little progress on Brexit negotiations, the Bank of England is growing concerned that businesses are holding back on investment. As a result, the Bank cut its forecast for growth in business investment this year to nothing. However, should a smooth Brexit be agreed, with little slack in the economy, any speed up of investment could see the Bank tightening monetary policy shortly after.

Key facts

Fund size	£449m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	57.09 days
Launch date	May 2011
Minimum initial investment	£25,000
Minimum subsequent investment	£5,000
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	Monthly
Ongoing charges figure	0.10% (currently reduced to 0.08%)

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*Dealing instructions must be received by 11.30 am.

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 Key Investor Information document and the Prospectus which can be found at www.ccla.co.uk. We strongly recommend you seek independent professional advice prior to investing.

Disclosures

Investment in the Fund is for public sector eligible investors only. The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority as a UCITS Scheme and is a Qualifying Money Market Fund. CCLA Investment Management Limited (registered in England No. 2183088 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.
