

The Public Sector Deposit Fund

Short term AAmmf UK Qualifying Money Market Fund Fact Sheet – 31 January 2019

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 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.

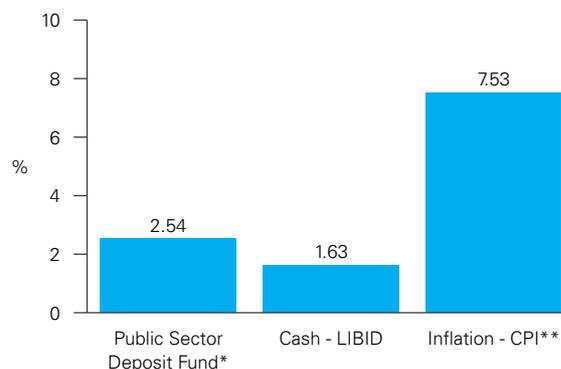
Top 10 counterparty exposures (%)

Landesbank Baden-Wuerttemberg	9.9
Royal Bank of Canada	9.9
DBS Bank	8.0
Nordea Bank Finland	4.4
Rabobank	4.4
Santander UK	4.4
DNB Bank	4.2
Mizuho Bank	4.2
Standard Chartered Bank	4.2
Lloyds Bank Corporate Markets	4.2

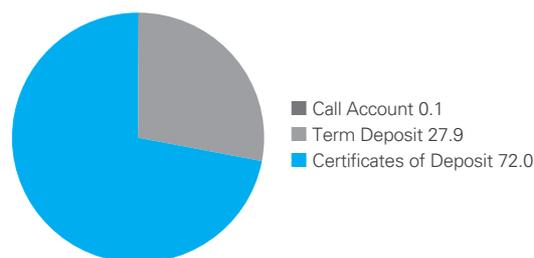
Share class 4 yield as at 31 January 2019

0.7898%

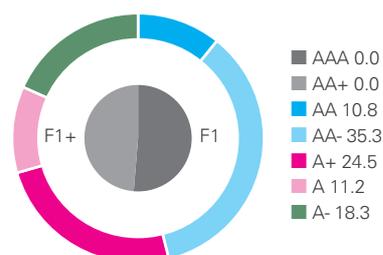
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

UK	20.9
Canada	17.4
Germany	13.0
Singapore	9.1
France	9.0
Japan	8.4
Netherlands	7.1
Finland	4.4
Norway	4.2
Switzerland	2.6

*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. Holders of the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end January

Average yield over the month	0.7702%
Yield at the month end	0.7898%

Discrete year total return performance (gross)

12 months to 31 January	2019	2018	2017	2016	2015
The Public Sector Deposit Fund	+0.69%	+0.33%	+0.47%	+0.53%	+0.51%
Benchmark	+0.48%	+0.18%	+0.25%	+0.36%	+0.35%
Relative	+0.21%	+0.15%	+0.22%	+0.17%	+0.16%

Annualised total return performance (gross)

Performance to 31 January	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.69%	+0.49%	+0.50%
Benchmark	+0.48%	+0.30%	+0.32%
Relative	+0.21%	+0.19%	+0.18%

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

Sterling money market rates moved lower during January as Brexit uncertainties intensified. Division within domestic politics reached a new level as MPs voted by 432 votes to 202 to reject the withdrawal agreement, which set out the terms of Britain's exit from the EU on 29 March. This was the largest defeat for a sitting government in parliamentary history and was immediately followed by Labour leader Jeremy Corbyn initiating a vote of no confidence, which was defeated the following day. In the weeks that ensued, a number of amendments to Prime Minister May's agreement were passed in Parliament including a non-binding resolution stating Parliament's opposition to a no-deal Brexit. Crucially, an amendment was passed that approved the withdrawal agreement, as long as an acceptable alternative to the Irish backstop clause was found. With a solution still appearing to be a distant prospect, the market downgraded the chances of an increase in Bank Rate in the coming months, taking the view that the Bank of England is likely to delay any action until after an outcome is reached.

Economic growth for the three months to the end of November was estimated at 0.3%, a pace similar to, but slightly below, that achieved in the previous quarter. Consumer credit growth slowed and the underlying data showed a reduced appetite to borrow and an increased willingness to save, possibly a reflection of increased uncertainty. The slowdown was despite another positive month for earnings, which rose by 3.3%, and employment, where the participation rate rose to 75.8%. Inflation dipped to 2.1%, the decline due to lower oil prices. Weaker crude oil costs will continue to pull the pace of headline price increases lower in the next few months, probably to below the Bank of England's 2% target.

Key facts

Fund size	£454m
Credit quality and sensitivity rating by Fitch	AAAmmf
Weighted average maturity (Maximum 60 days)	53.53 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%)

*Dealing instructions must be received by 11.30 am.

Please Contact

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Risk warning

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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>.
