

The Public Sector Deposit Fund

Short term AAmmf UK Qualifying Money Market Fund Fact Sheet – 28 February 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.

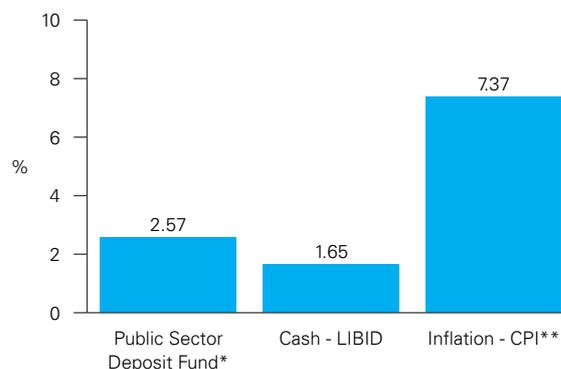
Top 10 counterparty exposures (%)

Landesbank Baden-Wuerttemberg	9.9
Royal Bank of Canada	9.9
DBS Bank	5.5
HSBC	4.4
Nordea Bank Finland	4.4
Lloyds Bank	4.2
Mizuho Bank	4.2
Standard Chartered Bank	4.2
Svenska Handelsbanken	4.2
United Overseas Bank	4.2

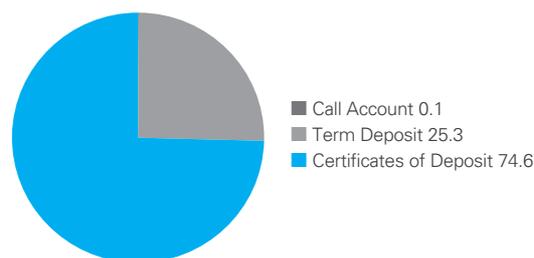
Share class 4 yield as at 28 February 2019

0.8047%

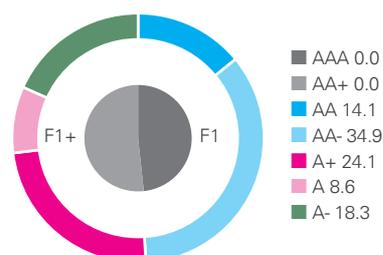
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

UK	21.2
Canada	17.4
Germany	13.0
Singapore	9.7
Japan	8.4
France	7.5
Sweden	5.7
Finland	4.4
Netherlands	4.4
Norway	4.2

*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 February

Average yield over the month	0.7908%
Yield at the month end	0.8047%

Discrete year total return performance (gross)

12 months to 28 February	2019	2018	2017	2016	2015
The Public Sector Deposit Fund	+0.72%	+0.34%	+0.45%	+0.53%	+0.51%
Benchmark	+0.50%	+0.20%	+0.23%	+0.37%	+0.35%
Relative	+0.22%	+0.14%	+0.22%	+0.16%	+0.16%

Annualised total return performance (gross)

Performance to 28 February	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.72%	+0.50%	+0.51%
Benchmark	+0.50%	+0.31%	+0.33%
Relative	+0.22%	+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

At their February meeting, the Bank of England's Monetary Policy Committee unanimously agreed to leave the bank rate unchanged at 0.75%. Sterling money market rates again moved lower during the month after the Bank published its latest Quarterly Inflation Report. The Bank cut its 2019 economic growth forecast for the UK from 1.7% to 1.2%, which if correct, would prove to be the slowest level of growth for 10 years. For 2020, growth was also cut from 1.7% to 1.5%, before being projected to pick up in 2021. The Bank pinpointed the slowdown as being caused by headwinds impacting growth in the US, China and particularly the eurozone, which was only about as half as strong as it previously predicted. Domestically, the copious amounts of Brexit uncertainty continues to hinder growth according to the Bank, which noted a sharp fall in business investment in the final quarter of 2018. Inflation dipped to 1.8%, the pace of increase slowed by the effects of the energy price cap which triggered a 5.8% fall in fuel costs. The benefit, although welcome, will be temporary as the cap will rise by 10% in April.

Unemployment was steady at 1.36m with an employment rate of 75.8%. The unemployment rate for women dropped below 4% for the first time. The strength of the labour market was illustrated by the fall of over 800,000 in the number employed on zero hours contracts. Overall average earnings rose by 3.4%, continuing the trend of strengthening consumer spending potential. Government finances enjoyed a very strong January due to inflows, from both income tax and capital gains tax which were materially above forecasts. Encouraging though this was, it isn't immediately clear whether the strength is the result of a genuine improvement in underlying conditions or simply a timing effect.

Key facts

Fund size	£453m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	56.35 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.

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Risk warning and disclosures

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