

The Public Sector Deposit Fund

UK Short-term LVNAV Qualifying Money Market Fund rated AAmmf
Fact Sheet – 31 May 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.

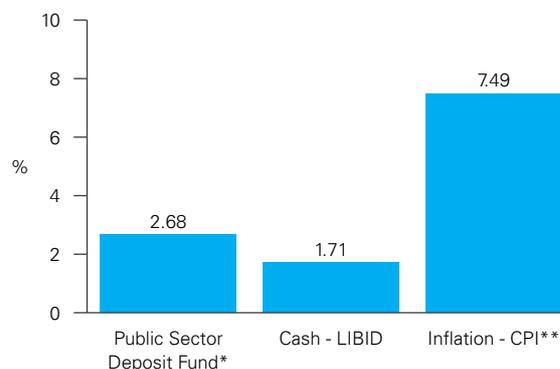
Top 10 counterparty exposures (%)

Royal Bank of Canada	9.7
DBS Bank	9.5
Landesbank Baden-Wuerttemberg	7.4
Santander UK	4.5
Lloyds Bank	4.5
BNP Paribas	4.3
Credit Agricole CIB	4.3
MUFG Bank	4.3
DZ Bank	4.3
Mizuho Bank	4.3

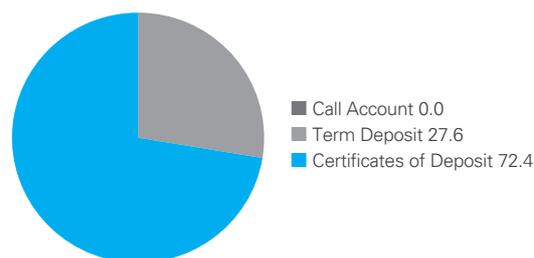
Share class 4 yield as at 31 May 2019

0.7673%

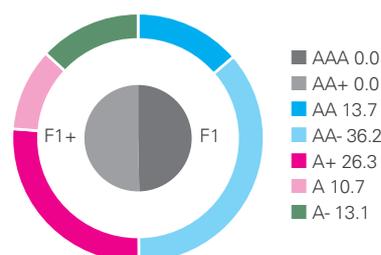
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

UK	18.5
Canada	14.7
Germany	13.5
Singapore	13.5
Japan	12.6
France	8.4
Sweden	7.2
Finland	4.2
Netherlands	3.4
Switzerland	1.9

*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 May

Average yield over the month	0.7637%
Yield at the month end	0.7673%

Discrete year total return performance (gross)

12 months to 31 May	2019	2018	2017	2016	2015
The Public Sector Deposit Fund	+0.80%	+0.40%	+0.39%	+0.54%	+0.52%
Benchmark	+0.55%	+0.26%	+0.16%	+0.37%	+0.36%
Relative	+0.25%	+0.14%	+0.23%	+0.17%	+0.17%

Annualised total return performance (gross)

Performance to 31 May	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.80%	+0.53%	+0.53%
Benchmark	+0.55%	+0.32%	+0.34%
Relative	+0.25%	+0.21%	+0.19%

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

The Bank of England's Monetary Policy Committee (MPC) met at the start of May and despite unanimously voting for no change in policy, the minutes revealed the Bank remains the only major central bank that is maintaining an interest rate tightening stance, referencing that MPC members believe more than one interest rate hike is required in the future to keep a lid on growing inflationary pressures. Once again, despite the Bank's warnings, they were ignored by a market which sees a rate cut as a more likely option. Sterling money market rates again moved lower during the month after the Prime Minister announced her resignation, leaving the UK economy in a state of flux, while the Conservative Party selects a new leader.

UK GDP expanded by 0.5% in the first three months of the year, compared with just 0.2% in a dull final quarter of 2018. A feature was the strength of the manufacturing sector, output rose at the fastest rate recorded since 1988. The sustainability of this rate of growth came under immediate question given the risk that, activity was influenced by the rush to fulfil orders before the original Brexit date. Unemployment fell again, to 3.8%, a level last seen in 1974. Over the past year, 354,000 jobs were created and 100,000 were added in the quarter, although the most recent data hints at a sharp decline in new vacancies. Wages, excluding bonuses grew by 3.5%, comfortably above the inflation rate. Bonus payments, however, fell substantially due to reduced payments in the retail sector. Inflation rose to 2.1% from 1.9%, a lower rate than forecast. Energy costs rose sharply, electricity by 10.9%, gas by 9.3% and there was again the traditional Easter surge in air fares, up by over 26%. Moderating these increases was an unexplained 5% fall in core goods prices, after a 2% decline in the previous month; so far, the cause of this fall remains a puzzle.

Key facts

Fund size	£475m
Credit quality and sensitivity rating by Fitch	AAAmmf
Weighted average maturity (Maximum 60 days)	51.41 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 and disclosures

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. To ensure you understand whether our product is suitable, please read the Key Investor Information Document and the Prospectus. We strongly recommend you seek independent professional advice prior to investing. The Public Sector Deposit Fund is a UK short-term LVNAV Qualifying Money Market Fund. In addition to the general risk factors outlined in the Prospectus investors should also note that purchase of PSDF shares is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment. Although it is intended to maintain a stable net asset value per share, there can be no assurance that it will be maintained. Notwithstanding the policy of investing in short-term instruments, the value of the PSDF may also be affected by fluctuations in interest rates. The PSDF does not rely on external support for guaranteeing the liquidity of the fund or stabilising the net asset value per share. The risk of loss of principal is borne by the shareholder. 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 & Wales 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>.