

# The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AA+mmf  
Fact Sheet – 29 February 2020

## 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.

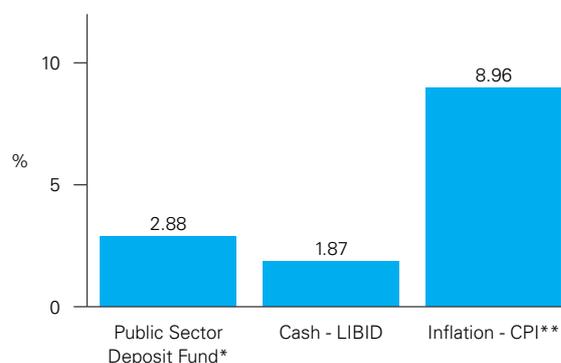
## Top 10 counterparty exposures (%)

9.2%	Landesbank Baden-Wuerttemberg
9.2%	Royal Bank of Canada
7.0%	DBS Bank Limited
4.6%	Citibank N.A.
4.5%	Santander UK plc
4.4%	Barclays Bank plc
4.4%	BNP Paribas
4.4%	Credit Agricole Corporate and Investment Bank
4.4%	Mizuho Bank
4.4%	MUFG Bank

## Share class 4 yield as at 29 February 2020

**0.7214%**

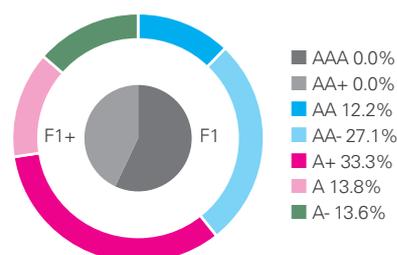
## 5 years cumulative performance



## Asset type (%)



## Credit rating† (%)



## Top 10 country exposures (%)

23.0%	UK
16.4%	Canada
13.3%	Japan
12.9%	Germany
8.8%	France
8.8%	Singapore
4.6%	United States
4.4%	Finland
3.9%	Sweden
1.8%	Belgium

\*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.

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## Income - period to end February

Average yield over the month	0.7151%
Yield at the month end	0.7214%

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## Discrete year total return performance (gross)

12 months to 29 February	2020	2019	2018	2017	2016
The Public Sector Deposit Fund	+0.81%	+0.72%	+0.34%	+0.45%	+0.53%
Benchmark	+0.57%	+0.50%	+0.20%	+0.23%	+0.37%
Relative	+0.24%	+0.22%	+0.14%	+0.22%	+0.16%

## Annualised total return performance (gross)

Performance to 29 February	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.81%	+0.62%	+0.57%
Benchmark	+0.57%	+0.42%	+0.37%
Relative	+0.24%	+0.20%	+0.20%

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.

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## Market update

A bounce in economic activity in December was sufficient to maintain activity in the 4th quarter of 2019 at the same level as that in the equivalent period in 2018. The estimates of growth in the 2nd and 3rd quarters were revised higher, resulting in growth for the whole of 2019 of 1.1%, at the top end of revised forecasts. In the final quarter, with manufacturing flat and consumer demand lacklustre, the biggest relative contributor was government spending, up by over 2% as past policies of austerity were left behind. In January, inflation blipped higher to 1.8% from 1.3%, in part because of higher petrol prices and in part because air fares fell more slowly than they did in 2019. The pace of price rises is now likely to moderate under the influence of fuel price caps which will reduce costs to consumers.

The employment data remained strong despite a 6% decline in vacancies over the year. The employment rate rose to 76.5% with 32.93 million now employed and 1.29 million seeking work. Average weekly pay rose to £512, finally catching-up in real terms to levels achieved before the financial crisis. Progress though has been at best pedestrian, with real wage growth over the decade the slowest recorded for over 200 years. Despite the unexpected change of Chancellor, the government confirmed that the Budget would be announced on 11th March, as previously planned. It seems likely however that the spring announcement will be only the first of the year, with more detailed spending and revenue plans published in the autumn. In terms of scope for additional spending, the government currently has about £8 billion available without revenue raising. This could rise towards £15 billion if the deficit reduction timetable was relaxed again. Increased spending on this level, all other things equal, would add about 0.4% to overall economic output.

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## Key facts

Fund size	£543m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	44.97 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	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>.