

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AA+mmf
Fact Sheet – 31 August 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.

Target investors

The Fund is aimed at local authorities and public sector investors seeking a high level of capital security and a competitive rate of interest for their short-term investments.

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.

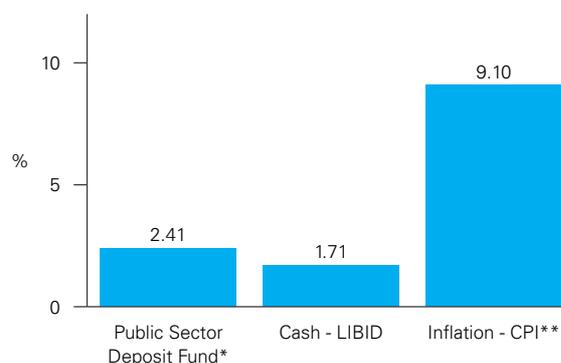
Top 10 counterparty exposures (%)

9.5%	Landesbank Baden-Wuerttemberg
9.5%	National Bank of Canada
9.5%	Rabobank
8.7%	Nationwide Building Society
7.9%	DBS Bank Limited
7.9%	KBC Bank N.V.
3.6%	Mizuho Bank
3.6%	ABN Amro Bank N.V.
3.6%	BNP Paribas
3.6%	Leeds Building Society

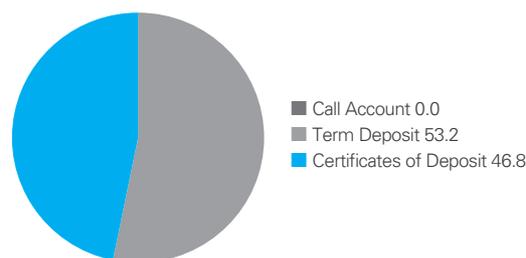
Share class 4 yield as at 31 August 2020

0.1399%

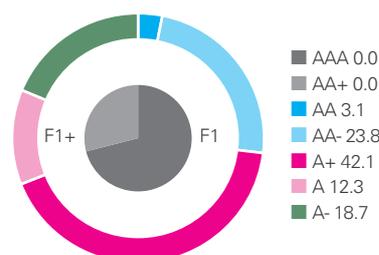
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

28.9%	UK
13.1%	Netherlands
11.9%	Canada
11.6%	Germany
9.2%	Japan
7.9%	Belgium
7.9%	Singapore
4.9%	France
2.7%	Switzerland
1.1%	Sweden

*Source: CCLA - Net performance shown after management fees and other expenses with gross income reinvested. The yield on the Fund will fluctuate and past performance is not a reliable indicator of future results. 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 August

Average yield over the month	0.1473%
Yield at the month end	0.1399%

Discrete year total return performance

12 months to 31 August	2020	2019	2018	2017	2016
The Public Sector Deposit Fund	+0.52%	+0.75%	+0.42%	+0.25%	+0.45%
Benchmark	+0.30%	+0.58%	+0.34%	+0.12%	+0.35%
Relative	+0.22%	+0.17%	+0.08%	+0.13%	+0.10%

Annualised total return performance

Performance to 31 August	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.52%	+0.56%	+0.48%
Benchmark	+0.30%	+0.41%	+0.34%
Relative	+0.22%	+0.15%	+0.14%

Net performance shown after management fees and other expenses with gross income reinvested. Benchmark – London Interbank Sterling 7 Day Bid Rate. Past performance is not a reliable indicator of future results. Source: CCLA

Market update

In the UK, data confirmed that output fell by -20.4% in the quarter to June, the worst performance of any major economy. The decline, after weakness in the first quarter, pushed the economy into recession for the first time in 11 years. In fact, after a shocking April performance, output strengthened in May and June but, despite that, at the end of the quarter was still -17% below the levels achieved in February. Unemployment levels were unchanged on the standard measure, at 3.9%, but other indicators suggested growing pressure on jobs. Claimant count data for example is consistent with a rate over 7%, and whilst this may overstate the true position a little, it is broadly compatible with an 18% decline in total hours worked and continued pressure on wage rates. There are still 3.6m jobs supported by the furlough scheme and there must be concerns over how secure these are when income support finally ends in October.

The Bank of England revised its economic forecasts, reducing its estimate of the likely fall in activity this year to -9.5%. It also forecast a relatively strong bounce in activity in 2021 but in this has assumed a 'hitch-free' Brexit, which may explain much of the difference. Inflation unexpectedly rose to 1% from 0.6% but the increase reflected not underlying price pressures but timing issues as the data collection process this year missed the end of season sales. The rate should decline over the next few months as fuel bills fall and then remain low until the end of the year. Government borrowing totalled £26.7bn in July, taking total debt above £2trn for the first time. Brexit news remained thin beyond both sides identifying what the main sticking points are. Time pressures are such that anything beyond a basic free trade agreement looks increasingly unlikely.

Key facts

Fund size	£1,260m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	49.21 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
Fund management fee (FMF)	0.10% ** (currently reduced to 0.08%)

*Dealing instructions must be received by 11.30 am.

**The FMF includes the annual management charge and other costs and expenses of operating and administering the fund such as depositary, custody, audit and regulatory fees.

Please Contact

Mark Davies

Market Development
T: +44 (0)207 489 6045
M: +44 (0)7904 657 815
E: mark.davies@ccla.co.uk

Kelly Watson

Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Jamie Charters

Market Development
T: +44 (0)207 489 6147
E: jamie.charters@ccla.co.uk

Risk warning and disclosures

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. The market commentary contained in this document is the opinion of the author only. To ensure you understand whether CCLA's product is suitable, please read the Key Investor Information Document and the Prospectus. CCLA strongly recommends 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>.