The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AAAmmf
Fact Sheet – 30 September 2021

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.

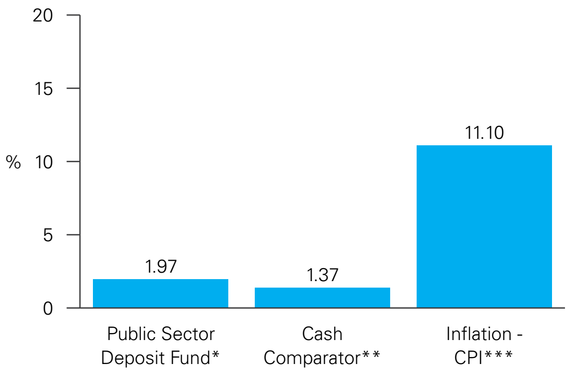
Responsible investment policy
We monitor our counterparties' environmental, social and governance risk management on a regular basis. Our research utilises external data resources and our in-house Ethical and Responsible Investment Team.

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.

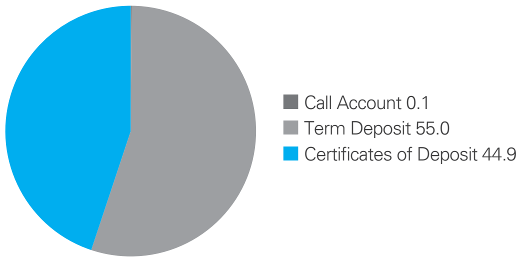
Share class 4 yield as at 30 September 2021

0.0229%

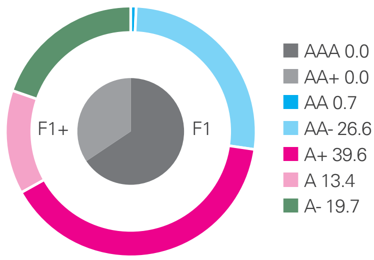
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 counterparty exposures (%)

9.8%	Bank of Montreal
9.8%	Landesbank Baden-Wuerttemberg
9.8%	National Bank of Canada
8.4%	Nationwide Building Society
7.6%	Coventry Building Society
7.2%	Landesbank Hessen-Thueringen Girozentrale
6.5%	DBS Bank Limited
4.1%	Lloyds Bank Corporate Markets plc
3.3%	Credit Agricole Corporate and Investment Bank
3.2%	Barclays Bank plc

Top 10 country exposures (%)

32.3%	United Kingdom
22.0%	Canada
16.9%	Germany
8.0%	Singapore
6.4%	France
4.8%	Japan
3.0%	Switzerland
2.3%	Finland
2.0%	Netherlands
1.5%	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. **Comparator Benchmark - Sterling Overnight Index Average (SONIA) from 1 January 2021. Prior to that, the comparator benchmark was the 7-Day Sterling London Interbank Bid Rate (7-Day LIBID). ***CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end September

Average yield over the month	0.0222%
Yield at the month end	0.0229%

Discrete year total return performance

12 months to 30 September	2021	2020	2019	2018	2017
The Public Sector Deposit Fund	+0.04%	+0.47%	+0.75%	+0.46%	+0.24%
Comparator Benchmark	+0.01%	+0.23%	+0.58%	+0.38%	+0.12%
Relative	+0.03%	+0.24%	+0.17%	+0.08%	+0.12%

Annualised total return performance

Performance to 30 September	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.04%	+0.42%	+0.39%
Comparator Benchmark	+0.01%	+0.27%	+0.26%
Relative	+0.03%	+0.15%	+0.13%

Net performance shown after management fees and other expenses with gross income reinvested. Comparator Benchmark - SONIA from 1 January 2021. Prior to that, the comparator benchmark was 7-Day LIBID. Past performance is not a reliable indicator of future results. Source: CCLA

Market update

Estimates of second quarter UK growth were revised up to 5.5% from 4.8%, the increase reflects higher levels of household spending as restrictions were eased. The higher rate of spending suggests some drawdown of savings. This positive news on growth in the second quarter was followed by a more cautious tone on prospects for the third as the pace of expansion slowed from an estimated 1.4% in June to just 0.1% in July. Service and recreational spending held up well, but retail spending weakened. This fall, coupled with the negative influence of the 'pingdemic', saw forecasters, including the Bank of England, pulling back estimates of the likely pace of near-term expansion but leaving in place those for the final quarter and the year as a whole. Whilst growth estimates were maintained, those for inflation were increased. Inflation in August emerged at 3.2%, pushed higher by petrol prices, which rose at the fastest rate for 8 years, and higher food costs. The Bank acknowledged that price pressures, including those on domestic fuel, would result in inflation at 4% or more before the year end, with the pace of price increases staying at the higher level for longer, to the Spring and maybe beyond. The more cautious tone on inflation was matched by a more aggressive one on interest rates. Borrowing costs were left unchanged but the tone of the accompanying statement resulted in concerns that rates could rise earlier than previously expected, most likely in February but possibly as early as November. It's difficult to interpret Bank intentions against a background of volatile economic data and significant uncertainty on how the path of the recovery will develop. Unlike some other central banks, the Bank of England has chosen not to set out its medium-term strategy, preferring instead to reserve the freedom to react to developments. On that basis, if growth proves resilient in the final months and inflation seems likely to be a persistent issue, then rates are likely to start moving higher sooner rather than later. An important signal will come from trends in employment. The unemployment rate fell to 4.6% in August with a surge in vacancies suggesting that the trend to a lower jobless total is well based. That said, the furlough scheme is likely to end with about a million jobs still receiving some support whilst the data shows that 400,000 individuals have left the workforce but could return as conditions normalise.

Key facts

Fund size	£1,535m
Credit quality and sensitivity rating by Fitch	AAAmmf
Weighted average maturity (Maximum 60 days)	50.72 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 0.06%)

*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. ***With effect from 12 May 2021 and until further notice, the FMF applied to the Fund was temporarily reduced to 0.06%.

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Risk warning and disclosures

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