

CCLA PUBLIC SECTOR  
INVESTMENT FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 September 2017

**CCLA**

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\*Collectively, these comprise the Authorised Corporate Director's Report.

**Disability Discrimination Act 1995**

Extracts from the Interim Report and Unaudited Financial Statements  
are available in large print and audio formats.

## REPORT OF THE AUTHORISED CORPORATE DIRECTOR for the half year ended 30 September 2017 (unaudited)

We are pleased to present the Interim Report and Financial Statements for the CCLA Public Sector Investment Fund (“the Company”) for the half year ended 30 September 2017. The Company is an umbrella company which currently has one Sub-Fund, The Public Sector Deposit Fund (“PSDF”).

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after the purchase price of the shares has been paid.

The scheme property of the Company and the PSDF will normally be valued at 12 noon on each dealing day for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed. The Authorised Corporate Director (“the ACD”) reserves the right to revalue the Company or the PSDF at any time, if it considers it desirable to do so.

The PSDF is a Qualifying Money Market Fund (“a QMMF”); investors should note the restrictions set out in the Prospectus and that the investment objectives and policies must meet the conditions specified in the Financial Conduct Authority’s (“FCA”) definition of a QMMF.

The investment objective of the PSDF is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality sterling denominated deposits and instruments.

The primary objective is to maintain the net asset value of the fund at par (net of earnings).

Further details about the Company and the PSDF are both contained in the Prospectus which is available from the ACD and are also available on the Manager’s website, [www.ccla.co.uk](http://www.ccla.co.uk).

### Authorised status

The PSDF is an open ended investment company with variable capital under Regulation 12 (authorisation) of the OEIC Regulations 2001. The Company was incorporated in England and Wales and is authorised and regulated by the FCA. The Company is classified as a UCITS Scheme constituting a QMMF which complies with the FCA’s Collective Investment Schemes Sourcebook (“COLL”).

### Risk and reward profile

The PSDF’s Synthetic Risk and Reward Indicator on a scale of 1(lower) to 7(higher) is 1. This is due to the objective of maintaining a constant asset value at par, and the low range and frequency of price movements (volatility) of the underlying investments that it targets. Please see our Key Investor Information Document for further information.

CCLA Investment Management Limited  
Authorised Corporate Director  
28 November 2017

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2017 (unaudited)

### Fund Objective and Investment Policy

The investment objective of The Public Sector Deposit Fund (PSDF) is to maximise the current income consistent with the preservation of principal and liquidity by investing in a diversified portfolio of high quality sterling denominated deposits and instruments. The primary objective is to maintain the net asset value of PSDF at par (net of earnings).

### Fund Review

The Fund's AAmmf rating was affirmed on 26 July 2017 by the credit rating agency, Fitch Ratings. The rating reflects the Fund's extremely strong capacity to achieve the investment objectives of preserving principal and providing shareholder liquidity through limiting credit, market and liquidity risk. The main drivers of the 'AAmmf' rating are the high credit quality of the portfolio, the limited range of invested security types and the Fund's highly conservative investment guidelines.

The Net Asset Value of the Fund at the end of this reporting period was £493 million, with a weighted average maturity of 49 days. At the last year end, on 31 March 2017, the Net Asset Value was £313 million and duration of 50 days. The portfolio is 74% invested in Certificates of Deposit, 5% in Call accounts and 21% in Term Deposits with a maturity within 5 business days; the allocations six months ago were 78%, 9%, and 13% respectively.

### Responsible Investment Policy

We monitor our counterparties' Environmental, Social and Governance risk management on a regular basis and take action, if necessary. Our research process is based on the work of our Ethical and Responsible Investment team and their data providers.

### Performance

Over the reporting period, the Fund achieved a total return before management expenses of 0.14%; this was higher than the Fund's benchmark, the London Inter-Bank Sterling 7-Day Bid rate (7-day LIBID), which averaged 0.06%.

### Market Review

After triggering Article 50 at the end of March, thereby setting into motion the two-year process of leaving the European Union (EU), Prime Minister Theresa May called a snap General Election to be held on 8 June. Having anticipated that this would significantly boost her majority, the result, and subsequent need to form a government with outside support from the Democratic Unionist Party, has not provided the certainty market participants were hoping for.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2017 (unaudited)

As we moved into the second half of the year, concerns around political risk, both in the UK and Europe subsided and the market became focused on specific economic data releases, as investors started planning for the eventual withdrawal of monetary stimulus across most developed economies.

In the UK, economic growth remained positive, albeit at a weaker level than that seen at the end of 2016. Retail sales growth, house prices and inflation adjusted incomes are all softening in what remains a very consumption driven economy. The latest Manufacturing, Construction and Services activity surveys, released at the start of September, all point to a domestic economy beginning to slowdown. This led the Bank of England (BoE) to cut its headline GDP growth projection for 2017 from 1.9% to 1.7%, while the forecast for growth in 2018 was downgraded from 1.7% to 1.6%.

Some commentators point to this as evidence that the UK's decision to leave the EU is now impacting the UK economy and that investment is being withheld while businesses wait to see how the UK's future relationship with the EU is structured.

Throughout the period, much attention has been paid to the rate of inflation, which has been heavily impacted by the fall in the value of sterling against other major currencies. Despite monthly fluctuations, the trend has been one of steady increase, with many analysts predicting that the inflation rate will peak above 3% in the

coming months, especially as higher energy prices feed into the calculation. The headline Consumer Price Index (CPI) increased to 3.0% in August, its highest level in over five years. When focusing upon individual elements of the data, it is apparent that inflation is being driven substantially by currency related factors, rather than domestically generated price pressures. The heightened CPI numbers may therefore fade as sterling weakness falls out of the comparative data.

At the same time, the labour market continues to tighten. The unemployment rate has fallen to just 4.3% – the lowest since 1975 – with the ratio of unemployed to vacancies at its lowest on record. It would ordinarily be expected that this would result in upward pressure on wages; however, to date, wage growth has been subdued, remaining anchored at around 2%. The result of this has been a continued squeeze in real incomes.

All of these issues mean the BoE's Monetary Policy Committee (MPC) faces a balancing act in responding to the combination of a cooling economy, a decline in real earnings and a period of above 2% target inflation. These demands have resulted in a split MPC with up to three members voting for a 0.25% increase in Official Bank Rate, the first time this has happened since May 2011. At the September MPC meeting, the Bank of England gave its strongest indication yet that it was becoming increasingly concerned with the above target rate of inflation and stated that "some withdrawal of monetary stimulus is

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2017 (unaudited)

likely to be appropriate over the coming months,” with the market taking this as a strong indication of a 0.25% increase in Official Bank Rate in November.

### Outlook

On 2 November, the BoE did make the decision to increase its OBR by 25 basis points from the record low to 0.50%, the first increase in over 10 years. The minutes of the November MPC meeting appear to strike a delicate balance between keeping the option for further rate hikes open and dissipating the expectation that it is ‘one-and-done’, while preventing financial markets from pricing in a more aggressive series of hikes. However, given the risks to the outlook, the BoE does not appear ready to enter a full cycle of policy normalisation, preferring to adjust rates according to developments on inflation.

Over the coming months, economic metrics are likely to prove particularly sensitive to the progress of the negotiations between the UK Government and the EU. Continued uncertainty may serve to suppress consumption and investment within the economy.

### EU Money Market Fund Regulation

New European Money Market Fund Regulation was published in the Official Journal of the European Union on 30 June 2017 under Reference Regulation (EU) 2017/1131 and the legislation entered force on 21 July 2017.

All present MMF Undertakings for Collective Investment in Transferable Securities (UCITS) and “look-alike” Alternative Investment Funds (AIF’s) will have until 20 January 2019 to submit a new full application to their appropriate Authorities. The Authorities then have a commitment to authorise or dismiss that application within two months, so all MMFs will have adopted the new rules by 21 March 2019.

The PSDF, which is a Constant Net Asset Value (CNAV) UK Qualifying Money Market Fund, will follow the new Low Volatility Net Asset Value (LVNAV) format. It is envisaged that an application to the UK Financial Conduct Authority will be made in the latter half of 2018 so that the Fund meets the new requirements by March 2019. From an investor standpoint, the new regulations will not materially change the way the fund is managed.

CCLA Investment Management  
28 November 2017

**STATEMENT OF DEPOSITARY RESPONSIBILITIES  
AND REPORT OF THE DEPOSITARY**  
for the half year ended 30 September 2017 (unaudited)

**Depositary Responsibilities**

The depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme Sourcebook ("The Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations) and the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the company; and the investment and borrowing powers of the Company.

**Report of the Depositary**

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC Bank plc  
Trustee and Depositary Services  
8 Canada Square  
London E14 5HQ  
HSBC Bank plc is authorised and regulated by  
the Financial Conduct Authority  
28 November 2017

## RESPONSIBILITIES OF AND CERTIFICATION OF THE FINANCIAL STATEMENTS BY THE AUTHORISED CORPORATE DIRECTOR

The ACD is responsible for managing and administering the Company's affairs in accordance with the Regulations. Under the terms of the ACD Agreement, the ACD is to provide investment management, administrative, accounting, company secretarial and registrar services to the Company.

The ACD is required to prepare Financial Statements for each accounting period which give a true and fair view of the financial affairs of the Company, its net revenue or expenditure and the net gains or losses on the property of the Company for the period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies that are appropriate for PSDF and apply them on a consistent basis;
- comply with the Instrument of Incorporation and the disclosure requirements of the Statement of Recommended Practice: "Financial Statements of Authorised Funds", ("SORP"), issued by The Investment Association in May 2014;
- follow United Kingdom Generally Accepted Accounting Practices (UK accounting standards and applicable law);
- make judgements and estimates that are reasonable and prudent;

- keep proper accounting records which enable it to demonstrate that the Company complies with the Regulations; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the PSDF will continue in operation.

The financial statements should comply with the disclosure requirements of the FCA's (Open-Ended Investment Companies) Regulations 2001, which should then comply with COLL and any relevant provisions of the Company's Instrument of Incorporation.

The ACD is responsible for maintaining proper books of accounts which disclose, with reasonable accuracy at any time, the financial position of the Company. The ACD is responsible for maintaining an appropriate system of internal controls and for taking all reasonable steps for the prevention and detection of fraud and other irregularities.

### **Certification of the financial statements by the ACD**

This report is certified in accordance with the requirements of the FCA's COLL and was approved for publication on 28 November 2017 by the ACD.

M Quicke OBE  
Director  
28 November 2017

A McMillan  
Director  
28 November 2017



**THE PUBLIC SECTOR DEPOSIT FUND  
RISK AND REWARD PROFILE**

The risk and reward indicator table demonstrates where the sub-fund ranks in terms of its potential risk and reward. The higher the rank, the greater the potential reward, but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the sub-fund. The shaded area in the table below shows the sub-fund’s ranking on the risk and reward indicator.



The sub-fund is ranked 1 based upon the history of returns for funds of this type. Please note that even the lowest risk class can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases.

For further risk information please see the Prospectus, available on the Manager’s website at [www.ccla.co.uk](http://www.ccla.co.uk)

## COMPARATIVE TABLES

## Change in net assets per share

	Share Class 1			
	Half year to 30.09.2017 £ per share	Year to 31.03.2017 £ per share	Year to 31.03.2016 £ per share	Year to 31.03.2015 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0014	0.0043	0.0053	0.0051
Operating charges	(0.0001)	(0.0002)	(0.0003)	(0.0004)
Return after operating charges*	0.0013	0.0041	0.0050	0.0047
Distributions on income shares	(0.0013)	(0.0041)	(0.0050)	(0.0047)
Closing net asset value per share	1.0000	1.0000	1.0000	1.0000

\* after direct transaction costs of:

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**Performance**

Return after charges 0.13% 0.41% 0.50% 0.47%

**Other information**

Closing net asset value (£'000)	223,163	75,729	31,793	40,175
Closing number of shares (in thousands)	223,163	75,729	31,793	40,175
Operating charges**	0.02%	0.02%	0.03%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price (offer)	1.00	1.00	1.00	1.00
Lowest share price (bid)	1.00	1.00	1.00	1.00

The return after charges has been calculated in accordance with the Statement of Recommended Practice's prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* Operating charges comprise the ACD's periodic charge and other expenses. The percentages above reflect these charges divided by average net assets for the period/year.

## COMPARATIVE TABLES

## Change in net assets per share (continued)

	Half year to 30.09.2017 £ per share	Share Class 2		Year to 31.03.2015 £ per share
		Year to 31.03.2017 £ per share	Year to 31.03.2016 £ per share	
Opening net asset value per share	n/a	1.0000	1.0000	1.0000
Return before operating charges*	n/a	0.0021	0.0053	0.0051
Operating charges	n/a	(0.0008)	(0.0023)	(0.0024)
Return after operating charges*	n/a	0.0013	0.0030	0.0027
Distributions on income shares	n/a	(0.0013)	(0.0030)	(0.0027)
Net asset value transferred to Share Class 1**	n/a	(1.0000)	–	–
Closing net asset value per share	n/a	–	1.0000	1.0000
* after direct transaction costs of:	n/a	–	–	–

\*\* On 15 August 2016 all shares were transferred to Share Class 1. The return after operating charges in the year to 31 March 2017 was for the period from 1 April 2016 to 15 August 2016.

**Performance**

Return after charges	n/a	0.13%	0.30%	0.27%
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**Other information**

Closing net asset value (£'000)	n/a	–	25	200
Closing number of shares (in thousands)	n/a	–	25	200
Operating charges***	n/a	0.20%	0.23%	0.24%
Direct transaction costs	n/a	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price (offer)	n/a	1.00	1.00	1.00
Lowest share price (bid)	n/a	1.00	1.00	1.00

The return after charges has been calculated in accordance with the Statement of Recommended Practice's prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the sub-fund's performance disclosed in the Report of the Investment Manager.

\*\*\* Operating charges comprise the ACD's periodic charge and other expenses. The percentages above reflect these charges divided by average net assets for the period/year.

## COMPARATIVE TABLES

## Change in net assets per share (continued)

	Half year to 30.09.2017 £ per share	Share Class 3		
		Year to 31.03.2017 £ per share	Year to 31.03.2016 £ per share	Year to 31.03.2015 £ per share
Opening net asset value per share	n/a	1.0000	1.0000	1.0000
Return before operating charges*	n/a	0.0020	0.0053	0.0051
Operating charges	n/a	(0.0006)	(0.0018)	(0.0019)
Return after operating charges*	n/a	0.0014	0.0035	0.0032
Distributions on income shares	n/a	(0.0014)	(0.0035)	(0.0032)
Net asset value transferred to Share Class 1**	n/a	(1.0000)	–	–
Closing net asset value per share	n/a	–	1.0000	1.0000
* after direct transaction costs of:	n/a	–	–	–

\*\* On 15 August 2016 all shares were transferred to Share Class 1. The return after operating charges in the year to 31 March 2017 was for the period from 1 April 2016 to 15 August 2016.

**Performance**

Return after charges	n/a	0.14%	0.35%	0.32%
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**Other information**

Closing net asset value (£'000)	n/a	–	25	300
Closing number of shares (in thousands)	n/a	–	25	300
Operating charges***	n/a	0.15%	0.18%	0.19%
Direct transaction costs	n/a	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price (offer)	n/a	1.00	1.00	1.00
Lowest share price (bid)	n/a	1.00	1.00	1.00

The return after charges has been calculated in accordance with the Statement of Recommended Practice's prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the sub-fund's performance disclosed in the Report of the Investment Manager.

\*\*\* Operating charges comprise the ACD's periodic charge and other expenses. The percentages above reflect these charges divided by average net assets for the period/year.

## COMPARATIVE TABLES

## Change in net assets per share (continued)

	Share Class 4			
	Half year to 30.09.2017 £ per share	Year to 31.03.2017 £ per share	Year to 31.03.2016 £ per share	Year to 31.03.2015 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0014	0.0043	0.0053	0.0051
Operating charges	(0.0004)	(0.0008)	(0.0011)	(0.0014)
Return after operating charges*	0.0010	0.0035	0.0042	0.0037
Distributions on income shares	(0.0010)	(0.0035)	(0.0042)	(0.0037)
Closing net asset value per share	1.0000	1.0000	1.0000	1.0000
* after direct transaction costs of:	–	–	–	–
<b>Performance</b>				
Return after charges	0.10%	0.35%	0.42%	0.37%
<b>Other information</b>				
Closing net asset value (£'000)	270,027	237,366	145,314	130,349
Closing number of shares (in thousands)	270,027	237,366	145,314	130,349
Operating charges**	0.08%	0.08%	0.11%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices (pence per share)</b>				
Highest share price (offer)	1.00	1.00	1.00	1.00
Lowest share price (bid)	1.00	1.00	1.00	1.00

The return after charges has been calculated in accordance with the Statement of Recommended Practice's prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the sub-fund's performance disclosed in the Report of the Investment Manager.

\*\* Operating charges comprise the ACD's periodic charge and other expenses. The percentages above reflect these charges divided by average net assets for the period/year.

## COMPARATIVE TABLES

## Change in net assets per share (continued)

	Half year to 30.09.2017 £ per share	Share Class 5		
		Year to 31.03.2017 £ per share	Year to 31.03.2016 £ per share	Year to 31.03.2015 £ per share
Opening net asset value per share	n/a	1.0000	1.0000	1.0000
Return before operating charges*	n/a	0.0021	0.0053	0.0051
Operating charges	n/a	(0.0008)	(0.0023)	(0.0024)
Return after operating charges*	n/a	0.0013	0.0030	0.0027
Distributions on income shares	n/a	(0.0013)	(0.0030)	(0.0027)
Net asset value transferred to Share Class 1**	n/a	(1.0000)	–	–
Closing net asset value per share	n/a	–	1.0000	1.0000
* after direct transaction costs of:	n/a	–	–	–

\*\* On 15 August 2016 all shares were transferred to Share Class 1. The return after operating charges in the year to 31 March 2017 was for the period from 1 April 2016 to 15 August 2016.

**Performance**

Return after charges	n/a	0.13%	0.30%	0.27%
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**Other information**

Closing net asset value (£'000)	n/a	–	25	100
Closing number of shares (in thousands)	n/a	–	25	100
Operating charges***	n/a	0.20%	0.23%	0.24%
Direct transaction costs	n/a	0.00%	0.00%	0.00%

**Prices (pence per share)**

Highest share price (offer)	n/a	1.00	1.00	1.00
Lowest share price (bid)	n/a	1.00	1.00	1.00

The return after charges has been calculated in accordance with the Statement of Recommended Practice's prescribed calculation methodology. This is for financial statement reporting purposes only and differs from the sub-fund's performance disclosed in the Report of the Investment Manager.

\*\*\* Operating charges comprise the ACD's periodic charge and other expenses. The percentages above reflect these charges divided by average net assets for the period/year.

## PORTFOLIO STATEMENT

at 30 September 2017 (unaudited)

	Holding £'000	Value £'000	% of total net assets
<b>Certificates of Deposit – 73.31% (31.03.2017, 77.79%)</b>			
Bank of Montreal	1,000	1,000	0.20
Bank of Montreal	2,000	2,000	0.41
Bank of Montreal	2,750	2,752	0.56
Bank of Nova Scotia	10,000	10,000	2.03
Bank of Nova Scotia	3,000	3,000	0.61
Bank of Nova Scotia	7,000	7,000	1.42
Bank of Tokyo-Mitsubishi UFJ	10,000	10,000	2.03
Bank of Tokyo-Mitsubishi UFJ	10,000	10,000	2.03
BNP Paribas	10,000	10,000	2.03
BNP Paribas	1,300	1,300	0.26
BNP Paribas	6,000	6,000	1.22
Canadian Imperial Bank of Commerce	1,000	1,000	0.20
Canadian Imperial Bank of Commerce	2,000	2,000	0.41
Citibank	5,000	5,000	1.01
Commonwealth Bank of Australia	1,000	1,000	0.20
Commonwealth Bank of Australia	2,000	2,000	0.41
Commonwealth Bank of Australia	1,000	1,000	0.20
Credit Agricole CIB	4,000	4,000	0.81
Credit Agricole CIB	8,000	8,000	1.62
Credit Agricole CIB	10,000	10,000	2.03
Credit Industriel et Commercial	5,000	5,003	1.01
Credit Industriel et Commercial	5,000	5,000	1.01
Danske Bank	5,000	5,000	1.01
DZ Bank	5,000	5,001	1.01
ING Bank	7,000	7,000	1.42
ING Bank	5,000	5,000	1.01
Landesbank Hessen – Thuringen Girozentrale	1,000	1,000	0.20
Landesbank Hessen – Thuringen Girozentrale	2,000	2,000	0.41
Landesbank Hessen – Thuringen Girozentrale	10,000	10,000	2.03
Lloyds Bank	4,000	4,000	0.81
Lloyds Bank	11,000	11,000	2.23
Lloyds Bank	5,000	5,000	1.01
Lloyds Bank	7,000	7,000	1.42
Mizuho Bank	10,000	10,000	2.03
Mizuho Bank	6,000	6,000	1.22
Mizuho Bank	1,000	1,000	0.20
Mizuho Bank	5,000	5,000	1.01

## PORTFOLIO STATEMENT

at 30 September 2017 (unaudited)

	Holding £'000	Value £'000	% of total net assets
National Australia Bank	1,000	1,000	0.20
National Australia Bank	1,000	1,000	0.20
National Bank of Canada	5,000	5,000	1.01
Nationwide Building Society	7,500	7,501	1.52
Nationwide Building Society	3,100	3,100	0.63
Nordea Bank	9,000	9,000	1.82
Nordea Bank	2,000	2,000	0.41
Nordea Bank	3,000	3,000	0.61
Nordea Bank	1,000	1,000	0.20
Nordea Bank	1,000	1,000	0.20
Nordea Bank	7,000	7,000	1.42
Rabobank	1,000	1,000	0.20
Rabobank	1,000	1,000	0.20
Rabobank	1,000	1,000	0.20
Rabobank	2,000	2,000	0.41
Rabobank	3,000	3,000	0.61
Rabobank	2,000	2,000	0.41
Rabobank	2,000	2,000	0.41
Rabobank	6,000	6,000	1.22
Rabobank	1,000	1,000	0.20
Rabobank	2,000	2,000	0.41
Rabobank	2,000	2,000	0.41
Skandinaviska Enskilda Banken	1,000	1,000	0.20
Skandinaviska Enskilda Banken	4,000	4,000	0.81
Societe Generale	12,000	12,000	2.43
Societe Generale	1,000	1,000	0.20
Standard Chartered Bank	10,000	10,000	2.03
Standard Chartered Bank	10,000	10,000	2.03
Standard Chartered Bank	3,000	3,000	0.61
Sumitomo Mitsui Banking Corporation Europe	9,000	9,000	1.82
Sumitomo Mitsui Banking Corporation Europe	3,000	3,000	0.61
Sumitomo Mitsui Banking Corporation Europe	4,000	4,000	0.81
Svenska Handelsbanken	5,000	5,000	1.01
Svenska Handelsbanken	10,000	10,000	2.03
Toronto Dominion Bank	1,000	1,000	0.20
Toronto Dominion Bank	5,000	5,000	1.01
Toronto Dominion Bank	5,000	5,000	1.01
United Overseas Bank	1,000	1,000	0.20



**PORTFOLIO STATEMENT**  
at 30 September 2017 (unaudited)

	Holding £'000	Value £'000	% of total net assets
United Overseas Bank	10,000	10,000	2.03
United Overseas Bank	6,000	6,000	1.22
United Overseas Bank	5,000	5,000	1.01
United Overseas Bank	2,000	2,000	0.41
<b>Term Deposits – 21.31% (31.03.2017, 12.77%)</b>			
Landesbank Baden-Württemberg	49,000	49,000	9.95
Mizuho Bank	15,000	15,000	3.04
Rabobank	21,000	21,000	4.26
Sumitomo Mitsui Banking Corporation Europe	10,000	10,000	2.03
Sumitomo Mitsui Banking Corporation Europe	10,000	10,000	2.03
<b>Call Accounts – 5.07% (31.03.2017, 7.98%)</b>			
Lloyds Bank	6	6	0.00
Santander UK	25,000	25,000	5.07
<b>INVESTMENT ASSETS</b>		<b>491,663</b>	<b>99.69</b>
<b>NET OTHER ASSETS</b>		<b>1,527</b>	<b>0.31</b>
<b>TOTAL NET ASSETS</b>		<b>493,190</b>	<b>100.00</b>

## STATEMENT OF TOTAL RETURN

for the half year ended 30 September 2017 (unaudited)

	Period ended 30.09.2017		Period ended 30.09.2016	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		–		–
Revenue	598		641	
Expenses	(129)		(88)	
Net revenue before taxation	469		553	
Taxation	–		–	
Net revenue after taxation		469		553
<b>Total return before distributions</b>		<b>469</b>		<b>553</b>
Distributions		(469)		(553)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>–</b>		<b>–</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 September 2017 (unaudited)

	Period ended 30.09.2017		Period ended 30.09.2016	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>313,095</b>		<b>177,183</b>
Amounts receivable on issue of shares	876,631		379,709	
Amounts payable on cancellation of shares	(696,536)		(264,427)	
		180,095		115,282
Change in net assets attributable to shareholders from investment activities		–		–
<b>Closing net assets attributable to shareholders</b>		<b>493,190</b>		<b>292,465</b>

The note on page 20 and distribution table on page 21 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 September 2016, whereas the opening net assets for the current accounting period commenced on 1 April 2017.

## BALANCE SHEET

at 30 September 2017 (unaudited)

	30.09.2017		31.03.2017	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Fixed assets:				
Investments		491,663		308,509
Current assets:				
Debtors	336		287	
Cash and bank balances	1,320		4,402	
Total current assets		1,656		4,689
<b>Total assets</b>		<b>493,319</b>		<b>313,198</b>
<b>LIABILITIES</b>				
Creditors				
Other creditors	39		26	
Distribution payable	90		77	
Total creditors		129		103
<b>Total liabilities</b>		<b>129</b>		<b>103</b>
<b>Net assets attributable to shareholders</b>		<b>493,190</b>		<b>313,095</b>

The financial statements on pages 18 to 21 are approved by the Authorised Corporate Director.

Approved on behalf of the  
Authorised Corporate Director  
28 November 2017

M Quicke OBE, Director  
CCLA Investment Management Limited

Approved on behalf of the  
Authorised Corporate Director  
28 November 2017

A McMillan, Director  
CCLA Investment Management Limited

The note on page 20 and distribution table on page 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
for the half year ended 30 September 2017 (unaudited)

1. Accounting policies

*Basis of preparation*

The financial statements of the Company which comprise the financial statement of its sub-fund have been prepared on a going concern basis, in compliance with UK GAAP including FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by The Investment Association in May 2014, the Scheme and the FCA's Collective Investment Schemes Sourcebook (COLL). The financial statements have been prepared under the historical cost basis.

The sub-fund is exempt from preparing a statement of cash flows under FRS 102 as substantially all of the sub-fund's investments are highly liquid, substantially all of the sub-fund's investments are carried at market value and the Fund provides a statement of changes in net assets.

Unless otherwise stated, all other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017 and are described in those financial statements.

## DISTRIBUTION TABLE

for the half year ended 30 September 2017 (unaudited)

Period ended	Share Class 1 £	Share Class 2 £	Share Class 3 £	Share Class 4 £	Share Class 5 £	Total £
April 2017	15,799	–	–	49,738	–	65,537
May 2017	16,343	–	–	61,729	–	78,072
June 2017	14,727	–	–	50,086	–	64,813
July 2017	32,266	–	–	49,110	–	81,376
August 2017	41,395	–	–	47,918	–	89,313
September 2017	43,661	–	–	46,257	–	89,918
	164,191	–	–	304,838	–	469,029

The PSDF accrues distributions on a daily basis and funds are paid out on a monthly basis on or around the first working day of the following month. Distributions are paid gross.

## THE PUBLIC SECTOR DEPOSIT FUND

**The Advisory Board**

An Advisory Board for PSDF has been established by CCLA to represent the interests of depositors and the public sector as a whole. The Advisory Board meets regularly with CCLA, the manager of PSDF, to provide guidance and monitor the management and development of the Fund. The Board operates on an advisory basis only.

T Salmon OBE (Chairman)

P Clokie OBE

E Eyre

P Findlow

R Kemp CBE

A Naylor

S Pickup OBE

T Beattie

S Timoney

S Nolan

J Turnbull

L Webster

**Secretary**

J Fox

**Authorised Corporate Director (“the ACD”),  
Investment Manager and Registrar**

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London EC4V 4ET

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*Authorised and regulated by the Financial Conduct Authority*

**Administrator**

Third party administrator appointed by CCLA  
HSBC Securities Services (UK) Limited  
1-2 Lochside Way  
Edinburgh Park  
Edinburgh EH12 9DT  
Authorised and regulated by  
the Financial Conduct Authority

**Officers of the ACD***Directors responsible for PSDF*

M Quicke OBE (Chief Executive)

J Bevan (Chief Investment Officer)

A McMillan (Chief Operating Officer)

A Robinson MBE (Director Market Development)

*Fund Managers*

S Freeman

R Evans

*Company Secretary*

J Fox

*Head of Operational Risk, Internal Audit and Compliance*

S Forrest

*Head of Ethical and Responsible Investment*

J Corah

**Third Party Advisors***Depositary*

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8 Canada Square  
London E14 5HQ

*Banker*

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

*Legal Advisors*

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London WC2A 3LH

*Independent Auditors*

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT



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