

CCLA PUBLIC SECTOR  
INVESTMENT FUND  
INTERIM REPORT AND  
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 September 2019

**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 2019 (unaudited)

We are pleased to present the Interim Report and Unaudited Financial Statements for the CCLA Public Sector Investment Fund (“the Company”) for the half year ended 30 September 2019. The Company is an umbrella company which currently has one Sub-Fund, The Public Sector Deposit Fund (“PSDF” or “Sub-Fund”).

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 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 (“ACD”) reserves the right to revalue the Company or PSDF at any time, if it considers it desirable to do so.

The Company is an Undertaking for Collective Investment in Transferable Securities Scheme (“UCITS” Scheme) constituting a Qualifying Money Market Fund (“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 QMME. PSDF is a short term, Low Volatility Net Asset Value Money Market Fund (“LVNAV MMF”).

The investment objective of 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 Sub-Fund at par (net of earnings). As an LVNAV MMF, shares in PSDF will be issued or redeemed at a price equal to par. Under extreme conditions, if the net asset value (“NAV”) deviates from par by more than 0.20%, subscriptions and redemptions will be based on the variable NAV (as calculated in accordance with Article 30 of The European Money Market Funds Regulation (“MMF” Regulation)).

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

### Authorised status

The Company is an open ended investment company with variable capital under Regulation 14 (authorisation) of the Open Ended Investment Company Regulations 2001 (“OEIC Regulations”). The Company was incorporated in England and Wales on 6 December 2010 and is authorised and regulated by the FCA. The Company is classified as a UCITS Scheme constituting PSDF which is a QMMF and complies with the FCA’s Collective Investment Schemes Sourcebook (“COLL”).

**REPORT OF THE AUTHORISED CORPORATE DIRECTOR**  
for the half year ended 30 September 2019 (unaudited)

PSDF is approved by the FCA as a LVNAV MMF, which is a short term MMF, and is authorised as such in accordance with the provisions of the MMF Regulation.

**Risk and reward profile**

PSDF utilises a Synthetic Risk and Reward Indicator (“SRRI”) to provide investors with a meaningful indication of the overall risk and reward profile of the Sub-Fund. Further detail is set out in the Risk and Reward Profile section.

CCLA Investment Management Limited  
Authorised Corporate Director  
26 November 2019

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2019 (unaudited)

### Fund objective and investment policy

The investment objective of 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 NAV of the PSDF at par (net of earnings).

### Sub-Fund review

The Sub-Fund's AAmmf rating was affirmed on the 21 February 2019 by the credit rating agency, Fitch Ratings. The rating reflects the Sub-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 Sub-Fund's highly conservative investment guidelines.

### 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 Sub-Fund achieved a total return before management expenses of 0.41%; this was higher than the Sub-Fund's benchmark, the London Inter-Bank Sterling 7-Day Bid rate ("7-day LIBID") which averaged 0.29%. There was a net inflow of £32.69 million over the period, the number of shares in issue as at 30 September 2019 was 509.11 million.

### Market review

The impasse over the UK's withdrawal from the European Union ("EU") dominated the sterling money market throughout the period. After failing on three separate occasions to get her Withdrawal Agreement through parliament and suffering 60 ministerial departures since the 2017 general election, with 42 of these being resignations due to discordance over the UK's exit from the EU, Theresa May herself resigned on 24 July. Boris Johnson was appointed Prime Minister shortly after. Mr Johnson's leadership campaign was run on a mandate of exiting the EU on 31 October, with or without a deal. This led markets to again contemplate the possibility of the UK leaving the EU without a deal.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2019 (unaudited)

At the beginning of the period, the Bank of England's ("BoE") Monetary Policy Committee ("MPC") met and although all members voted for no change in rates, the minutes revealed that the Bank, uniquely amongst the major economies, was maintaining a tightening bias towards monetary policy. Indeed, the inference was that more than one increase would be required to reduce incipient inflationary pressures. A number of MPC members expressed similar views including Michael Saunders who said that the BoE didn't have to wait until all the political uncertainty around Brexit is resolved to raise interest rates.

As the period progressed, the MPC's outlook for rates looked increasingly isolated. Data releases suggested that, whilst the global economy has continued to grow, the pace of expansion has moderated, due mainly to falling momentum in the manufacturing sectors, as concerns mounted over increasing levels of trade protectionism.

At the July Local Government Association Annual Conference, the BoE Governor Mark Carney used the platform to provide a very different message. In a speech entitled "Sea Change," Mr Carney warned that the global economy had shifted from a robust, broad-based expansion to a widespread slowdown. He noted the difficulties in successfully concluding the US and China trade negotiations, "the latest actions raise the possibility that trade tensions could be far more pervasive, persistent and damaging than previously expected. The rationales for action are broadening." Against this backdrop, central banks could soon need to respond with stimulus "as insurance to maintain the expansion."

As Mr Carney anticipated, slower global growth triggered central banks to take action. Keen to keep the expansion going, numerous central banks cut official interest rates including both the US Federal Reserve (twice) and the European Central Bank.

In response to the "Sea Change" speech, the UK gilt yield curve inverted between two and ten years (10-year gilt yield lower than the 2-year gilt yield) for the first time since 2008, suggesting investors saw a growing risk of a recession. The August Quarterly Inflation Report saw the BoE reaffirm its pledge of gradual and limited interest rate rises under the assumption of a smooth withdrawal from the EU and some recovery in global growth.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2019 (unaudited)

As the end of the period approached, the aforementioned Michael Saunders, gave a speech proclaiming “If the UK avoids a no-deal Brexit, monetary policy also could go either way and I think it is quite plausible that the next move in Bank Rate would be down rather than up.” This change in his thinking moved sterling lower as markets reflected increased chances of a cut in the Official Bank Rate and one-year sterling deposit rates closed the period some 25 basis points lower than they started. Three-month rates were down 10 basis points from their highs.

In the absence of both political and monetary policy certainty, investors analysed economic data for clues to the consequences of any extension to Article 50 or a no deal exit. Reading this data has proved markedly difficult due to volatility caused by stockpiling prior to the original date of the UK’s withdrawal from the EU and factory shutdowns scheduled for the months after.

Growth has slowed since 2018 reflecting both the impact of intensifying uncertainties over the UK’s withdrawal from the EU on business investment and weaker global net trade. After growing by 0.5% in Q1 2019, UK GDP was expected to have been flat in Q2, according to the BoE’s August Quarterly Inflation Report, but in fact showed a contraction of 0.2%. Services output provided the only positive contribution, although growth in this sector slowed to 0.1%. A sharp decline in manufacturing contributed to a 1.4% regression in the production sector.

Inflation held steady around the BoE’s 2% target over most of the period. The CPI measure was initially supported by increases in energy prices and air fares over the Easter period. However, in September CPI fell to 1.7%, its lowest level in almost three years as extended summer sales kept clothing prices down, easing pressure on consumers. Nevertheless, declines in the value of the pound influenced by the UK’s withdrawal from the EU and concerns over the oil supply may lead to increased inflationary pressures over the coming months.

The labour market remains strong. Wages have continued to grow at a strong pace peaking at 3.9% in August, up by 0.5% on April and maintaining the improvement in real disposable incomes. This growth was buoyed by an increase in the minimum wage and a special award to NHS staff. In May, unemployment fell to 3.8%, a level not seen since 1974, and persisted around this mark throughout the remainder of the period. However, recent data suggest the labour market may have peaked. Official vacancy data points to a slowing in year-on-year growth in employee numbers, indeed dropping to zero by the end of this year, from 0.8% in July. In addition, recruiters reported that starting salaries for new hires in August increased at the slowest rate since December 2016.

## REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2019 (unaudited)

As speculation of a possible election grew, the government published a spending review which promised an end to austerity and the biggest increase in public spending for 15 years. How the programme was to be paid for wasn't made clear, but the Chancellor insisted that it was consistent with the current fiscal plan under which the deficit would reduce to 2% of GDP in 2020/21 before moving into balance over time.

The recent change in interest rate expectations has resulted in lower deposit rates but has also resulted in cheaper borrowing costs. The mortgage approvals data published by UK Finance showed there were 95,126 mortgages approved by the main high street banks in July, the highest monthly total since July 2009. The regulators are said to be closely watching a price war in mortgages and may need to impose stricter minimum capital requirements on lenders, according to the BoE's Deputy Governor Sam Woods. He talked about the significance of the UK housing market as the single biggest loan exposure for banks and building societies as well as the greatest liability for consumers. He said, "there are a number of areas to which we are paying particularly close attention currently."

### Outlook

After the period ended, Prime Minister Johnson succeeded in renegotiating the Withdrawal Agreement with the EU and secured preliminary parliamentary approval. The House was unable to subsequently agree upon a timetable to scrutinise the Agreement and the Prime Minister had to request a further extension to the 31 October deadline, which the EU duly accepted. After the EU acceptance was given, Parliament agreed to the Prime Minister's request to hold a December general election. The outcome of the election will not only prove pivotal to the UK's future relationship with the EU, but the level of fiscal stimulus the new government is prepared to inject into the economy and the direction of interest rates. However, should no party achieve a majority or form a coalition government, uncertainty will likely persist into 2020 and we are unlikely to see a tightening of monetary policy in the near future.

CCLA Investment Management Limited  
26 November 2019



## 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 OEIC Regulations, the FCA Rules, the UCITS Directive and the MMF Regulation (together "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 year.

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 requirements of the Statement of Recommended Practice: "Financial Statements of Authorised Funds", ("SORP"), issued by The Investment Management Association in May 2014 (and amended in June 2017);
- 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 PSDF will continue in operation.

The financial statements should comply with the disclosure requirements of the FCA's OEIC Regulations, which should then comply with the COLL Sourcebook 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 COLL Sourcebook and was approved for publication on 26 November 2019 by the ACD.

P Hugh Smith  
Director  
26 November 2019

E Sheldon  
Director  
26 November 2019

## THE PUBLIC SECTOR DEPOSIT FUND RISK AND REWARD PROFILE



PSDF utilises a Synthetic Risk and Reward Indicator (“SRRI”) to provide investors with a meaningful indication of the overall risk and reward profile of the Sub-Fund. The SRRI operates on a scale of 1 (lower risk/reward) to 7 (higher risk/reward).

The PSDF SRRI is 1; this is due to the objective of maintaining the share price at par and the low range and frequency of price movements (volatility) of the underlying investments that it targets.

Please refer to the Key Investor Information Document for further information on the SRRI.

A more detailed description of risk factors that apply to the PSDF is set out in the latest Prospectus available on CCLA’s website or by request.

THE PUBLIC SECTOR DEPOSIT FUND  
COMPARATIVE TABLE

Change in net assets per share

	Share Class 1			
	Half year ended 30.09.2019 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share	Year ended 31.03.2017 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0041	0.0076	0.0035	0.0043
Operating charges	(0.0001)	(0.0002)	(0.0002)	(0.0002)
Return after operating charges*	0.0040	0.0074	0.0033	0.0041
Distributions on income shares	(0.0040)	(0.0074)	(0.0033)	(0.0041)
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	0.40%	0.74%	0.33%	0.41%
<b>Other information</b>				
Closing net asset value (£'000)	46,894	76,562	100,414	75,729
Closing number of shares	46,890,972	76,554,948	100,414,076	75,728,593
Operating charges**	0.02%	0.02%	0.02%	0.02%
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 for UK Authorised Funds' 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.

\*\*\* The Sub-Fund does not have a dealing spread.

THE PUBLIC SECTOR DEPOSIT FUND  
COMPARATIVE TABLE

Change in net assets per share (continued)

	Half year ended 30.09.2019 £ per share	Share Class 2		Year ended 31.03.2017 £ per share
		Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share	
Opening net asset value per share	n/a	n/a	n/a	1.0000
Return before operating charges*	n/a	n/a	n/a	0.0021
Operating charges	n/a	n/a	n/a	(0.0008)
Return after operating charges*	n/a	n/a	n/a	0.0013
Distributions on income shares	n/a	n/a	n/a	(0.0013)
Net asset value transferred to Share Class 1**	n/a	n/a	n/a	(1.0000)
Closing net asset value per share	n/a	n/a	n/a	–
* after direct transaction costs of:	n/a	n/a	n/a	–

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

**Performance**

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

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

**Prices (pence per share)**

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

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' 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.

\*\*\*\* The Sub-Fund does not have a dealing spread.

THE PUBLIC SECTOR DEPOSIT FUND  
COMPARATIVE TABLE

Change in net assets per share (continued)

	Share Class 3			
	Half year ended 30.09.2019 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share	Year ended 31.03.2017 £ per share
Opening net asset value per share	n/a	n/a	n/a	1.0000
Return before operating charges*	n/a	n/a	n/a	0.0020
Operating charges	n/a	n/a	n/a	(0.0006)
Return after operating charges*	n/a	n/a	n/a	0.0014
Distributions on income shares	n/a	n/a	n/a	(0.0014)
Net asset value transferred to Share Class 1**	n/a	n/a	n/a	(1.0000)
Closing net asset value per share	n/a	n/a	n/a	–
* after direct transaction costs of:	n/a	n/a	n/a	–

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

**Performance**

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

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

**Prices (pence per share)**

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

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' 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.

\*\*\*\* The Sub-Fund does not have a dealing spread.

THE PUBLIC SECTOR DEPOSIT FUND  
COMPARATIVE TABLE

Change in net assets per share (continued)

	Share Class 4			
	Half year ended 30.09.2019 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share	Year ended 31.03.2017 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0041	0.0076	0.0035	0.0043
Operating charges	(0.0004)	(0.0008)	(0.0008)	(0.0008)
Return after operating charges*	0.0037	0.0068	0.0027	0.0035
Distributions on income shares	(0.0037)	(0.0068)	(0.0027)	(0.0035)
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	0.37%	0.68%	0.27%	0.35%
<b>Other information</b>				
Closing net asset value (£'000)	462,250	399,856	225,672	237,366
Closing number of shares	462,217,645	399,816,470	225,671,897	237,366,204
Operating charges**	0.08%	0.08%	0.08%	0.08%
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 for UK Authorised Funds' 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.

\*\*\* The Sub-Fund does not have a dealing spread.

THE PUBLIC SECTOR DEPOSIT FUND  
COMPARATIVE TABLE

Change in net assets per share (continued)

	Share Class 5			
	Half year ended 30.09.2019 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share	Year ended 31.03.2017 £ per share
Opening net asset value per share	n/a	n/a	n/a	1.0000
Return before operating charges*	n/a	n/a	n/a	0.0021
Operating charges	n/a	n/a	n/a	(0.0008)
Return after operating charges*	n/a	n/a	n/a	0.0013
Distributions on income shares	n/a	n/a	n/a	(0.0013)
Net asset value transferred to Share Class 1**	n/a	n/a	n/a	(1.0000)
Closing net asset value per share	n/a	n/a	n/a	–
* after direct transaction costs of:	n/a	n/a	n/a	–

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

**Performance**

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

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

**Prices (pence per share)**

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

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' 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.

\*\*\*\* The Sub-Fund does not have a dealing spread.

## THE PUBLIC SECTOR DEPOSIT FUND

## PORTFOLIO STATEMENT

at 30 September 2019 (unaudited)

	Holding £'000	Value £'000	% of total net assets
<b>Certificates of Deposit 80.08% (31.03.2019 – 66.17%)</b>			
ABM AMRO 0.775% 04/12/2019	10,000	10,000	1.96
ABM AMRO 0% 12/12/2019	13,000	12,980	2.55
Bank of Montreal 1.20% 06/12/2019	4,000	4,003	0.79
Bank of Nova Scotia 0.81% 28/11/2019	1,000	1,000	0.20
Bank of Nova Scotia 0.77% 20/12/2019	5,000	5,000	0.98
Barclays Bank 1.02% 11/10/2019	8,000	8,000	1.57
Barclays Bank 1.01% 01/06/2020	10,000	10,008	1.97
Barclays Bank 0.96% 21/08/2020	2,000	2,001	0.39
BNP Paribas 0.75% 03/10/2019	20,000	20,000	3.93
BNP Paribas 0.93% 07/10/2019	3,000	3,000	0.59
Canadian Imperial Bank of Commerce 1.10% 16/10/2019	5,000	5,000	0.98
Citibank 0.75% 01/11/2019	10,000	10,000	1.96
Citibank 0.78% 17/12/2019	13,000	13,000	2.55
Commonwealth Bank of Australia 1% 04/10/2019	1,000	1,000	0.20
Commonwealth Bank of Australia 1.13% 06/11/2019	3,000	3,000	0.59
Cooperative Rabobank 1.18% 17/01/2020	2,000	2,002	0.39
Credit Agricole CIB 0.78% 08/11/2019	11,000	11,000	2.16
Credit Agricole CIB 0.78% 12/11/2019	10,000	10,000	1.96
DZ Bank 0.76% 22/10/2019	10,000	10,000	1.96
DZ Bank 0.76% 05/12/2019	13,000	13,000	2.55
Handelsbanken 0.775% 30/10/2019	5,000	5,000	0.98
Handelsbanken 0.77% 05/11/2019	9,000	9,000	1.77
Handelsbanken 0.90% 29/11/2019	1,200	1,200	0.24
Handelsbanken 1.00% 26/05/2020	1,000	1,001	0.20
HSBC Bank 0.77% 18/11/2019	10,000	10,000	1.96
HSBC Bank 0% 16/12/2019	10,000	9,984	1.96
HSBC Bank 1.15% 04/02/2020	4,000	4,004	0.79
ING Bank 0% 31/12/2019	5,500	5,489	1.08
Leeds Building Society 0.76% 03/10/2019	10,000	10,000	1.96
Leeds Building Society 0.76% 07/10/2019	13,000	13,000	2.55
Lloyds Bank Corporate Markets 0.89% 02/01/2020	10,000	10,002	1.96
Lloyds Bank Corporate Markets 0.84% 03/01/2020	5,000	5,000	0.98
Lloyds Bank plc 1.17% 08/01/2020	3,000	3,003	0.59
Lloyds Bank plc 1.17% 04/03/2020	4,000	4,006	0.79
Lloyds Bank plc 1.03% 11/09/2020	1,000	1,001	0.20



## THE PUBLIC SECTOR DEPOSIT FUND

## PORTFOLIO STATEMENT

at 30 September 2019 (unaudited)

	Holding £'000	Value £'000	% of total net assets
Mizuho Bank 0.80% 01/10/2019	10,000	10,000	1.96
Mizuho Bank 0.79% 15/10/2019	1,000	1,000	0.20
Mizuho Bank 0.785% 07/11/2019	7,000	7,000	1.37
Mizuho Bank 0.78% 29/11/2019	3,000	3,000	0.59
Mizuho Bank 0.825% 23/12/2019	2,000	2,000	0.39
MUFG 0.78% 11/11/2019	11,000	11,000	2.16
MUFG 0.79% 27/11/2019	10,000	10,000	1.96
MUFG 0.79% 05/12/2019	2,000	2,000	0.39
Nationwide Building Society 0.86% 26/02/2020	4,000	4,000	0.79
Nationwide Building Society 0.85% 10/03/2020	3,000	3,000	0.59
Nationwide Building Society 0.90% 11/03/2020	6,000	6,001	1.18
Nordea Bank 0.89% 07/01/2020	2,000	2,000	0.39
Santander UK 0.92% 22/11/2019	1,000	1,000	0.20
Santander UK 0.80% 01/12/2019	10,000	10,000	1.96
Santander UK 0.80% 03/12/2019	10,000	10,000	1.96
Santander UK 0.92% 01/04/2020	2,000	2,001	0.39
Skandinaviska Enskilda Banken 0.90% 07/10/2019	2,000	2,000	0.40
Skandinaviska Enskilda Banken 0.82% 28/10/2019	6,000	6,000	1.18
Skandinaviska Enskilda Banken 0.84% 29/11/2019	2,000	2,000	0.40
Skandinaviska Enskilda Banken 0.86% 29/11/2019	2,000	2,000	0.40
Skandinaviska Enskilda Banken 1.19% 13/12/2019	2,000	2,000	0.40
Skandinaviska Enskilda Banken 0.82% 19/12/2019	2,000	2,000	0.40
Societe Generale 1.17% 08/11/2019	2,000	2,001	0.40
Standard Chartered Bank 1.11% 10/01/2020	3,000	3,003	0.59
Standard Chartered Bank 0.83% 24/01/2020	5,000	5,000	0.98
Standard Chartered Bank 0.90% 23/03/2020	15,000	15,004	2.95
Sumitomo Mitsui Banking Corporation Europe 0.81% 04/10/2019	11,000	11,000	2.16
Sumitomo Mitsui Banking Corporation Europe 0.81% 08/10/2019	10,000	10,000	1.96
Sumitomo Mitsui Banking Corporation Europe 0.78% 01/11/2019	2,000	2,000	0.39
Toronto Dominion Bank 1.02% 02/10/2019	3,000	3,000	0.59
Toronto Dominion Bank 1.04% 23/10/2019	1,000	1,000	0.20
Toronto Dominion Bank 0.83% 09/12/2019	2,000	2,000	0.39
Toronto Dominion Bank 1.18% 02/01/2020	3,000	3,003	0.59
UBS 0.85% 03/04/2020	5,000	5,000	0.98

## THE PUBLIC SECTOR DEPOSIT FUND

## PORTFOLIO STATEMENT

at 30 September 2019 (unaudited)

	Holding £'000	Value £'000	% of total net assets
<b>Term Deposits 19.64% (31.03.2019 – 33.69%)</b>			
DBS Bank 0.70% 01/10/2019	50,000	50,000	9.82
Landesbank Baden-Wuttemberg 0.72% 01/10/2019	50,000	50,000	9.82
<b>Call Accounts 0.02% (31.03.2019 – 0.02%)</b>			
Lloyds Bank plc	3	3	0.00
Santander UK	100	100	0.02
<b>INVESTMENT ASSETS</b>		507,800	99.74
<b>NET OTHER ASSETS</b>		1,344	0.26
<b>TOTAL NET ASSETS</b>		509,144	100.00

THE PUBLIC SECTOR DEPOSIT FUND  
STATEMENT OF TOTAL RETURN  
for the half year ended 30 September 2019 (unaudited)

	Period ended 30.09.2019		Period ended 30.09.2018	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(11)		–
Revenue	2,218		1,528	
Expenses	(198)		(161)	
Net revenue before taxation	2,020		1,367	
Taxation	–		–	
Net revenue after taxation		2,020		1,367
<b>Total return before distributions</b>		<b>2,009</b>		<b>1,367</b>
Distributions		(2,020)		(1,367)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(11)</b>		<b>–</b>

THE PUBLIC SECTOR DEPOSIT FUND  
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
for the half year ended 30 September 2019 (unaudited)

	Period ended 30.09.2019		Period ended 30.09.2018	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>476,418</b>		<b>326,086</b>
Amounts receivable on issue of shares	1,596,043		1,093,046	
Amounts payable on cancellation of shares	(1,563,306)		(979,690)	
		32,737		113,356
Change in net assets attributable to shareholders from investment activities		(11)		–
<b>Closing net assets attributable to shareholders</b>		<b>509,144</b>		<b>439,442</b>

The note on page 21 and distribution table on page 22 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 September 2018, whereas the opening net assets for the current accounting period commenced on 1 April 2019.

## THE PUBLIC SECTOR DEPOSIT FUND

## BALANCE SHEET

at 30 September 2019 (unaudited)

	30.09.2019		31.03.2019	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Fixed assets:				
Investments		507,800		475,870
Current assets:				
Debtors	810		810	
Cash and bank balances	941		107	
Total current assets		1,751		917
<b>Total assets</b>		<b>509,551</b>		<b>476,787</b>
<b>LIABILITIES</b>				
Creditors				
Other creditors	54		39	
Distribution payable	353		330	
Total creditors		407		369
<b>Total liabilities</b>		<b>407</b>		<b>369</b>
<b>Net assets attributable to shareholders</b>		<b>509,144</b>		<b>476,418</b>

The financial statements on pages 19 to 22 are approved by the Authorised Corporate Director.

Approved on behalf of the  
Authorised Corporate Director  
26 November 2019

P Hugh Smith, Director  
CCLA Investment Management Limited

Approved on behalf of the  
Authorised Corporate Director  
26 November 2019

E Sheldon, Director  
CCLA Investment Management Limited

The note on page 21 and distribution table on page 22 form part of these financial statements.

THE PUBLIC SECTOR DEPOSIT FUND  
NOTE TO THE FINANCIAL STATEMENTS  
for the half year ended 30 September 2019 (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 UK Authorised Funds SORP issued by The Investment Association in May 2014 (and amended in June 2017), the Scheme and the COLL Sourcebook. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, where applicable.

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 Sub-Fund provides a statement of changes in net assets.

Unless otherwise stated, all other accounting policies applied are consistent with those of the Annual Report and Financial Statements for the year ended 31 March 2019 and are described in those financial statements.

## THE PUBLIC SECTOR DEPOSIT FUND

## DISTRIBUTION TABLE

for the half year ended 30 September 2019 (unaudited)

Period ended	Share Class 1 £	Share Class 4 £	Total £
April 2019	51,506	279,048	330,554
May 2019	41,896	300,438	342,334
June 2019	42,642	286,040	328,682
July 2019	29,626	295,522	325,148
August 2019	30,102	321,711	351,813
September 2019	29,841	312,105	341,946
	225,613	1,794,864	2,020,477

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.

## DETAILS OF THE BOARD

### 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 Sub-Fund. The Board operates on an advisory basis only.

R Kemp CBE (Acting Chairman)  
 T Beattie  
 P Clokie OBE  
 E Eyre – resigned 23 September 2019  
 P Findlow – resigned 23 September 2019  
 D Murphy – resigned 23 September 2019  
 A Naylor – resigned 23 September 2019  
 S Pickup OBE  
 J Rhodes – appointed 23 September 2019  
 J Turnbull  
 L Webster

### Secretary

J Fox

### Authorised Corporate Director, Investment Manager and Registrar

CCLA Investment Management Limited  
 Senator House, 85 Queen Victoria Street  
 London EC4V 4ET  
 Telephone: 0207 489 6000  
 Client Service:  
 Freephone: 0800 022 3505  
 Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://www.ccla.co.uk)

*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

### Directors of the ACD

#### *Directors responsible for the PSDF*

M Quicke OBE (Chief Executive) – retired 8 July 2019  
 P Hugh Smith (Chief Executive) – appointed 9 July 2019  
 J Bevan (Chief Investment Officer)  
 E Sheldon (Chief Operating Officer)  
 A Robinson MBE (Director Market Development)

#### *Non-Executive Directors of the ACD*

R Horlick (Chairman)  
 C Johnson  
 G Newson  
 J Tattersall

#### *Fund Managers*

S Freeman  
 R Evans

#### *Company Secretary*

J Fox

#### *Head of Operational Risk, Internal Audit and Compliance*

R Plumridge

#### *Head of Ethical and Responsible Investment*

J Corah

### Third Party Advisors

#### *Depositary*

HSBC Bank plc  
 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

## ABOUT CCLA

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Founded in 1958, CCLA manages investments for the public sector, charities and religious organisations.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This requires us to provide a supportive and stable environment for our staff and deliver trusted, responsibly managed and strongly performing products and services to all organisations, irrespective of their size.

# CCLA

**CCLA Investment Management Limited**

Senator House, 85 Queen Victoria Street, London EC4V 4ET

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[www.ccla.co.uk](http://www.ccla.co.uk)

CCLA is the trading name for CCLA Investment Management Limited (Registered in England and Wales No. 2183088) and CCLA Fund Managers Limited (Registered in England and Wales No. 8735639)

Both companies are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London EC4V 4ET.

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