

CCLA PUBLIC SECTOR
INVESTMENT FUND
INTERIM REPORT AND
UNAUDITED FINANCIAL STATEMENTS

Half year ended 30 September 2020

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 2020 (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 2020.

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 12:00pm 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 QMMF. 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.

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 2020 (unaudited)

PSDF is a Sub-Fund 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
24 November 2020

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2020 (unaudited)

Sub-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 PSDF at par (net of earnings).

Fund review

The Sub-Fund's 'AAAmmf' rating was affirmed on the 11 November 2019 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 'AAAmmf' rating are the high credit quality of the portfolio, the limited range of invested security types and the 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 Fund achieved a total return after management expenses of 0.16%; this was higher than the Fund's benchmark, the London Inter-Bank Sterling 7-Day Bid rate (7-day LIBID), which averaged -0.01%. There was a net inflow of £697.81 million over the period, the number of shares in issue as at 30 September 2020 was 1,267.68 million.

Market review

The period opened with some of the most challenging market conditions in over a decade, likely since the oil crisis of the 1970's. The events that occurred in the first half of the year have been very much focused on "the real economy", unlike the 2007/08 Global Financial Crisis (2007/08 GFC) which was primarily caused by a breakdown in confidence within financial markets. In both cases though, those ultimately impacted are the people in our communities.

While domestic and overseas banks are without question in a much better place from a capital perspective than they were in the 2007/08 GFC, the market at the start of the period showed little differentiation in pricing of credit risk. Indeed, we saw liquidity challenged in the Sterling Money Market, with it dysfunctional for a period. As a result, the yield curve steepened sharply; with the overnight rate just above zero, while longer tenures reached the highest yields in over a decade.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2020 (unaudited)

These volatile conditions eased as the market acknowledged that the Bank of England (BoE) response at the start of the COVID-19 crisis, coordinated with authorities overseas, was bigger, faster and more comprehensive than ever before. Deposit rates have now fallen across the money market curve; the overnight rate is 0.05% and the one-year rate is 0.15%.

The economic consequences of the pandemic to date have been stark. Revised estimates of first quarter economic growth showed a decline in activity of -2.2%, the worst quarterly performance since 1979. Data for March was particularly weak, output fell by -6.9%, even though the lock-down was only effective for nine days in the period. As shocking as this performance was, it was soon dwarfed by the collapse in activity experienced in April, which saw GDP down by -19.8% overall. Consumer activity fell sharply, by -19%, industrial output more so, down by -24%. About half the output lost in March and April has now been recovered but, such was the severity of the set-back, output remains 12% below previous peaks. The BoE August Monetary Policy Report predicted the UK economy would shrink by 9.5% this year, but also predicted that the economy would then grow 9% in 2021. This optimistic assessment needs to be considered against a backcloth where the recovery could be constrained by a second wave of COVID-19 cases and a surge in unemployment.

The strength of the labour market will be a particular concern because employment was at a generational high before the pandemic struck. Although job protection has been a clear priority for the government, average unemployment rose to 4.1% in the three months to July. This was accelerating throughout the period and reached 4.8% by the end. Using claimant count data the total was 7.6% and this may be a better reflection of the true underlying position, given that 11% of the workforce is still supported by the furlough scheme.

Inflation data has been volatile over the period. This is principally a consequence of the various fiscal stimulus schemes designed to support the beleaguered hospitality sector, which have helped to move inflation lower. These effects have been partly offset by higher food and drink costs and the absence of seasonal clothing sales. By August, inflation fell to 0.2%, a five-year low. A bounce from these exceptional levels is likely when previous oil price weaknesses start to drop out of the comparative data, but it will be a modest one and the rate should stay below 1% into the next year.

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2020 (unaudited)

As the UK entered its first recession for 11 years, positive economic news has been hard to come by. UK monthly mortgage approvals recorded a near 13-year high in August supported by pent-up demand being released as consumers resumed spending after the second quarter and more fiscal stimulus in the form of the government's Stamp Duty holiday. As shops and restaurants reopened, consumer spending rebounded and rose by 8.7% in July to a level above that recorded in February. August Purchasing Managers Index survey data showed service sector new orders at the highest level since December 2016. These improvements are encouraging but may not be sustainable due to outstanding threats to disposable incomes. The aforementioned fiscal stimulus has been funded by record levels of government borrowing; total debt exceeding the £2 trillion threshold for the first time. The total for the financial year so far is £174 billion, on its way to over £350 billion for the year or 15% of Gross Domestic Product. In response, the BoE announced an increase in its quantitative easing programme of £100 billion, effectively ensuring that it has sufficient resources to support government spending needs, at least until the end of the year.

Another economic headwind is that the end of the UK's transition period from the European Union is almost upon us. We have seen rumours of progress in the negotiations, but without any firm news. It should be noted that all of the BoE's economic forecasts have been conditioned on a trade agreement being reached and so there are clear risks of further

economic underperformance should talks conclude without a deal. An environment where there are such clear threats to growth is one where the BoE would be expected to take effective action to support activity. The problem for the BoE is that the tools available to it lack the edge they once had. Quantitative easing programmes have succeeded in adding large amounts of liquidity into the economy, but loan growth remains sluggish. Low interest rates have been in place for over a decade and are reflected in expectations and budgets. There is evidence that recent falls in borrowing costs have not been passed on to the consumer.

In an effort to address these issues and bolster their monetary policy toolbox, the BoE's Monetary Policy Committee (MPC) has set up a review to consider the relative merits of negative interest rates and the implications for the UK economy of such a regime. As recently as May, Governor Andrew Bailey confirmed that the preferred position was one of low rates, close to zero but still positive. The position has now changed. Observing that negative interest rates had been employed in the EU and Japan for some years with no apparent disadvantage and some economic benefits, within its August Monetary Policy Report, the BoE published a detailed analysis into the potential issues of negative policy rates. This analysis focused on how these issues could impact the effectiveness of negative rates as a monetary policy tool. As a result of this review, Governor Bailey has said on numerous occasions that negative rates are now in his words "in the toolbox", but the BoE

REPORT OF THE INVESTMENT MANAGER for the half year ended 30 September 2020 (unaudited)

is not yet in a position to use them. The September MPC minutes revealed that the Committee had now been briefed on how to implement a negative policy rate. Additionally, the BoE has begun “structured engagements” with commercial banks on the operational details of this policy tool. This process is expected to conclude before the end of this year. This indicates that the BoE is currently laying all the foundations in order to ensure they are ready, should the MPC decide to move rates lower.

Even though any change is still some months away, it has already had an impact on money markets where the interest rates available on longer term deposits have fallen, reducing significantly the pick-up in income available to those lending for longer periods. This flattening of the yield curve is likely to continue. PSDF has already seen achievable yields fall and this will put more pressure on what it can pay to investors, pressure that will increase as deposits made in the past at higher levels come to maturity in the weeks and months ahead. In times such as these it is very important to remember that the search for income must not result in increased risk to capital or surrender of liquidity.

Outlook

2020 has been an unprecedented year in many respects and there are some risks that will overflow into 2021. From a labour force perspective, despite the extension of the furlough scheme, the MPC project unemployment to rise to 6.7% by the end of next year. Coupled with

low inflation expectations for the first half of 2021, we do not see the BoE looking to raise interest rates any time soon.

On the other hand, if further loosening of policy is required, quantitative easing is likely to be the first point of call; at least until the BoE considers if negative policy rates is a deployable mechanism in the financial sector.

As the UK sets itself up to leave the single market and customs union on 31 December, at the date of writing the trade arrangements are still not set. The UK Government has stated that it would be willing to trade with the EU without a free trade agreement however, this will likely introduce more onerous border checks and dampen trade activity temporarily until businesses become accustomed to the new methods.

Although not an ideal backdrop, a positive light can be seen in the progress being made by vaccine makers globally and the readiness for the NHS. Over 10 candidate vaccines have now reached the third stage, and NHS is working to be ready by the end of the year to vaccinate patients seven days a week, should a drug become available.

CCLA Investment Management Limited
24 November 2020

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
24 November 2020

E Sheldon
Director
24 November 2020

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).

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 our Key Investor Information Document for further information on the SRRI.

A more detailed description of risk factors that apply to 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 30.09.2020 £ per share	Year ended 31.03.2020 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0020	0.0080	0.0076	0.0035
Operating charges	(0.0001)	(0.0002)	(0.0002)	(0.0002)
Return after operating charges*	0.0019	0.0078	0.0074	0.0033
Distributions on income shares	(0.0019)	(0.0078)	(0.0074)	(0.0033)
Closing net asset value per share	1.0000	1.0000	1.0000	1.0000

* after direct transaction costs of: — — — —

Performance

Return after charges 0.19% 0.78% 0.74% 0.33%

Other information

Closing net asset value (£'000)	57,132	78,082	76,562	100,414
Closing number of shares	57,110,380	78,052,921	76,554,948	100,414,076
Operating charges**	0.01%	0.02%	0.02%	0.02%
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 for UK Authorised Funds' (SORP) 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 30.09.2020 £ per share	Year ended 31.03.2020 £ per share	Year ended 31.03.2019 £ per share	Year ended 31.03.2018 £ per share
Opening net asset value per share	1.0000	1.0000	1.0000	1.0000
Return before operating charges*	0.0020	0.0080	0.0076	0.0035
Operating charges	(0.0004)	(0.0008)	(0.0008)	(0.0008)
Return after operating charges*	0.0016	0.0072	0.0068	0.0027
Distributions on income shares	(0.0016)	(0.0072)	(0.0068)	(0.0027)
Closing net asset value per share	1.0000	1.0000	1.0000	1.0000
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.16%	0.72%	0.68%	0.27%
Other information				
Closing net asset value (£'000)	1,211,033	492,002	399,856	225,672
Closing number of shares	1,210,574,400	491,816,515	399,816,470	225,671,897
Operating charges**	0.08%	0.08%	0.08%	0.08%
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 for UK Authorised Funds' (SORP) 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.

On 15 August 2016, all shares from Share Class 2, Share Class 3 and Share Class 5 were transferred to Share Class 1. These share classes remain open.

THE PUBLIC SECTOR DEPOSIT FUND

PORTFOLIO STATEMENT

at 30 September 2020 (unaudited)

	Holding £'000	Value £'000	% of total net assets
Certificates of Deposit – 46.56% (31.03.2020, 66.69%)			
ABN Amro Bank 0% CD 19/08/2020 – 19/11/2020	5,000	5,000	0.39
ABN Amro Bank 0.06% CD 07/09/2020 – 07/12/2020	17,000	17,000	1.34
ABN Amro Bank 0.07% CD 06/08/2020 – 01/12/2020	3,000	3,000	0.24
ABN Amro Bank 0.1% CD 06/07/2020 – 07/10/2020	20,000	20,000	1.58
Barclays Bank 0.57% CD 03/08/2020 – 03/08/2021	4,000	4,008	0.32
Barclays Bank 0.71% CD 14/07/2020 – 14/07/2021	2,200	2,206	0.17
Barclays Bank 0.81% CD 10/06/2020 – 10/03/2021	1,000	1,002	0.08
Barclays Bank 0.86% CD 12/06/2020 – 11/06/2021	7,000	7,026	0.55
Barclays Bank 0.86% CD 19/06/2020 – 18/06/2021	2,000	2,008	0.16
Barclays Bank 0.9% CD 27/05/2020 – 27/05/2021	7,000	7,027	0.55
Barclays Bank 1.04% CD 12/05/2020 – 12/05/2021	8,000	8,035	0.63
Barclays Bank 1.12% CD 01/05/2020 – 30/04/2021	12,000	12,056	0.95
Barclays Bank 1.12% CD 14/04/2020 – 14/04/2021	1,000	1,003	0.08
BNP Paribas 0.06% CD 08/09/2020 – 08/12/2020	10,000	10,000	0.79
BNP Paribas 0.07% CD 10/08/2020 – 10/11/2020	10,000	10,000	0.79
BNP Paribas 0.13% CD 01/07/2020 – 04/11/2020	10,000	10,000	0.79
BNP Paribas 0.23% CD 03/06/2020 – 02/10/2020	10,000	10,000	0.79
Handelsbanken 0.05% CD 14/09/2020 – 14/12/2020	25,000	25,000	1.97
Handelsbanken 0.06% CD 01/09/2020 – 04/01/2021	10,000	10,000	0.79
Handelsbanken 0.07% CD 17/09/2020 – 17/03/2021	6,000	5,999	0.47
Handelsbanken 0.58% CD 07/05/2020 – 09/11/2020	4,000	4,000	0.32
HSBC Bank 0.18% CD 11/09/2020 – 10/09/2021	5,000	5,001	0.39
HSBC Bank 0.2% CD 03/09/2020 – 03/09/2021	5,000	5,002	0.39
HSBC Bank 0.25% CD 06/08/2020 – 06/08/2021	5,000	5,004	0.39
HSBC Bank 0.25% CD 10/08/2020 – 10/08/2021	5,000	5,004	0.39
HSBC Bank 0.25% CD 11/08/2020 – 11/08/2021	5,000	5,004	0.39
HSBC Bank 0.28% CD 10/07/2020 – 09/07/2021	5,000	5,005	0.39
HSBC Bank 0.29% CD 22/06/2020 – 29/03/2021	10,000	10,009	0.79
HSBC Bank 0.5% CD 18/05/2020 – 18/02/2021	5,000	5,008	0.39
Landesbank Hessen 0.39% CD 05/06/2020 – 05/03/2021	5,000	5,009	0.39
Landesbank Hessen 0.52% CD 26/05/2020 – 22/02/2021	5,000	5,011	0.40
Landesbank Hessen 0.53% CD 26/05/2020 – 01/03/2021	5,000	5,011	0.40
Landesbank Hessen 0.54% CD 26/05/2020 – 26/05/2021	1,000	1,003	0.08
Leeds Building Society 0.05% CD 24/09/2020 – 15/10/2020	5,000	5,000	0.39
Leeds Building Society 0.05% CD 29/09/2020 – 20/10/2020	10,000	10,000	0.79
Leeds Building Society 0.05% CD 30/09/2020 – 07/10/2020	30,000	30,000	2.37

THE PUBLIC SECTOR DEPOSIT FUND

PORTFOLIO STATEMENT

at 30 September 2020 (unaudited)

	Holding £'000	Value £'000	% of total net assets
Lloyds Bank 1% CD 11/11/2019 – 10/11/2020	1,000	1,001	0.08
Lloyds Bank 1.01% CD 07/11/2019 – 09/11/2020	1,200	1,201	0.09
Lloyds Bank Corporate Markets 0% CD 30/06/2020 – 30/06/2021	8,000	7,989	0.63
Lloyds Bank Corporate Markets 0.21% CD 14/09/2020 – 14/09/2021	2,000	2,000	0.16
Lloyds Bank Corporate Markets 0.48% CD 03/07/2020 – 02/07/2021	5,000	5,011	0.40
Lloyds Bank Corporate Markets 0.58% CD 09/06/2020 – 09/06/2021	4,000	4,011	0.32
Lloyds Bank Corporate Markets 0.6% CD 26/05/2020 – 29/03/2021	4,000	4,009	0.32
Lloyds Bank Corporate Markets 0.73% CD 11/05/2020 – 04/01/2021	5,000	5,009	0.39
Lloyds Bank Corporate Markets 0.94% CD 15/01/2020 – 14/01/2021	7,000	7,018	0.56
Lloyds Bank Corporate Markets 0.98% CD 01/05/2020 – 02/11/2020	3,000	3,000	0.24
Lloyds Bank Corporate Markets 1.1% CD 01/05/2020 – 29/04/2021	5,000	5,027	0.40
Mizuho Bank 0.07% CD 08/09/2020 – 12/10/2020	15,000	15,000	1.18
Mizuho Bank 0.07% CD 24/08/2020 – 23/11/2020	8,000	8,000	0.63
Mizuho Bank 0.08% CD 04/08/2020 – 06/10/2020	15,000	15,000	1.18
MUFG Bank 0.1% CD 15/07/2020 – 01/12/2020	10,000	10,000	0.79
MUFG Bank 0.25% CD 08/06/2020 – 28/10/2020	10,000	10,000	0.79
NatWest Bank 0.12% CD 30/09/2020 – 30/09/2021	4,000	4,000	0.32
NatWest Bank 0.24% CD 01/09/2020 – 01/09/2021	5,000	5,000	0.39
NatWest Bank 0.26% CD 30/06/2020 – 30/12/2020	6,000	6,003	0.47
NatWest Bank 0.28% CD 24/06/2020 – 05/01/2021	10,000	10,005	0.79
NatWest Bank 0.28% CD 29/06/2020 – 29/12/2020	5,000	5,002	0.39
NatWest Bank 0.29% CD 04/08/2020 – 04/08/2021	3,000	3,002	0.24
NatWest Bank 0.45% CD 29/06/2020 – 29/06/2021	1,000	1,002	0.08
NatWest Markets 0.14% CD 01/07/2020 – 05/10/2020	5,000	5,000	0.39
Nordea Bank 0.08% CD 15/07/2020 – 16/11/2020	5,000	5,000	0.39

THE PUBLIC SECTOR DEPOSIT FUND

PORTFOLIO STATEMENT

at 30 September 2020 (unaudited)

	Holding £'000	Value £'000	% of total net assets
Royal Bank of Canada 0.87% CD 17/03/2020 – 22/12/2020	2,000	2,004	0.16
Royal Bank of Canada 1.03% CD 16/04/2020 – 16/10/2020	5,000	5,000	0.39
Royal Bank of Canada 1.12% CD 14/04/2020 – 14/10/2020	11,000	11,000	0.87
Royal Bank of Canada 1.15% CD 19/03/2020 – 19/03/2021	2,000	2,010	0.16
Royal Bank of Canada 1.9% CD 25/03/2020 – 25/03/2021	2,000	2,017	0.16
Royal Bank of Canada 2% CD 25/03/2020 – 25/03/2021	3,000	3,027	0.24
Santander UK 0.1% CD 08/07/2020 – 06/11/2020	10,000	10,000	0.79
Societe Generale 0.57% CD 11/05/2020 – 01/12/2020	2,000	2,002	0.16
Standard Chartered 0.05% CD 29/09/2020 – 06/10/2020	5,000	5,000	0.39
Standard Chartered 0.21% CD 07/09/2020 – 03/09/2021	2,000	2,002	0.16
Standard Chartered 0.26% CD 17/08/2020 – 17/08/2021	10,000	10,013	0.79
Standard Chartered 0.29% CD 21/07/2020 – 21/07/2021	3,000	3,005	0.24
Standard Chartered 0.38% CD 26/05/2020 – 26/11/2020	5,000	5,000	0.39
Standard Chartered 0.86% CD 11/02/2020 – 11/02/2021	1,650	1,655	0.13
Standard Chartered 1.1% CD 02/04/2020 – 01/10/2020	10,000	10,000	0.79
Standard Chartered 1.1% CD 09/04/2020 – 09/10/2020	1,500	1,500	0.12
Standard Chartered 1.1% CD 17/04/2020 – 14/10/2020	5,000	5,000	0.39
Standard Chartered 1.18% CD 03/04/2020 – 31/03/2021	1,000	1,006	0.08
Standard Chartered 1.2% CD 27/04/2020 – 27/04/2021	1,000	1,006	0.08
Sumitomo Mitsui Banking Corporation 0.07% CD 12/08/2020 – 12/11/2020	5,000	5,000	0.39
Sumitomo Mitsui Banking Corporation 0.08% CD 17/07/2020 – 19/10/2020	10,000	10,000	0.79
Sumitomo Mitsui Banking Corporation 0.08% CD 27/07/2020 – 27/10/2020	5,000	5,000	0.39
Sumitomo Mitsui Banking Corporation 0.09% CD 20/07/2020 – 23/10/2020	20,000	20,000	1.58
Sumitomo Mitsui Banking Corporation 0.1% CD 30/07/2020 – 23/12/2020	5,000	5,001	0.39
UBS 0% CD 18/06/2020 – 17/06/2021	2,500	2,498	0.20
UBS 0.1% CD 24/09/2020 – 23/09/2021	6,000	5,998	0.48
UBS 0.4% CD 01/07/2020 – 01/07/2021	2,000	2,004	0.16
UBS 0.56% CD 28/05/2020 – 27/05/2021	4,000	4,012	0.32
UBS 0.63% CD 20/05/2020 – 19/05/2021	2,000	2,007	0.16
UBS 0.81% CD 25/02/2020 – 26/10/2020	5,000	5,000	0.39
UBS 1.12% CD 20/04/2020 – 19/04/2021	3,000	3,017	0.24
UBS 1.23% CD 02/04/2020 – 02/11/2020	11,000	11,012	0.87

THE PUBLIC SECTOR DEPOSIT FUND

PORTFOLIO STATEMENT

at 30 September 2020 (unaudited)

	Holding £'000	Value £'000	% of total net assets
Term Deposits – 53.35% (31.03.2020, 33.16%)			
DBS Bank 0.05% 01/10/2020	100,000	100,000	7.89
National Bank of Canada 0.05% 01/10/2020	120,000	120,000	9.46
Nationwide Building Society 0.05% 01/10/2020	120,000	120,000	9.46
KBC Bank 0.05% 01/10/2020	96,500	96,500	7.62
Rabobank 0.05% 01/10/2020	120,000	120,000	9.46
LBBW 0.08% 01/10/2020	120,000	120,000	9.46
Call Accounts – 0.01% (31.03.2020, 0.02%)			
Santander UK	150	150	0.01
INVESTMENT ASSETS		1,267,177	99.92
NET OTHER ASSETS		988	0.08
TOTAL NET ASSETS		1,268,165	100.00

THE PUBLIC SECTOR DEPOSIT FUND
STATEMENT OF TOTAL RETURN
for the half year ended 30 September 2020 (unaudited)

	Period ended 30.09.2020		Period ended 30.09.2019	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		266		(11)
Revenue	1,712		2,218	
Expenses	(416)		(198)	
Net revenue before taxation	1,296		2,020	
Taxation	–		–	
Net revenue after taxation		1,296		2,020
Total return before distributions		1,562		2,009
Distributions		(1,296)		(2,020)
Change in net assets attributable to shareholders from investment activities		266		(11)

THE PUBLIC SECTOR DEPOSIT FUND
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the half year ended 30 September 2020 (unaudited)

	Period ended 30.09.2020		Period ended 30.09.2019	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		570,084		476,418
Amounts receivable on issue of shares	1,370,112		1,596,043	
Amounts payable on cancellation of shares	(672,297)		(1,563,306)	
		697,815		32,737
Change in net assets attributable to shareholders from investment activities		266		(11)
Closing net assets attributable to shareholders		1,268,165		509,144

The note on page 19 and distribution table on page 20 form part of these financial statements.

The above statement shows the comparative closing net assets at 30 September 2019, whereas the opening net assets for the current accounting period commenced on 1 April 2020.

THE PUBLIC SECTOR DEPOSIT FUND

BALANCE SHEET

at 30 September 2020 (unaudited)

	30.09.2020		31.03.2020	
	£'000	£'000	£'000	£'000
ASSETS				
Fixed assets:				
Investments		1,267,177		569,358
Current assets:				
Debtors	827		976	
Cash and bank balances	406		80	
Total current assets		1,233		1,056
Total assets		1,268,410		570,414
LIABILITIES				
Creditors				
Other creditors	98		46	
Distribution payable	147		284	
Total creditors		245		330
Total liabilities		245		330
Net assets attributable to shareholders		1,268,165		570,084

The financial statements on pages 17 to 20 are approved by the Authorised Corporate Director.

Approved on behalf of the
Authorised Corporate Director
24 November 2020

P Hugh Smith, Director
CCLA Investment Management Limited

Approved on behalf of the
Authorised Corporate Director
24 November 2020

E Sheldon, Director
CCLA Investment Management Limited

The note on page 19 and distribution table on page 20 form part of these financial statements.

THE PUBLIC SECTOR DEPOSIT FUND
NOTE TO THE FINANCIAL STATEMENTS
for the half year ended 30 September 2020 (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 2020 and are described in those financial statements.

THE PUBLIC SECTOR DEPOSIT FUND

DISTRIBUTION TABLE

for the half year ended 30 September 2020 (unaudited)

Period ended	Share Class 1 £	Share Class 4 £	Total £
April 2020	29,824	244,444	274,268
May 2020	23,685	258,505	282,190
June 2020	17,660	231,599	249,259
July 2020	12,729	179,898	192,627
August 2020	10,972	154,141	165,113
September 2020	8,989	123,419	132,408
	103,859	1,192,006	1,295,865

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 PSDF. The Board operates on an advisory basis only.

R Kemp CBE (Acting Chairman)
 T Beattie
 P Clokie OBE
 A Naylor
 C Noble – appointed 27 April 2020
 S Pickup OBE
 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
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

Officers of the ACD

Directors responsible for PSDF

P Hugh Smith (Chief Executive)
 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)
 J Jesty – appointed 24 April 2020
 C Johnson
 G Newson
 A Roughead – appointed 24 April 2020
 J Tattersall – resigned 8 July 2020

Fund Managers

S Freeman
 R Evans

Company Secretary

J Fox

Chief Risk Officer

JP Lim – appointed 1 May 2020

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

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

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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