

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AAmmf
Fact Sheet – 30 September 2020

Investment objective

To maximise the current income consistent with the preservation of capital and liquidity.

Investment policy

The Fund will be invested in a diversified portfolio of high quality sterling denominated deposits and securities. All investments purchased will have the highest available short term credit rating and a correspondingly strong long term rating.

The weighted average maturity of the investments will not exceed 60 days. There will be no exposure to derivatives or to other collective investment schemes.

Target investors

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

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

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

Key risks

Investors should consider the following risk factors before investing: Issuer/Credit Risk (issuer/financial institution may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Maturity Profile (timings of investment maturity), Liquidity Risk (investment in non-readily realisable assets), Concentration Risk (need for diversification and suitability of investment) and Interest Rate Risk (changes to interest rate affecting income). Please see the Fund Prospectus for further details.

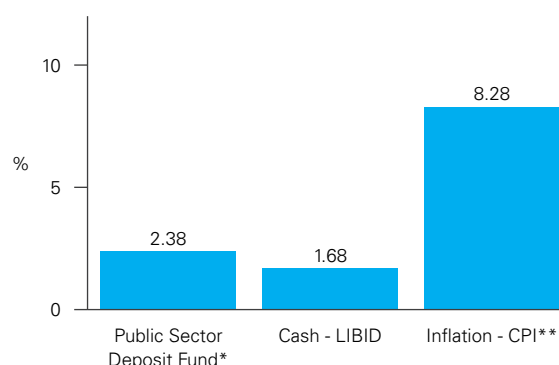
Top 10 counterparty exposures (%)

9.5%	Landesbank Baden-Wuerttemberg
9.5%	National Bank of Canada
9.5%	Nationwide Building Society
9.5%	Rabobank
7.9%	DBS Bank Limited
7.6%	KBC Bank N.V.
3.6%	HSBC Bank plc
3.6%	Standard Chartered Bank plc
3.6%	ABN Amro Bank N.V.
3.6%	Handelsbanken plc

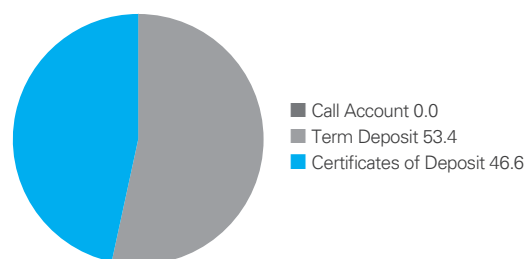
Share class 4 yield as at 30 September 2020

0.1166%

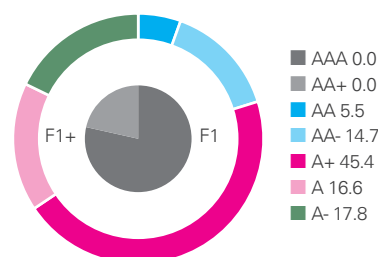
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

31.1%	UK
13.0%	Netherlands
11.4%	Canada
10.7%	Germany
8.1%	Japan
7.9%	Singapore
7.6%	Belgium
3.6%	Sweden
3.3%	France
2.8%	Switzerland

*Source: CCLA - Net performance shown after management fees and other expenses with gross income reinvested. The yield on the Fund will fluctuate and past performance is not a reliable indicator of future results. Holders of the Fund are not covered by the Financial Services Compensation Scheme. **CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end September

Average yield over the month	0.1217%
Yield at the month end	0.1166%

Discrete year total return performance

12 months to 30 September	2020	2019	2018	2017	2016
The Public Sector Deposit Fund	+0.47%	+0.75%	+0.46%	+0.24%	+0.44%
Benchmark	+0.25%	+0.58%	+0.38%	+0.12%	+0.33%
Relative	+0.22%	+0.17%	+0.08%	+0.12%	+0.11%

Annualised total return performance

Performance to 30 September	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.47%	+0.56%	+0.47%
Benchmark	+0.25%	+0.40%	+0.33%
Relative	+0.22%	+0.16%	+0.14%

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

Market update

The UK economy grew by an estimated 7% in July, continuing the strong bounce in output which has characterised the third quarter. About half the ground lost in March and April has now been recovered but such was the severity of the set-back that output remains 12% below previous peaks. Growth in the final part of the year will be less strong. This is due to a sharp decline in support from government initiatives, rising unemployment and growing Brexit concerns. These will be exacerbated by increased social restrictions following a sharp rise in the COVID infection rate and fears of a 'second wave'. Inflation fell to 0.2%, a five-year low, but once again the trend was distorted by special factors, this time an unseasonal fall in airfares and the impact of the government's 'eat out to help out' scheme. A bounce from these exceptional low levels is likely, but it will be a modest one and the rate should stay below 1% into the new year.

The Bank of England continued its review of the implications of negative interest rates, making it clear that such a policy, whilst an option, was not a near term one. The expected timetable is that the next move in monetary policy will be another tranche of quantitative easing, probably in the fourth quarter. Rumours of progress in the Brexit negotiations continued but without any firm news.

Key facts

Fund size	£1,267m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	51.47 days
Launch date	May 2011
Minimum initial investment	£25,000.00
Minimum subsequent investment	£5,000.00
Dealing day	Each business day*
Withdrawals	On demand
Domicile	United Kingdom
ISIN Share Class 4	GB00B3LDFH01
Interest payment dates	Monthly
Fund management fee (FMF)	0.10% ** (currently reduced to 0.08%)

*Dealing instructions must be received by 11.30 am.

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

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Risk warning and disclosures

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