

The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AAmmf
Fact Sheet – 28 February 2021

Investment objective

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

Investment policy

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

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

Target investors

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

Who can invest?

The Fund is open to all public sector investors.

Responsible investment policy

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

Key risks

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

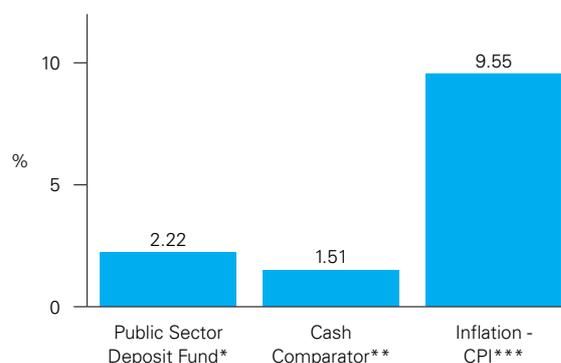
Top 10 counterparty exposures (%)

9.8%	Coventry Building Society
9.8%	Landesbank Baden-Wuerttemberg
9.8%	National Bank of Canada
8.6%	Rabobank
8.3%	Nationwide Building Society
7.9%	DBS Bank Limited
4.5%	NatWest Bank plc
4.4%	Lloyds Bank Corporate Markets plc
4.0%	Landesbank Hessen-Thuringen Girozentrale
4.0%	Standard Chartered Bank plc

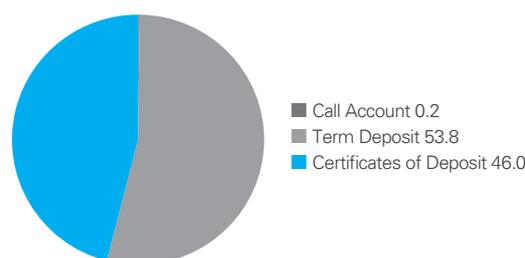
Share class 4 yield as at 28 February 2021

0.0498%

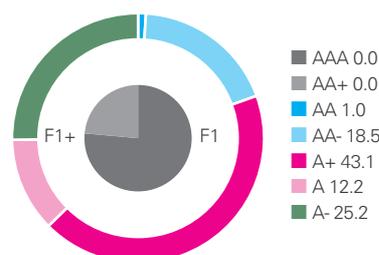
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

40.2%	United Kingdom
13.8%	Germany
11.2%	Canada
9.0%	Japan
8.6%	Netherlands
8.6%	Singapore
2.6%	Switzerland
2.6%	Finland
2.4%	France
0.7%	Sweden

*Source: CCLA - Net performance shown after management fees and other expenses with gross income reinvested. The yield on the Fund will fluctuate and past performance is not a reliable indicator of future results. Holders of the Fund are not covered by the Financial Services Compensation Scheme. **Comparator Benchmark - Sterling Overnight Index Average (SONIA) from 1 January 2021. Prior to that, the index was the 7-Day London Interbank Sterling Bid Rate (7-Day LIBID). ***CPI is lagged one month. †Using Fitch Ratings methodology.

Income - period to end February

Average yield over the month	0.0406%
Yield at the month end	0.0498%

Discrete year total return performance

12 months to 28 February	2021	2020	2019	2018	2017
The Public Sector Deposit Fund	+0.20%	+0.74%	+0.63%	+0.26%	+0.37%
Comparator Benchmark	-0.02%	+0.57%	+0.50%	+0.20%	+0.23%
Relative	+0.22%	+0.17%	+0.13%	+0.06%	+0.14%

Annualised total return performance

Performance to 28 February	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.20%	+0.52%	+0.44%
Comparator Benchmark	-0.02%	+0.35%	+0.29%
Relative	+0.22%	+0.17%	+0.15%

Net performance shown after management fees and other expenses with gross income reinvested. Comparator Benchmark - Sterling Overnight Index Average (SONIA) from 1 January 2021. Prior to that, the index was the 7-Day London Interbank Sterling Bid Rate (7-Day LIBID). Past performance is not a reliable indicator of future results. Source: CCLA

Market update

Early estimates of UK economic performance in the final quarter suggest output expanded by 1%, some way above the worst expectations for a period which included regional tiering and, at the end, a full lock-down. There were some suggestions that output was flattered by pre-Brexit stock building, which is clearly possible, but otherwise there were signs that activity was adapting well to the new environment with manufacturing in particular showing resilience. Over the year the economy declined by -9.9%, a poor outcome although better than the worst expectations. Looking forward, activity will weaken in the first quarter, perhaps by 3% - 4% but thereafter is expected to rise strongly with growth in each of the remaining quarters of 2021.

Inflation rose to 0.7% from 0.6%, once again comparisons made imperfect by the impact of the lock down on the data had an impact on the data. Seasonal clothing sales that existed in 2020 were missing in 2021. About 9% of prices were estimated. The pace of price increase will accelerate in the next few months chiefly due to higher domestic fuel costs, but in time the ending of the VAT reduction on hospitality and recent strength of the oil price will also feed through. This is expected to add about 0.4% to the total.

Unemployment edged higher to 5.1% or 1.74 million but there are estimated to be another 2 million not in work or supported by the furlough scheme. The Bank of England retained its forecast of a peak in the jobless rate of 7% but this looks too high unless the recovery stalls in a major way. Already there are some early positive signs of improvement, including a reduced rate of redundancies and a pick-up in vacancies.

Key facts

Fund size	£1,272m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	53.93 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.

Please Contact

Mark Davies

Market Development
T: +44 (0)207 489 6045
M: +44 (0)7904 657 815
E: mark.davies@ccla.co.uk

Kelly Watson

Market Development
T: +44 (0)207 489 6105
M: +44 (0)7879 553 807
E: kelly.watson@ccla.co.uk

Jamie Charters

Market Development
T: +44 (0)207 489 6147
E: jamie.charters@ccla.co.uk

Risk warning and disclosures

This document is not a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. The market commentary contained in this document is the opinion of the author only. To ensure you understand whether CCLA's product is suitable, please read the Key Investor Information Document and the Prospectus. CCLA strongly recommends you seek independent professional advice prior to investing. The Public Sector Deposit Fund is a UK short-term LVNAV Qualifying Money Market Fund. In addition to the general risk factors outlined in the Prospectus investors should also note that purchase of PSDF shares is not the same as making a deposit with a bank or other deposit taking body and is not a guaranteed investment. Although it is intended to maintain a stable net asset value per share, there can be no assurance that it will be maintained. Notwithstanding the policy of investing in short-term instruments, the value of the PSDF may also be affected by fluctuations in interest rates. The PSDF does not rely on external support for guaranteeing the liquidity of the fund or stabilising the net asset value per share. The risk of loss of principal is borne by the shareholder. The Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority as a UCITS Scheme and is a Qualifying Money Market Fund. CCLA Investment Management Limited (registered in England & Wales No. 2183088 at Senator House, 85 Queen Victoria Street, London, EC4V 4ET) is authorised and regulated by the Financial Conduct Authority. For information about how we obtain and use your personal data please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.