

## The Public Sector Deposit Fund

UK domiciled short-term LVNAV Qualifying Money Market Fund rated AAmmf  
Fact Sheet – 31 May 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.

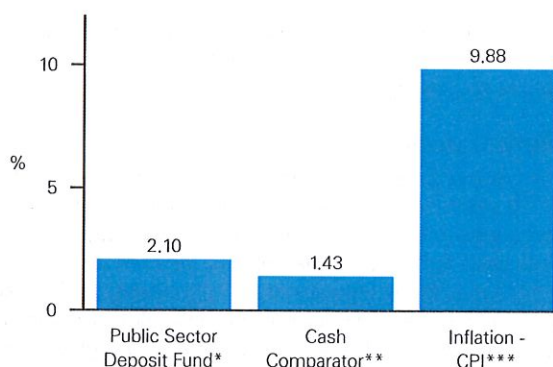
### Top 10 counterparty exposures (%)

9.4%	Landesbank Baden-Wuerttemberg
6.8%	Bank of Montreal
6.7%	Coventry Building Society
6.7%	DBS Bank Limited
6.7%	National Bank of Canada
6.7%	Nationwide Building Society
6.7%	Rabobank
6.3%	KBC Bank N.V.
3.7%	BNP Paribas
3.6%	Lloyds Bank Corporate Markets plc

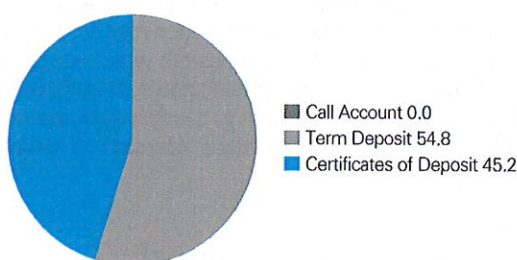
### Share class 4 yield as at 31 May 2021

**0.0301%**

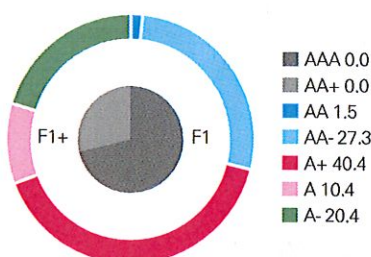
### 5 years cumulative performance



### Asset type (%)



### Credit rating† (%)



### Top 10 country exposures (%)

29.7%	United Kingdom
15.8%	Canada
9.4%	Germany
8.4%	Singapore
7.4%	Japan
6.7%	Netherlands
6.3%	Belgium
5.3%	France
4.0%	Sweden
3.1%	Finland

\*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 comparator benchmark was the 7-Day Sterling London Interbank Bid Rate (7-Day LIBID). \*\*\*CPI is lagged one month. †Using Fitch Ratings methodology.

## Income - period to end May

Average yield over the month	0.0282%
Yield at the month end	0.0301%

## Discrete year total return performance

12 months to 31 May	2021	2020	2019	2018	2017
The Public Sector Deposit Fund	+0.09%	+0.66%	+0.71%	+0.32%	+0.31%
Comparator Benchmark	-0.03%	+0.44%	+0.55%	+0.26%	+0.16%
Relative	+0.12%	+0.22%	+0.16%	+0.06%	+0.15%

## Annualised total return performance

Performance to 31 May	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.09%	+0.49%	+0.42%
Comparator Benchmark	-0.03%	+0.32%	+0.28%
Relative	+0.12%	+0.17%	+0.14%

Net performance shown after management fees and other expenses with gross income reinvested. Comparator Benchmark - SONIA from 1 January 2021. Prior to that, the comparator benchmark was 7-Day LIBID. Past performance is not a reliable indicator of future results. Source: CCLA

## Market update

The Bank of England raised its estimates of growth in 2021 to 7.2% which, if achieved, would be the fastest rate of annual expansion for 70 years. This is however a signal of a faster recovery, not a stronger one; forecasts of growth in 2022 were reduced to compensate. Estimates of likely peak unemployment rates were lowered to 5.5%, broadly in line with consensus. Importantly, with the Bank seen to be one of the more hawkish of the major central banks, there was an assurance that interest rates would not be increased until the recovery was 'fully established' - interpreted by markets as meaning that borrowing costs will remain unchanged until 2023. Increased optimism from the BoE was matched by other data. The services sector PMI indicator showed a strong gain and new car purchases by individuals were 39% higher. Trade volumes also improved as goods flow to and from the EU rose back to pre-Brexit levels. Unemployment dipped to 4.8% (from 4.9%) and there was a helpful increase in the number of vacancies advertised. The number on payrolls actually increased by 97,000 but despite this remains 772,000 down from the pre pandemic peak. The overall labour pool declined again as more chose to exit the search for employment, but overseas worker numbers began to rise after a sharp fall in recent years. Trends in the job market have been encouraging but the real test of its resilience will come in the final quarter, after the end of the furlough scheme. Inflation rose to 1.5% from 0.7%. The main factor was the 9% increase in domestic fuel costs but there were lock-down related issues too which will probably again be a factor next month; shop based prices in the index were sampled on the day after re-opening and so may have more catching-up to do. Current expectations are that fuel prices will rise again in the Autumn by a similar amount to the Spring increase. This will probably push the pace of inflation up to a peak over 2.5% and possibly to 3%. After that the rate is expected to fall back to about 2% in 2022.

## Key facts

Fund size	£1,496m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	49.00 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 0.06%)

\*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. \*\*\*With effect from 12 May 2021 and until further notice, the FMF applied to the Fund was temporarily reduced to 0.06%.

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## Risk warning and disclosures

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