

The Public Sector Deposit Fund

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

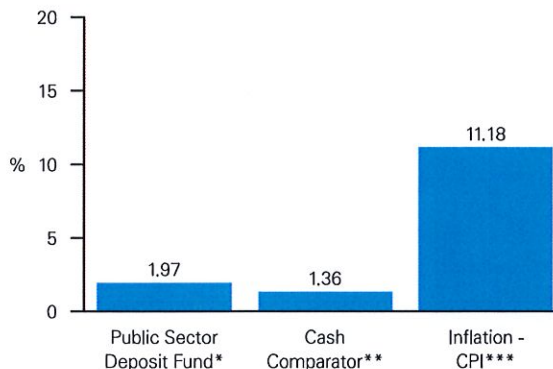
Top 10 counterparty exposures (%)

9.8%	Bank of Montreal
9.8%	Landesbank Baden-Wuerttemberg
9.8%	National Bank of Canada
8.8%	Coventry Building Society
6.8%	Landesbank Hessen-Thueringen Girozentrale
6.5%	DBS Bank Limited
5.7%	Nationwide Building Society
4.1%	Lloyds Bank Corporate Markets plc
4.0%	Credit Agricole Corporate and Investment Bank
3.9%	Mizuho Bank

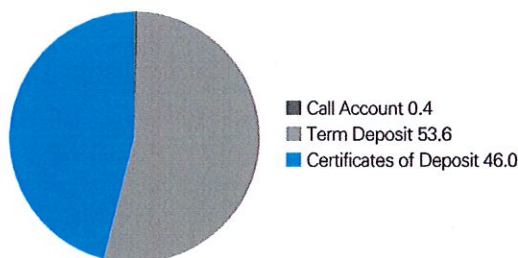
Share class 4 yield as at 31 October 2021

0.0320%

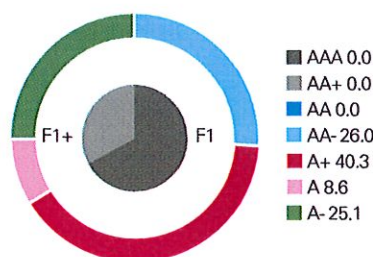
5 years cumulative performance



Asset type (%)



Credit rating† (%)



Top 10 country exposures (%)

31.2%	United Kingdom
21.9%	Canada
16.6%	Germany
7.5%	Singapore
7.0%	France
6.2%	Japan
2.4%	Switzerland
2.3%	Finland
2.1%	Netherlands
1.2%	Australia

*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 October

Average yield over the month	0.0270%
Yield at the month end	0.0320%

Discrete year total return performance

12 months to 31 October	2021	2020	2019	2018	2017
The Public Sector Deposit Fund	+0.03%	+0.42%	+0.75%	+0.50%	+0.23%
Comparator Benchmark	+0.03%	+0.17%	+0.58%	+0.42%	+0.12%
Relative	+0.00%	+0.25%	+0.17%	+0.08%	+0.11%

Annualised total return performance

Performance to 31 October	1 year	3 years	5 years
The Public Sector Deposit Fund	+0.03%	+0.40%	+0.39%
Comparator Benchmark	+0.03%	+0.26%	+0.26%
Relative	+0.00%	+0.14%	+0.13%

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

Inflation dipped to 3.1% from 3.2%, an improvement, but one due to comparative data still influenced by the pandemic and measures related to it. Looking past these effects it is clear that rising fuel and energy costs are pushing underlying costs swiftly higher, up at the fastest month – on – month rate since 2013. Factory gate prices were 6.7% higher and the RPI index, less well followed nowadays, rose by 4.9%. Gas prices for 2022 supply contracts fell back from the highest levels but the impact of supply shortages remained severe, sufficiently so to indicate another 35% increase in domestic bills next April.

Increased inflation concerns caused a sharp response from the Bank of England. A 'promise to act' saw investor expectations shift to expect an early rise in interest rates, possibly as soon as December, with more to come early in the new year. The Bank apparently felt moved to act because of the relative uncertainties facing the UK economy and to prevent early signs of upward wage pressures from developing too far.

Government borrowing needs reduced again, to £21.8bn in September; down £7bn on a year ago. A sum of about £160bn seems a fair estimate for total borrowing this financial year, equivalent to some 7% of GDP. Total debt remained close to £2.2trn. In his Budget speech, the Chancellor was a beneficiary of improved growth forecasts which created the financial headroom for him to boost spending and avoid spending cuts. The hope is that the boost from increased levels of government activity offsets the drag on the consumer from higher taxes and inflation. Not all the available cash was promised however and if all goes to plan there will be scope for more spending or even some tax cuts nearer to the election.

Key facts

Fund size	£1,533m
Credit quality and sensitivity rating by Fitch	AAAmf
Weighted average maturity (Maximum 60 days)	51.29 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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