

CCLA PUBLIC SECTOR
INVESTMENT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 March 2024

CCLA

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*Collectively, these comprise the Authorised Corporate Director's Report.

[^]Audited.

Disability Discrimination Act 1995

Extracts from the Annual Report and Unaudited Financial Statements
are available in large print and audio formats.

REPORT OF THE AUTHORISED CORPORATE DIRECTOR for the year ended 31 March 2024

We are pleased to present the Annual Report and Financial Statements for the CCLA Public Sector Investment Fund (the Company) for the year ended 31 March 2024. 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 a UK Undertaking for Collective Investment in Transferable Securities Scheme (UK 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 UK 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 UK UCITS Scheme constituting PSDF which is a QMMF and complies with the FCA's Collective Investment Schemes Sourcebook (COLL Sourcebook).

REPORT OF THE AUTHORISED CORPORATE DIRECTOR
for the year ended 31 March 2024

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 Indicator section.

CCLA Investment Management Limited
Authorised Corporate Director
24 June 2024

REPORT OF THE INVESTMENT MANAGER for the year ended 31 March 2024

Fund Objective and Investment Policy

The investment objective of The Public Sector Deposit Fund (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 PSDF at par (net of earnings), this was achieved throughout the reporting period. The shadow NAV, which is permitted by the Money Market Regulation to move within a collar of ± 20 basis points around the par value was also successfully managed through some challenging conditions.

Fund Review

The Fund's AAAMmf rating was affirmed on 6 February 2023 by the credit rating agency, Fitch Ratings, who have received twice monthly reporting throughout the period. 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.

The value of the Fund at the end of this reporting period was £870 million, which was down from the reported £1,433 million on 31 March 2023; over the same period the weighted average maturity was extended to

51.59 days from 39.24 days. This strategic lengthening of the portfolio's maturity profile reflects a deliberate decision to capture higher yields available from financial instruments with a longer time left to maturity as the pace of rate hikes moderated. By selectively adding longer-dated holdings, we aimed to enhance the Fund's overall yield, while maintaining sufficient short-term liquidity to ensure operational flexibility. Liquidity remains significantly above the regulatory minimums of 10% (overnight) and 30% (weekly) at 28% and 44% respectively.

The asset allocation at the end of the reporting period was 73% invested in certificates of deposit, 1% in call accounts and the remaining 26% were in overnight term deposits; the allocation on 31 March 2023 was, 49%, 1%, and 50% respectively.

Sustainability Approach

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 Sustainability Team and their data providers.

Performance

Over the reporting period the Fund achieved a total return after management expenses of 5.11%; this was ahead of the Fund's benchmark, the Sterling Overnight Index Average (SONIA) which returned 5.05%.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 March 2024

Market Review

The Bank of England's Official Bank Rate (OBR) rose from 4.25% at the beginning of April 2023 to 5.25% by the end of the period under review. The Bank's Monetary Policy Committee (MPC) increased the rate by 0.25% at its May meeting and then accelerated the change to 0.50% in June before returning to a 0.25% increment. In September, for the first time in 14 meetings, the MPC voted to keep the rate unchanged. The Bank noted that inflation was starting to slow, although it remained well above the policy target of 2%. It also explained that higher interest rates – the OBR by this stage had risen from 0.1% to 5.25% over the course of 21 months – were “restrictive” and expected to cause the slowdown in demand that was necessary to bring inflation down to their target level sustainably.

At the beginning of the period data showed that inflation was more persistent and ingrained than most observers had expected. The headline consumer price inflation (CPI) rate remained stuck at 8.7% in May, having been expected to fall to 8.4%. This was the fourth month in a row when inflation had been higher than forecast. Meanwhile core inflation, which excludes volatile food and energy prices, rose again to 7.1%, to reach its highest rate since March 1992. Prices in the services sector, which dominates the UK economy, were up 7.4% year-on-year, this was particularly concerning to the Bank, because rising prices in services (as opposed to the smaller manufacturing sector) are closely linked to the strength of the domestic economy and tend to reflect surging pay growth and

resilient underlying demand. Employment data also showed that the labour market remained tight, another indicator that wages were likely to continue rising.

This served as an inflection point and market expectations for future interest rates rose significantly in response. In early July, the market was pricing a peak in the OBR of over 6.50% by mid-2024.

As we entered the second half of the period, a run of better-than-expected inflation data and softening labour data encouraged investors to anticipate that the interest rate peak could be well below 6%. CPI inflation fell to 6.7% in August and core and services inflation also fell, dropping to 6.2% and 6.8% respectively. This was also supported by a further drop in food price inflation. It was this release that was widely heralded as the main reason the MPC held interest rates at their subsequent September meeting.

The phrasing “Higher for longer” became increasingly prevalent in comments made by MPC members, with Huw Pill, the Bank's chief economist, likening the path for interest rates to famous mountains. The first option, he said, is the Matterhorn model. Much like the mountain in the Alps, rates rise precipitously and fall just as swiftly. The second option however could look more like Table Mountain in South Africa. In this scenario, rates would not rise as high, but would stay elevated for longer. Table Mountain is much lower than the Matterhorn, but its peak is a flat plateau. Pill indicated his preference for the Table Mountain model.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 March 2024

In the final months of the period, much of the debate focused on how much of a plateau may be required before rates can be cut, especially as the UK economy entered a shallow and short-lived recession. However, the latest releases from the Office for National Statistics (ONS) suggested some improvement in activity levels. Real (after inflation) household income was reported to have risen slightly in the final quarter of last year to hit a 2.5 year high; while economic growth in the month of January had returned to positive territory, at 0.2%.

CPI fell significantly to an annual rate of 3.4% in February. A sharp reduction in the rate of food price inflation was a key driver of the decline in the headline rate; though core CPI also fell, from 5.1% to 4.6%. Meanwhile the unemployment rate has been gradually increasing. The reading in the three months to February was 4.2%, up from its low of 3.7% after the pandemic. Wage growth remains too strong, far removed from a level consistent with the Bank's 2% inflation target, but there are now growing signs that even this may be cooling and with labour demand easing, wage growth tends to slow, albeit with a lag.

In response, the Bank began to signal a potential shift towards looser monetary policy. Recent pronouncements suggest the Bank is at the end of its interest rate hiking cycle, with the focus shifting from "how high rates could go" to "how long to maintain current rates." While the OBR was kept at 5.25%, the vote split in their March

meeting was 2 for a hike, 7 unchanged and 1 for a cut, which indicated a growing dovish sentiment within the committee. The MPC's policy guidance also changed, acknowledging inflation risks are "more balanced" and allowing for the possibility of future rate reductions.

Outlook

Shortly after the period end, the UK exited its recession as expected. After the May 2024 meeting of the MPC, the Bank delivered its clearest signal yet that it is preparing the ground to cut rates soon. The vote split was more dovish than many had expected, at seven in favour of holding rates and two who would prefer an immediate cut. There was a "range of views" amongst the majority with regard to the risks of inflationary persistence and the extent of additional evidence required before cutting rates, all though giving weight to the view that the Committee was in the process of changing course.

We think it is likely that the first interest rate cut will occur in the Summer, with the Bank being at pains to point out that rates, even if they are cut from where they are now, will remain economically restrictive. Inflation is likely to be around, maybe even below, the Bank's 2% target, and this should open a window to start a gradual reduction in Bank Rate. We still expect further cuts as we move towards the end of the year.

CCLA Investment Management Limited
24 June 2024

**STATEMENT OF DEPOSITARY RESPONSIBILITIES
AND REPORT OF THE DEPOSITARY**
for the year ended 31 March 2024

Depositary Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;

- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Corporate Director ("the ACD"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and

**STATEMENT OF DEPOSITARY RESPONSIBILITIES
AND REPORT OF THE DEPOSITARY**
for the year ended 31 March 2024

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

The report is given on the basis that no breaches are subsequently advised to us before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
London E14 5HQ
HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
24 June 2024

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 or procure 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 disclosure requirements of FRS 102;
- comply with the Instrument of Incorporation and the requirements of the Statement of Recommended Practice: "Financial Statements of Authorised Funds", 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 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 24 June 2024 by the ACD.

P Hugh Smith
Director
24 June 2024

E Sheldon
Director
24 June 2024

INDEPENDENT AUDITORS' REPORT

to the Shareholders of the CCLA Public Sector Investment Fund

Report on the audit of the financial statements*Opinion*

In our opinion the financial statements of CCLA Public Sector Investment Fund ("the Company"):

- give a true and fair view of the financial position of the sub-fund as at 31 March 2024 and of the net revenue and the net capital gains on the property of the company and its sub-fund for the year ended 31 March 2024; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for the sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution table; and
- the individual notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 (and amended in June 2017), the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT**to the shareholders of the CCLA Public Sector Investment Fund***Conclusions relating to going concern*

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

to the shareholders of the CCLA Public Sector Investment Fund

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITORS' REPORT

to the shareholders of the CCLA Public Sector Investment Fund

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-fund. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and its sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 March 2024 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT**to the shareholders of the CCLA Public Sector Investment Fund***Use of our report*

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
24 June 2024

The maintenance and integrity of the CCLA's website is the responsibility of the Authorised Corporate Director; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE PUBLIC SECTOR DEPOSIT FUND RISK AND REWARD INDICATOR

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 the Sub-Fund's 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		
	Year ended 31.03.2024 £ per Share	Year ended 31.03.2023 £ per Share	Year ended 31.03.2022 £ per Share
Opening net asset value per Share	1.0000	1.0000	1.0000
Return before operating charges*	0.0519	0.0226	0.0017
Operating charges	(0.0001)	(0.0001)	(0.0001)
Return after operating charges*	0.0518	0.0225	0.0016
Distributions on Income Shares	(0.0518)	(0.0225)	(0.0016)
Closing net asset value per Share	1.0000	1.0000	1.0000

* after direct transaction costs of:

– – –

Performance

Return after charges 5.18% 2.25% 0.16%

Other information

Closing net asset value (£'000)	207,361	134,400	118,791
Closing number of Shares	207,225,530	134,410,855	118,871,531
Operating charges**	0.01%	0.01%	0.01%
Direct transaction costs	0.00%	0.00%	0.00%

Prices (£ per Share)

Highest Share price (offer)***	1.00	1.00	1.00
Lowest Share price (bid)***	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 may differ from the Sub-Fund's performance disclosed in the Report of the Investment Manager.

** Operating charges comprises of other expenses. The percentages above reflect these charges divided by average net assets for the 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 3 [^] Period ended 31.03.2024 £ per Share
Opening net asset value per Share	1.0000
Return before operating charges*	0.0265
Operating charges	(0.0004)
Return after operating charges*	0.0261
Distributions on Income Shares	(0.0261)
Closing net asset value per Share	1.0000
* after direct transaction costs of:	–
Performance	
Return after charges	2.61%
Other information	
Closing net asset value (£'000)	14,164
Closing number of Shares	14,168,306
Operating charges**	0.08%
Direct transaction costs	0.00%
Prices (£ per Share)	
Highest Share price (offer)***	1.00
Lowest Share price (bid)***	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 may differ 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 year. The AMC is inclusive of all other ongoing charges.

*** The Sub-Fund does not have a dealing spread.

[^] On 27 September 2023, Class 3 Shares – Income were relaunched.

THE PUBLIC SECTOR DEPOSIT FUND
COMPARATIVE TABLE

Change in net assets per Share (continued)

	Share Class 4		
	Year ended 31.03.2024 £ per Share	Year ended 31.03.2023 £ per Share	Year ended 31.03.2022 £ per Share
Opening net asset value per Share	1.0000	1.0000	1.0000
Return before operating charges*	0.0519	0.0226	0.0017
Operating charges	(0.0008)	(0.0008)	(0.0006)
Return after operating charges*	0.0511	0.0218	0.0011
Distributions on Income Shares	(0.0511)	(0.0218)	(0.0011)
Closing net asset value per Share	1.0000	1.0000	1.0000
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	5.11%	2.18%	0.11%
Other information			
Closing net asset value (£'000)	648,843	1,299,772	1,391,615
Closing number of Shares	648,827,294	1,299,929,633	1,392,506,781
Operating charges**	0.08%	0.08%	0.06%
Direct transaction costs	0.00%	0.00%	0.00%
Prices (£ per Share)			
Highest Share price (offer)***	1.00	1.00	1.00
Lowest Share price (bid)***	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 may differ 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 year. The AMC is inclusive of all other ongoing charges.

*** The Sub-Fund does not have a dealing spread.

THE PUBLIC SECTOR DEPOSIT FUND

PORTFOLIO STATEMENT

at 31 March 2024

	Holding £'000	Value £'000	% of total net assets
Certificates of Deposit – 72.80% (31.03.2023, 49.15%)			
ABN AMRO Bank 0% CD 05/02/2024 – 21/06/2024	10,000	9,878	1.13
BNP Paribas London 5.23% CD 22/03/2024 – 05/04/2024	20,000	20,000	2.30
BNP Paribas London 5.58% CD 01/11/2023 – 02/04/2024	10,000	10,000	1.15
BNP Paribas London 5.64% CD 10/11/2023 – 06/08/2024	5,000	5,004	0.57
BNP Paribas London 5.71% CD 05/10/2023 – 05/04/2024	5,000	5,000	0.57
Commonwealth Bank Australia 5.04% CD 20/04/2023 – 22/04/2024	2,000	2,000	0.23
Cooperatieve Rabobank 5.445% CD 17/11/2023 – 17/05/2024	1,000	1,000	0.11
Credit Agricole 5.38% CD 02/01/2024 – 31/05/2024	10,000	10,000	1.15
Credit Agricole 5.38% CD 08/01/2024 – 08/05/2024	10,000	10,000	1.15
Credit Agricole 5.39% CD 27/12/2023 – 28/05/2024	10,000	10,000	1.15
Credit Industrial et Commercial 5.34% CD 01/02/2024 – 02/08/2024	10,000	10,000	1.15
Credit Industrial et Commercial 5.34% CD 08/02/2024 – 09/08/2024	10,000	10,001	1.15
Credit Industrial et Commercial 5.355% CD 15/02/2024 – 15/08/2024	10,000	10,001	1.15
Danske Bank 5.29% CD 14/03/2024 – 13/09/2024	10,000	10,002	1.15
Danske Bank 5.31% CD 05/02/2024 – 05/08/2024	10,000	10,001	1.15
Danske Bank 5.31% CD 06/02/2024 – 06/08/2024	10,000	10,001	1.15
Danske Bank 5.33% CD 25/01/2024 – 26/07/2024	2,000	2,000	0.23
DNB Bank 6.6% CD 14/07/2023 – 15/07/2024	5,000	5,017	0.58
DZ Bank 5.5% CD 04/12/2023 – 04/06/2024	5,000	5,000	0.57
DZ Bank 5.65% CD 26/10/2023 – 29/04/2024	5,000	5,000	0.57
Handelsbanken 5.35% CD 05/01/2024 – 08/07/2024	10,000	10,001	1.15
Handelsbanken 5.5% CD 04/12/2023 – 03/06/2024	10,000	10,000	1.15
Handelsbanken 5.5% CD 04/12/2023 – 05/06/2024	10,000	10,000	1.15
Landesbank Hessen 5.22% CD 28/03/2024 – 04/04/2024	40,000	40,000	4.60
Lloyds Bank Corporate Markets 5.28% CD 09/05/2023 – 09/05/2024	5,000	5,000	0.57
Lloyds Bank Corporate Markets 5.68% CD 13/11/2023 – 13/11/2024	5,000	5,010	0.58
Lloyds Bank Corporate Markets 5.75% CD 30/05/2023 – 30/05/2024	5,000	5,000	0.57
Lloyds Bank Corporate Markets 5.78% CD 05/06/2023 – 03/06/2024	3,295	3,295	0.38

THE PUBLIC SECTOR DEPOSIT FUND
 PORTFOLIO STATEMENT
 at 31 March 2024

	Holding £'000	Value £'000	% of total net assets
Lloyds Bank Corporate Markets 5.84% CD 09/06/2023 – 07/06/2024	5,000	5,000	0.57
Lloyds Bank Corporate Markets 5.95% CD 04/10/2023 – 04/10/2024	5,000	5,014	0.58
Lloyds Bank Corporate Markets 6.13% CD 19/09/2023 – 19/09/2024	5,000	5,017	0.58
Lloyds Bank Corporate Markets 6.6% CD 04/07/2023 – 04/07/2024	5,000	5,015	0.58
Mizuho Bank 5.35% CD 15/01/2024 – 08/04/2024	10,000	10,000	1.15
Mizuho Bank 5.35% CD 06/02/2024 – 07/05/2024	5,000	5,000	0.57
Mizuho Bank 5.38% CD 09/01/2024 – 09/04/2024	10,000	10,000	1.15
MUFG 0% CD 04/03/2024 – 04/06/2024	5,000	4,954	0.57
MUFG 5.33% CD 26/01/2024 – 26/04/2024	5,000	5,000	0.57
MUFG 5.34% CD 14/03/2024 – 26/06/2024	10,000	9,999	1.15
MUFG 5.34% CD 14/03/2024 – 01/07/2024	10,000	9,999	1.15
MUFG 5.36% CD 17/01/2024 – 09/05/2024	5,000	5,000	0.57
MUFG 5.36% CD 07/03/2024 – 05/06/2024	5,000	5,000	0.57
National Australia Bank 5.47% CD 14/12/2023 – 16/09/2024	1,250	1,251	0.14
National Australia Bank 5.62% CD 04/10/2023 – 03/04/2024	5,000	5,000	0.57
National Westminster Bank 0% CD 05/10/2023 – 05/04/2024	5,000	4,998	0.57
National Westminster Bank 0% CD 16/10/2023 – 16/10/2024	5,000	4,859	0.56
National Westminster Bank 0% CD 03/11/2023 – 03/05/2024	5,000	4,977	0.57
National Westminster Bank 0% CD 07/11/2023 – 07/08/2024	5,000	4,908	0.56
National Westminster Bank 0% CD 09/11/2023 – 13/08/2024	5,000	4,904	0.56
NatWest Markets 0% CD 20/11/2023 – 20/08/2024	5,000	4,899	0.56
NatWest Markets 0% CD 05/12/2023 – 02/09/2024	10,000	9,781	1.12
Nordea Bank 0% CD 07/07/2023 – 05/07/2024	5,000	4,930	0.57
Nordea Bank 0% CD 03/11/2023 – 03/05/2024	5,000	4,977	0.57
Nordea Bank 0% CD 19/01/2024 – 20/06/2024	5,000	4,941	0.57
Nordea Bank 5.29% CD 06/03/2024 – 06/11/2024	5,000	5,001	0.57
Nordea Bank 5.32% CD 15/02/2024 – 22/10/2024	10,000	10,003	1.15

THE PUBLIC SECTOR DEPOSIT FUND
 PORTFOLIO STATEMENT
 at 31 March 2024

	Holding £'000	Value £'000	% of total net assets
Nordea Bank 6% CD 15/06/2023 – 17/06/2024	5,000	5,006	0.58
Nordea Bank 6.3% CD 01/08/2023 – 01/08/2024	5,000	5,014	0.58
Royal Bank of Canada 5.23% CD 27/03/2024 – 03/04/2024	40,000	40,000	4.60
SMBC Bank International 5.35% CD 05/03/2024 – 24/05/2024	10,000	10,000	1.15
SMBC Bank International 5.35% CD 25/03/2024 – 02/07/2024	10,000	9,999	1.15
SMBC Bank International 5.35% CD 25/03/2024 – 03/07/2024	10,000	9,999	1.15
SMBC Bank International 5.38% CD 10/01/2024 – 10/04/2024	10,000	10,000	1.15
Societe Generale 5.11% CD 19/04/2023 – 22/04/2024	1,580	1,580	0.18
Standard Chartered 6.09% CD 11/09/2023 – 11/09/2024	5,000	5,016	0.58
Sumitomo Trust & Banking 5.35% CD 09/02/2024 – 10/05/2024	10,000	10,000	1.15
Sumitomo Trust & Banking 5.35% CD 14/02/2024 – 14/05/2024	10,000	10,000	1.15
Sumitomo Trust & Banking 5.36% CD 16/02/2024 – 22/05/2024	10,000	10,000	1.15
Sumitomo Trust & Banking 5.36% CD 08/03/2024 – 12/06/2024	10,000	10,000	1.15
Toronto Dominion Bank 0% CD 20/04/2023 – 19/04/2024	5,000	4,989	0.57
Toronto Dominion Bank 0% CD 02/05/2023 – 02/05/2024	5,000	4,979	0.57
Toronto Dominion Bank 0% CD 27/03/2024 – 03/04/2024	10,000	9,999	1.15
Toronto Dominion Bank 5.06% CD 11/04/2023 – 11/04/2024	4,000	3,999	0.46
Toronto Dominion Bank 5.25% CD 19/01/2024 – 21/10/2024	5,000	4,999	0.57
Toronto Dominion Bank 5.77% CD 01/06/2023 – 03/06/2024	3,000	3,001	0.34
Toronto Dominion Bank 5.79% CD 08/06/2023 – 10/06/2024	5,000	5,000	0.57
Toronto Dominion Bank 6.14% CD 13/09/2023 – 11/09/2024	1,000	1,003	0.12

THE PUBLIC SECTOR DEPOSIT FUND
 PORTFOLIO STATEMENT
 at 31 March 2024

	Holding £'000	Value £'000	% of total net assets
Toronto Dominion Bank 6.29% CD 21/07/2023 – 22/07/2024	1,000	1,002	0.12
Toronto Dominion Bank 6.32% CD 28/07/2023 – 26/07/2024	1,000	1,003	0.12
UBS 5.37% CD 04/01/2024 – 04/07/2024	8,500	8,499	0.98
United Overseas Bank 5.3% CD 20/03/2024 – 23/09/2024	10,000	9,996	1.15
United Overseas Bank 5.35% CD 10/01/2024 – 16/04/2024	10,000	10,000	1.15
United Overseas Bank 5.48% CD 13/12/2023 – 15/05/2024	10,000	10,000	1.15
United Overseas Bank 5.48% CD 15/12/2023 – 17/05/2024	10,000	10,000	1.15
Term Deposits – 26.44% (31.03.2023, 50.20%)			
DBS Bank 2 Apr 2024	60,000	60,000	6.90
Yorkshire Building Society 2 Apr 2024	85,000	85,000	9.77
Landesbank Baden-Weurtemberg 2 Apr 2024	85,000	85,000	9.77
Call Accounts – 0.11% (31.03.2023, 0.07%)			
Santander UK	1,000	1,000	0.11
INVESTMENT ASSETS		864,721	99.35
NET OTHER ASSETS		5,647	0.65
TOTAL NET ASSETS		870,368	100.00

THE PUBLIC SECTOR DEPOSIT FUND
STATEMENT OF TOTAL RETURN
for the year ended 31 March 2024

	Note	Year ended 31.03.2024		Year ended 31.03.2023	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		315		854
Revenue	3	67,157		30,969	
Expenses	4	(944)		(1,001)	
Net revenue before taxation		66,213		29,968	
Taxation	5	–		–	
Net revenue after taxation			66,213		29,968
Total return before distributions			66,528		30,822
Distributions	6		(66,213)		(29,968)
Change in net assets attributable to Shareholders from investment activities			315		854

THE PUBLIC SECTOR DEPOSIT FUND
STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 March 2024

	Year ended 31.03.2024		Year ended 31.03.2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		1,434,172		1,510,356
Amounts receivable on issue of Shares	9,156,784		8,778,843	
Amounts payable on cancellation of Shares	(9,720,903)		(8,855,881)	
		(564,119)		(77,038)
Change in net assets attributable to Shareholders from investment activities		315		854
Closing net assets attributable to Shareholders		870,368		1,434,172

The notes on pages 26 to 36 and distribution table on page 37 form part of these financial statements.

THE PUBLIC SECTOR DEPOSIT FUND
BALANCE SHEET
at 31 March 2024

	<i>Note</i>	31.03.2024		31.03.2023	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			864,721		1,425,841
Current assets:					
Debtors	7	7,311		4,863	
Cash and bank balances	8	3,329		8,320	
Total current assets			10,640		13,183
Total assets			875,361		1,439,024
LIABILITIES					
Creditors:					
Other creditors	9	82		103	
Distribution payable		4,911		4,749	
Total creditors			4,993		4,852
Total liabilities			4,993		4,852
Net assets attributable to Shareholders			870,368		1,434,172

The financial statements on pages 24 to 37 have been approved and authorised for issue by the Authorised Corporate Director.

Approved on behalf of the
Authorised Corporate Director
24 June 2024

P Hugh Smith, Director
CCLA Investment Management Limited

Approved on behalf of the
Authorised Corporate Director
24 June 2024

E Sheldon, Director
CCLA Investment Management Limited

The notes on pages 26 to 36 and distribution table on page 37 form part of these financial statements.

THE PUBLIC SECTOR DEPOSIT FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1. Accounting policies

(a) Basis of preparation

The financial statements of the Company which comprise the financial statements of its Sub-Fund have been prepared on a going concern basis, in compliance with UK GAAP including FRS 102 “The Financial Reporting Standard applicable in the United Kingdom and Ireland”, 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 change in net assets.

(b) Valuation of investments

The Sub-Fund’s investments are valued on a mark to market basis whenever possible, in which case the relevant asset will be valued at the more prudent side of bid and offer unless the asset can be closed out at mid-market using good quality data; or on a mark to model basis when using the mark to market basis is not possible or the market data is not of sufficient quality.

In addition to the above methods, the Sub-Fund’s investments may be valued using the amortised cost method provided that the relevant assets have a residual maturity of up to 75 days; and the price of the asset valued by using the amortised cost method does not vary from the mark to market or mark to model valuation by more than 10 basis points.

(c) Recognition of revenue

Interest on bank, building society and QMMF deposits are accrued on a daily basis. The revenue on debt securities is recognised on the effective yield basis which takes account of the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security.

THE PUBLIC SECTOR DEPOSIT FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1. Accounting policies (continued)

(d) Expenses

The annual management charge (“AMC”) accrues daily and is calculated by daily reference to the NAV of the Sub-Fund. It is payable monthly within 10 business days after the last business day in each month and is exclusive of VAT (which, if payable, will apply in addition). It is calculated by reference to the NAV of the relevant share class.

The AMC covers the provision of investment services and other expenses incurred by the ACD. Audit fees, insurance, bank charges, monitoring fee, FCA fee, credit rating fee and the custody fee are charged separately to the revenue of the Sub-Fund before calculation of the interest distribution.

For all share classes except Share Class 1 where no AMC is charged, the AMC is inclusive of all other Sub-Fund expenses.

The Depositary receives for its own account a periodic fee which accrues daily on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable within 10 business days after the last business day in each month. The rate of the periodic fee is agreed between the ACD and the Depositary for the PSDF.

(e) Distributions

In relation to Class 1 to 5 Shares, the ACD intends to declare all net revenue of the PSDF on each Dealing Day as an interest distribution to shareholders on the register of members as at the close of business on the relevant Dealing Day. All distributions by the Sub-Fund are deemed to be payments of yearly interest. The Sub-Fund is then entitled to deduct as an expense distributions paid from revenue received when computing its own tax liability. Distributions will be declared daily and payable monthly on or around the first working day of the following month. The daily net revenue before the ACD charge is distributed based on the proportionate holding of each share class net of the relevant direct share class expense.

In accordance with regulations, costs and expenses are accrued at Sub-Fund level with allocations for any Company costs made on a pro rata basis in accordance with the value of the Sub-Fund at the time of allocation. Due to the daily allocation of revenue by the Sub-Fund, no element of revenue is included in the calculation of the price of a share and hence no equalisation is applied.

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

2. Net capital gains

	31.03.2024	31.03.2023
	£'000	£'000
Unrealised gains on assets	315	854
	315	854

3. Revenue

	31.03.2024	31.03.2023
	£'000	£'000
Interest on debt securities	36,081	17,099
Interest from money market deposits	31,076	13,870
	67,157	30,969

4. Expenses

	31.03.2024	31.03.2023
	£'000	£'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge – see note 1 (d)	794	858
	794	858

Amounts payable to the Depositary, associates
of the Depositary and agents of either of them:

Depositary fee	74	80
Safe custody fee	34	29
	108	109

Other expenses:

Fitch ratings fee	14	13
Fund administration fee	18	8
Audit fee	10	13
	42	34
Total expenses	944	1,001

The above expenses include VAT, where applicable. Audit fee net of VAT is £9,100 (31.03.2023, £8,650).

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

5. Taxation

(a) Analysis of tax charge for the year

There is no provision for corporation tax as taxable revenue is fully covered by allowable expenses and deductible interest distributions.

(b) Factors affecting current tax charge for the year

	31.03.2024 £'000	31.03.2023 £'000
The taxation assessed during the year is lower than the standard rate of corporation tax in the UK for an open ended investment company:		
Net revenue before taxation	66,213	29,968
Corporation tax at 20%	13,243	5,994
Effects of:		
Tax deductible interest distributions	(13,243)	(5,994)
Total taxation	–	–

(c) Deferred tax

At the balance sheet date the Sub-Fund had no excess ACD expenses. Were there to be excess ACD expenses, a potential deferred tax asset would arise.

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

6. Distributions

Distributions take account of revenue received on the issue of Shares and revenue deducted on the cancellation of Shares, and comprise:

	31.03.2024 £'000	31.03.2023 £'000
April	4,985	840
May	6,362	1,134
June	6,233	1,011
July	6,976	1,110
August	6,256	1,724
September	4,292	1,694
October	4,922	1,940
November	5,157	2,468
December	5,388	3,253
January	5,449	4,898
February	5,282	5,147
March	4,911	4,749
Total distributions	66,213	29,968

Details of the distribution per Share are set out in the distribution table on page 37.

7. Debtors

	31.03.2024 £'000	31.03.2023 £'000
Accrued revenue	7,304	4,830
Prepayments	7	33
	7,311	4,863

8. Cash and bank balances

	31.03.2024 £'000	31.03.2023 £'000
Cash at bank	3,329	8,320

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

9. Creditors

	31.03.2024 £'000	31.03.2023 £'000
Accrued ACD periodic charge	51	77
Accrued audit fee	10	10
Accrued depositary fee	12	15
Accrued safe custody fee	9	1
	82	103

10. Share Classes

The Sub-Fund currently has five Share classes in issue. The AMC as a percentage of the daily net asset value at 31 March 2024 is as follows:

Share class 1 – income	No AMC
Share class 2 – income	AMC of 0.20%
Share class 3 – income	AMC of 0.08%
Share class 4 – income	AMC of 0.08%*
Share class 5 – income	AMC of 0.20%

The net asset value of each Share class, the net asset value per Share and the number of Shares in each class are given in the comparative tables on pages 17 to 19. The distribution per Share class is given in the distribution table on page 37.

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

On 27 September 2023, Class 3 Shares – Income were relaunched.

* The AMC for Share Class 4 was reduced from 0.08% per annum to 0.06% per annum from 12 May 2021. It was reverted to 0.08% from 1 April 2022.

THE PUBLIC SECTOR DEPOSIT FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

11. Financial instruments

(a) Market price risk

This is an actively managed fund, which invests in sterling fixed interest securities. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Sub-Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the Share price from time to time, although there will generally be a positive correlation in the movement of the Share price to the markets the Sub-Fund is invested in. The Sub-Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Sub-Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

At 31 March 2024, if the price of the investments held by the Sub-Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would increase or decrease respectively by approximately £43,236,044 (31.03.23, £71,292,050).

(b) Liquidity risk

Financial instruments held by the Sub-Fund, excluding short-term debtors and creditors, are made up of sterling fixed interest securities and sterling cash deposits. These assets are generally liquid and enable the Sub-Fund to meet the payment of any redemption of Shares that Shareholders may wish to make.

(c) Interest rate risk

The Sub-Fund invests in fixed and floating rate securities and cash deposits. The revenue may be affected by changes in interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. A 1% rise or fall in all interest rates will result in a 0.16% movement in the opposite direction in the overall NAV of the Sub-Fund (31.03.2023, 0.12%).

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

11. Financial instruments (continued)

(c) Interest rate risk (continued)

The total exposure at 31 March 2024 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	4,329	863,721	7,311	875,361
Total	4,329	863,721	7,311	875,361

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	4,993	4,993
Total	–	–	4,993	4,993

The total exposure at 31 March 2023 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	9,320	1,424,841	4,863	1,439,024
Total	9,320	1,424,841	4,863	1,439,024

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	4,852	4,852
Total	–	–	4,852	4,852

* Changes in the base rate will cause movements in the interest rate applied to cash balances.

THE PUBLIC SECTOR DEPOSIT FUND
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

11. Financial instruments (continued)

(d) Credit risk

The Sub-Fund is exposed to risk regarding the repayment of deposits from counterparties. To minimise this, the assets of the Sub-Fund are strictly placed within agreed limits with a diversified list of quality counterparties in order to achieve a very low overall level of risk and high security of capital. The list of approved counterparties is constantly monitored and credit limits immediately amended following credit rating upgrades and downgrades. All deposits and instruments were rated at investment grade at the time of purchase.

(e) Fair value of financial assets and financial liabilities

There are no material differences between the value of the financial assets and liabilities as shown in the balance sheet and their fair value.

There were no derivatives held by the Sub-Fund during the current or prior accounting period.

(f) Currency risk

As this is a sterling fund, there is no currency risk.

12. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 March 2024 (31.03.2023, £nil).

13. Related party transactions

The AMC is paid to the ACD. The amounts paid in respect of the AMC are disclosed in note 4 and any amounts owing are disclosed in note 9.

14. Portfolio transaction costs

The purchases and sales of securities incurred no transaction costs during the year (31.03.2023, £nil).

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

15. Shareholders' funds – reconciliation of Shares

	Share Class 1 – income		Share Class 3 – income	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Opening number of Shares				
at beginning of year	134,410,855	118,871,531	–	–
Shares issued in year	406,616,159	96,750,000	21,000,000	–
Shares cancelled in year	(335,809,102)	(81,850,000)	(7,000,000)	–
Shares converted in year	2,007,618	639,324	168,306	–
Closing number of Shares				
at end of year	207,225,530	134,410,855	14,168,306	–
			Share Class 4 – income	
			31.03.2024	31.03.2023
Opening number of Shares at beginning of year			1,299,929,633	1,392,506,781
Shares issued in year			8,709,126,731	8,674,425,767
Shares cancelled in year			(9,378,094,253)	(8,774,031,213)
Shares converted in year			17,865,183	7,028,298
Closing number of Shares at end of year			648,827,294	1,299,929,633

THE PUBLIC SECTOR DEPOSIT FUND
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2024

16. Fair value of investments

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 March 2024

Category	1	2	3	Total
Investment Assets	£'000	£'000	£'000	£'000
Deposits	864,721	–	–	864,721
	864,721	–	–	864,721

For the year ended 31 March 2023

Category	1	2	3	Total
Investment Assets	£'000	£'000	£'000	£'000
Deposits	1,425,841	–	–	1,425,841
	1,425,841	–	–	1,425,841

THE PUBLIC SECTOR DEPOSIT FUND
DISTRIBUTION TABLE
for the year ended 31 March 2024

Period ended	Share Class 1 £	Share Class 3 £	Share Class 4 £	Total £
April 2023	436,556	–	4,549,376	4,985,932
May 2023	514,158	–	5,847,877	6,362,035
June 2023	482,243	–	5,750,467	6,232,710
July 2023	588,250	–	6,387,526	6,975,776
August 2023	627,009	–	5,628,672	6,255,681
September 2023	623,796	2,132	3,666,261	4,292,189
October 2023	644,378	22,883	4,255,074	4,922,335
November 2023	789,804	21,737	4,345,080	5,156,621
December 2023	1,173,813	22,583	4,191,646	5,388,042
January 2024	816,113	38,720	4,593,863	5,448,696
February 2024	860,252	60,252	4,361,549	5,282,053
March 2024	981,490	82,326	3,847,614	4,911,430
	8,537,862	250,633	57,425,005	66,213,500

The 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.

AUTHORISED CORPORATE DIRECTOR REMUNERATION

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2024 was 185 (year ended 31 March 2023, 175).

During the year ended 31 March 2024 and the prior year, remuneration was paid to CCLA Investment Management Limited's staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Sub-Fund ("identified staff") are shown separately.

	Year to 31 March 2024			Year to 31 March 2023		
	Fixed remuneration £000	Variable remuneration £000	Total £000	Fixed remuneration £000	Variable remuneration £000	Total £000
Identified staff	1,035	981	2,017	1,035	1,287	2,322
Other staff	18,065	584	18,649	15,918	7,135	23,053
Total	19,101	1,565	20,666	16,953	8,422	25,375

Remuneration above is the total remuneration for CCLA Investment Management Limited; it is not possible to separate the element of that relating only to this Sub-Fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Sub-Fund.

DETAILS OF THE BOARD

The Advisory Board

An Advisory Board for PSDF has been established by CCLA to represent the interests of shareholders and the public sector as a whole. The Advisory Board meets regularly with CCLA, the ACD 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 Andrews – appointed on 5 October 2023
 D Donnelly – resigned on 5 October 2023
 M Evey – appointed on 5 October 2023
 B Ingram
 J Lewis – appointed on 5 October 2023
 R Love
 G Macgregor
 K Stevens
 J Turnbull
 C Weaver
 L Webster
 C West
 R Woodley

Authorised Corporate Director

CCLA Investment Management Limited
 Registered Office Address:
 One Angel Lane
 London EC4R 3AB
 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

Transfer Agent and Registrar

FNZ TA Services Limited
 7th Floor, 2 Redman Place
 London
 EC20 1JQ

Administrator

Third party administrator appointed by CCLA
 HSBC Bank plc
 8 Canada Square
 Canary Wharf
 London
 E14 5HQ

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Officers of the ACD

Directors responsible for PSDF

P Hugh Smith (Chief Executive Officer)
 E Sheldon (Chief Operating Officer)
 A Robinson MBE (Director Market Development)

Non-Executive Directors of the ACD

R Horlick (Chairman)
 J Hobart
 J Jesty
 C Johnson
 A Roughead
 C West

Fund Managers

S Freeman
 R Evans
 S Mehta

Company Secretary

J Fox

Chief Risk Officer

J-P Lim

Head of Sustainability team

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

Independent Auditors

Deloitte LLP
 110 Queen Street
 Glasgow G1 3BX

ABOUT CCLA

Founded in 1958, CCLA is now the UK's largest charity fund manager. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

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

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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: One Angel Lane, London EC4R 3AB.

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