

## Pension Fund Committee

7 March 2013



### Short Term Investments for the period ended 31 December 2012

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**Don McLure, Corporate Director Resources**

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#### Purpose of Report

1. To provide the Committee with information on the performance of the Pension Fund's short term investments for the quarter ended 31 December 2012.

#### Short Term Investments

2. Durham County Council (DCC) invests the short term cash balances on behalf of the Pension Fund; this is done in line with DCC's Treasury Management Policy and Annual Investment Strategy. This investment strategy sets out the maximum amounts and time limits in respect of deposits which can be placed with each financial institution.
3. The Pension Fund's surplus cash holding as at 31 December 2012 was £26.396m which was held in the institutions listed in the table below alongside their credit rating at 31 December 2012.

<b>Financial Institution</b>	<b>Rating</b>	<b>Amount Invested £m</b>
Bank Deposit Accounts		
The Co-operative Bank	BBB+	0.925
Natwest Bank	A	7.492
Santander UK plc	A	1.872
Fixed Term Deposits		
Barclays	A	1.311
Royal Bank of Scotland	A	9.365
Nationwide Building Society	A+	2.809
Natwest Bank	A	1.872
UK Local Authorities	N/A	0.563
National Savings & Investments	N/A	0.187
<b>Total</b>		<b>26.396</b>

4. The following table provides information on the interest earned during the 6 month period, the average daily investment balance and the average return earned in comparison to the average bank base rate, along with the fee charged:

	<b>Total</b>
Interest Earned	£240,024
Average Return Earned	1.608%
Average Bank of England base rate	0.500%
Average Daily Balance of Investments	£20.395m
Administrative Fee	£15,436

### **Recommendation**

5. Members are asked to note the position at 31 December 2012 regarding the Pension Fund's short term investments.

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