

## Pension Fund Committee

4 March 2015



### Short Term Investments for the period ended 31 December 2014

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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 as at 31 December 2014.

#### 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 2014 was £56.205m which was held in the institutions listed in the table below alongside their credit rating at 31 December 2014.

<b>Financial Institution</b>	<b>Short-term Rating</b>	<b>Amount Invested £m</b>
Bank Deposit Accounts		
Handelsbanken	F1+	1.700
Santander UK Plc	F1	7.203
Barclays	F1	8.593
Fixed Term Deposits		
Royal Bank of Scotland	F1	5.055
Bank of Scotland	F1	15.165
Nationwide Building Society	F1	8.846
UK Local Authorities	N/A	5.548
National Savings & Investments	N/A	0.253
Money Market Funds	N/A	3.842
<b>Total</b>		<b>56.205</b>

4. The following table provides information on the interest earned during the three month period to 31 December 2014, the average daily investment balance and the average return earned in comparison to the average bank base rate:

	<b>Total</b>
Net Interest Earned	£31,293
Average Return Earned	0.43%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£30.937m

### **Recommendation**

5. Members are asked to note the position at 31 December 2014 regarding the Pension Fund's short term investments where £31,293 net interest was earned in the three month period.

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