

Pension Fund Committee

4 June 2015



Short Term Investments for the period ended 31 March 2015

Don McLure, Corporate Director Resources

Purpose of Report

1. To provide the Committee with information on the performance of the Pension Fund's short term investments as at 31 March 2015.

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 March 2015 was £54.689m which was held in the institutions listed in the table below alongside their credit rating at 31 March 2015.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	1.087
Santander UK Plc	F1	8.053
Barclays	F1	8.053
Fixed Term Deposits		
Royal Bank of Scotland	F1	4.602
Bank of Scotland	F1	13.805
Nationwide Building Society	F1	5.752
Goldman Sachs	F1	6.902
National Savings & Investments	N/A	0.229
Money Market Funds	N/A	6.206
Total		54.689

4. The following table provides information on the interest earned during the three month period to 31 March 2015, the average daily investment balance and the average return earned in comparison to the average bank base rate:

	Total
Net Interest Earned	£60,268
Average Return Earned	0.44%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£58.011m

Recommendation

5. Members are asked to note the position at 31 March 2015 regarding the Pension Fund's short term investments where £60,268 net interest was earned in the three months period.

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