

## Pension Fund Committee

6 September 2018



### Short Term Investments for the period ended 30 June 2018

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**John Hewitt, Corporate Director of 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 30 June 2018.

#### Short Term Investments

2. Durham County Council (the Council) invests the short term cash balances on behalf of the Pension Fund; this is done in line with the Council'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 30 June 2018 was £22.077 million, which was held in the institutions listed in the table below, alongside their credit rating at 30 June 2018.

<b>Financial Institution</b>	<b>Short-term Rating</b>	<b>Amount Invested £m</b>
Bank Deposit Accounts Handelsbanken	F1+	0.369
Fixed Term Deposits		
Bank of Scotland	F1	4.616
Goldman Sachs	F1	1.847
Santander UK Plc	F1	1.847
First Bank of Abu Dhabi	F1+	0.462
Sumitomo Mitsui Banking Corp	F1	0.462
UK Local Authorities	N/A	10.244
National Savings & Investments	N/A	0.092
Money Market Funds	N/A	2.138
<b>Total</b>		<b>22.077</b>

4. The following table provides information on the net interest earned during the three month period to 30 June 2018, the average daily investment balance and the average return earned in comparison to the average bank base rate. The interest paid to the Pension Fund is based upon the average three month rate of return earned by the Council and is net of the fees of £2,600 paid for the Council undertaking the Treasury Management function for the Pension Fund.

	<b>Total</b>
Net Interest Earned	£46,562
Average Return Earned	0.60%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£32.864m

#### **Recommendation**

5. Members are asked to note the position at 30 June 2018 regarding the Pension Fund's short term investments where £46,562 net interest was earned in the three month period.

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**Contact: Beverley White                      Tel: 03000 261900**

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