

By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 20 August 2010

Subject: **CASH MANAGEMENT**

Classification: Unrestricted

Summary: Update on the treasury management for the internally managed cash

FOR INFORMATION

INTRODUCTION

1. At the beginning of July £23.8m was transferred from the KCC group to the Pension Fund and subsequently this cash has been invested in accordance with the Treasury Management Strategy agreed by the Superannuation Committee on 18 June 2010.

CASH BALANCE

2. During July £10.7m has been invested in 63 – 65 George Street, Edinburgh, £4.8m in 2 units at Trafford Park, Manchester (£5m) and £0.6m in a 2nd instalment in the Quercus Property Fund. The Fund is committed to make a 3rd instalment in the Quercus Fund in August of £1.3m
3. As at 31 July the total internally managed cash balance was £14.5m. This balance was in line with the agreed minimum amount required to cover the Fund's ongoing payments.
4. Of the total balance £14.1m was on deposit in the RBS call account earning a return of 1.15% pa, and the remainder was invested in the JP Morgan Sterling Liquidity Account on which the return was 0.4% pa.

RECOMMENDATION

5. Members are asked to note the Treasury Management report.

Alison Mings
Treasury and Investments Manager