

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 2 July 2014

Subject: **TREASURY MANAGEMENT**

Classification: Unrestricted

Summary: To report on the Fund's Cash holdings.

FOR INFORMATION

INTRODUCTION

1. The Fund has its own Treasury Management policy which is based on the use of a HSBC deposit account and Money Market Funds. The decision of the Committee to withdraw £150m of UK Equities from State Street and hold as Cash led to a number of new funds being brought into use. The Council receives advice from Arlingclose its treasury advisors on which funds to use and we also ensure that we do not hold more than 0.5% of any one fund (2% limit for Government funds). HSBC were introduced to replace the longstanding Nat West deposit account – since the latest downgrade NatWest does not meet the Council's minimum credit rating.

LATEST POSITION

2. Cash holdings on 4 June were:

Class	Type	Counterparty	Principal O/S (£)
Deposit	Call	HSBC Bank plc	30,000,000.00
	Call Total		30,000,000.00
Deposit	MMF	HSBC Global Liquidity Fund	20,006,194.73
Deposit	MMF	Deutsche Managed Sterling Acc	35,009,901.76
Deposit	MMF	SWIP Global Liquidity Sterling Inst	19,953,153.35
Deposit	MMF	Black Rock ICS Institutional Sterling Government Liquidity Core Dis	6,002,780.25
Deposit	MMF	Goldman Sachs Sterling Government Liquid Reserves x Dis	4,890,774.88
Deposit	MMF	Insight Liquidity Sterling C5	20,006,803.91
	MMF Total		105,869,611.88
Deposit Total			135,869,611.88

3. Given the capacity constraints we are also adding 4 new funds; Aviva, Legal & General, Northern Trust and State Street all with a £10m limit.

RECOMMENDATION

4. Members are asked to note this report.

Nick Vickers
Head of Financial Services
Ext 4603