

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 8 September 2017

Subject: **INTERNALLY MANAGED CASH BALANCES**

Classification: Unrestricted

Summary: To update the Committee on the Fund's cash position as at August 2017

FOR INFORMATION

INTRODUCTION

1. The Fund's operational cash balances are managed by the Kent County Council Treasury and Investments team. The purpose of this cash is to fund the payment of pensions as well as the Fund's expenses in particular investment managers' fees. A minimum balance of £25m is required to fund this expenditure. Any surplus may be invested with an external Fund manager.

2017/18 CASHFLOWS

2. During the 5 months since 1 April 2017 the average monthly outgoings have totalled some £21million while contributions from employers and members have also amounted to some £21million a month.
3. Also during this period £5m of rental income has been received from DTZ and proceeds received from the sale of 2 property investments:

Unite SAF	£3.18m
Bath Tramshed	£6.65m

And distributions have been received from:

Kames	£7.75m
Partners Group	£1.34m
Harbourvest Funds	£3.80m
YFM Funds	£0.19m

4. Investments have been made in funds:

The Leisure Fund Unit Trust	£2.50m
M&G Real Estate Fund	£4.37m
YFM Funds	£2.56m
Harbourvest Funds	£2.36m

5. As at 25 August 2017 the total sterling balance was £64.5m, an increase of some £33.3m since the beginning of April 2017.

6. In addition as the result of distributions received from the investments in Partners Group and Harbourvest private equity / infrastructure funds the Fund is holding currency balances:

Euros 9.0m

USD 7.7m

7. The Sterling and USD cash is invested in Money Market Funds as follows:

	£
Aviva Investors Sterling Liquidity Fund	10,346,776
Deutsche Managed Sterling Fund	758,120
HSBC Global Liquidity Fund	10,262,890
HSBC BIBCA Account	2,434,758
Insight Sterling Liquidity Fund	11,486,131
LGIM Liquidity Fund	10,983,121
Aberdeen Liquidity Fund (Lux)	10,333,589
SSgA GBP Liquidity Fund	7,886,501
	USD
Blackrock ICS	7,733,018

RECOMMENDATION

8. Members are asked to note the current cash position

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