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| By: | Peter Oakford, Deputy Leader and Cabinet Member for Finance and Traded Services<br>Dave Shipton, Acting Corporate Director of Finance |
| To: | County Council – 18 October 2018 |
| Subject: | **TREASURY MANAGEMENT ANNUAL REVIEW 2017-18** |
| Classification: | Unrestricted |

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Summary: To report a summary of Treasury Management activities in 2017-18

Recommendation Members are asked to note the report.

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## INTRODUCTION

1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). At KCC half yearly reports are made to Council and quarterly updates are provided to the Governance and Audit Committee.

2. The Council's Treasury Management Strategy for 2017-18 was approved by full Council on 9 February 2017.

3. The Council has both borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk during 2017-18:

    a) Reports on the implications of treasury decisions and transactions;

    b) Gives details of the outturn position on treasury management transactions in 2017-18;

    c) Confirms compliance with its Treasury Management Strategy, Treasury Management Practices and Prudential Indicators.

## EXTERNAL CONTEXT

### Economic commentary

4. During 2017-18 the UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, growing by 1.3%. Also the inflationary impact of rising import prices, a consequence of the fall in sterling, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.5% in March 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering.

The labour market however showed resilience as the unemployment rate fell back to 4.2% in February 2018, remaining at that level in March.

5. The Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate by 0.25% in November 2017 to 0.5%. It was the first rate hike in ten years, although in essence only a reversal of its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. It is now anticipated that the Base Rate may rise in August 2018.

6. Economic activity in the Eurozone gained momentum during the year although the central bank appeared some way off normalising interest rates. The US economy grew steadily and the Federal Reserve increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. The possibility of a trade war following the imposition of tariffs on a broadening range of goods by the US, and retaliation by the EU and China, could result in inflation rising rapidly, warranting more interest rate hikes.

7. The increase in Bank Rate resulted in higher money market rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% over the 12 months and at 31 March 2018 were 0.43%, 0.72% and 1.12% respectively. The FTSE 100 rose, reaching yet another record high of 7,777 in early January 2018 before falling back to 7,056 at the end of March reflecting the global equity correction and sell-off.

**Counterparty update**

8. The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1 January 2019. Given the uncertainty surrounding the banks' arrangements credit agencies placed the UK banks' long-term ratings on review and Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The agencies have subsequently revised their ratings of the banks as they have completed their restructures.

9. The impact on KCC's counterparties and investments of the uncertain economic environment is being carefully monitored by officers and the Council's treasury advisors.

**REGULATORY UPDATES**

**Implementation of the Markets in Financial Instruments Derivative (MiFID II)**

11. Following the introduction of MiFID II from 3 January 2018, local authorities were able to "opt up" to professional client status, providing that they met certain criteria including having an investment balance of at least £10 million, and the person(s) authorised to make investment decisions on behalf of the authority having at least a year's relevant professional experience. KCC has

met the conditions to opt up to professional status and has done so in order to maintain its MiFID II status prior to January 2018. The Council will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

**Revised CIPFA codes**

12. CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017 for implementation in 2018-19. The required changes from the 2011 Code are being incorporated into Treasury Management Strategies and monitoring reports.

13. The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

14. In the 2017 Treasury Management Code the definition of 'investments' has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is be identified and reported.

**New Ministry of Housing, Communities and Local Government (MHLG) Investment Guidance and Minimum Revenue Provision (MRP) Guidance**

15. In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP). The intention is that these changes come into force for the 2018/19 financial year.

16. Changes include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called "loans" (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance also introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall.

17. The definition of prudent MRP has been changed and guidance on asset lives has been updated, applying to any calculation using asset lives. The new policy must be applied to the outstanding CFR going forward only.

## LOCAL CONTEXT

18. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, known as internal borrowing, in order to reduce risk and keep interest costs low.

19. At 31 March 2018 the Council was internally borrowed by £135.5m being the difference between its CFR and actual amounts borrowed from 3rd parties. Offsetting this balance against useable reserves and working capital, totalling £438.4m, generated a balance available for investment of £302.9m, an increase on 2017 of £21.4m.

## BORROWING ACTIVITY

20. At 31 March 2018 KCC held £942.6m of loans, a decrease of £22.9m on 31 March 2017.

21. The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

22. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs and the Council's Treasury Advisor, Arlingclose has assisted it with this 'cost of carry' and breakeven analysis. The Council's strategy has enabled it to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

23. During 2017-18 PWLB loans totalling £32.0m were repaid while a further £11.1m was drawn of the loans agreed specifically to fund improvements to Kent's street lighting under the government's energy efficiency loans programme. At 31 March 2018 the Council had borrowed £28.5m of the total £40m funding agreed of which some £22m has been an interest free loan provided by Salix Ltd.

24. In August 2017 RBS decided to waive its options on a £10m loan agreed in December 2009, converting it into a fixed rate loan and assigning it to Phoenix Life Assurance Ltd. None of the other lenders exercised their options during the year. The Council is now holding £150m of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which KCC has the option to either accept the new rate or to repay the loan at no additional cost. £40m of these LOBOs have options in 2018-19.

25. The year-end borrowing position and the year-on-year change are shown in the table below

Borrowing Position

| | 31 March 2017 Balance £m | 2017-18 Movement £m | 31 March 2018 Balance £m | Average Rate % | Average Life (yrs) |
|---|---|---|---|---|---|
| Public Works Loan Board | 504.3 | -32.0 | 472.3 | 5.5 | 17.2 |
| Banks (LOBO) | 160.0 | -10.0 | 150.0 | 4.0 | 44.2 |
| Banks (Fixed Term) | 301.2 | +19.1 | 320.3 | 4.1 | 37.3 |
| **Total borrowing** | **965.5** | **-22.9** | **942.6** | **4.8** | **28.3** |

## INVESTMENT ACTIVITY

26. KCC holds significant invested funds, representing income received in advance of expenditure plus balances and reserves. During 2017-18 the Council's average investment balance was £309m. The value of KCC's investments increased during the year by £15m to £297.7m. At 31 March 2018 55% of the Council's cash was internally managed with 45% invested in externally managed pooled investment funds. The year-end investment position and the year-on-year change are shown in the tables below.

| Investment Counterparty | 31 March 2017 Balance £m | 2017-18 Movement £m | 31 March 2018 Balance £m | Average Rate % | Average Life (yrs) |
|---|---|---|---|---|---|
| Banks and building societies | £68.6 | (£51.6) | £17.1 | 0.78% | 0.16 |
| Marketable instruments (Covered Bonds) | £93.4 | (£28.9) | £64.5 | 1.09% | 1.42 |
| Money Market Funds | £47.3 | £32.5 | £79.8 | 0.44% | 0.00 |
| Icelandic recoveries outstanding | £0.5 | £0.0 | £0.5 | n/a | n/a |
| Icelandic deposits held in Escrow (incl interest) | £4.5 | (£4.5) | £0.0 | | |
| Equity | £2.1 | £0.0 | £2.1 | | |
| **Internally Managed Investments** | **£216.4** | **(£52.4)** | **£164.0** | **0.74%** | **0.88** |
| **Externally Managed Investments** | **£66.3** | **£67.4** | **£133.7** | **4.16%** | |
| **Total Investments** | **£282.7** | **£15.0** | **£297.7** | **2.29%** | |

27. Both the CIPFA Code and government guidance require KCC to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

28. In furtherance of these objectives and given the increasing risk and continued low returns from short-term unsecured bank investments, the Council has further diversified into higher yielding asset classes in 2017-18. Some £70m cash was moved out of unsecured bank deposits and covered bonds and invested in pooled funds, with £50m invested in equity funds, a further £10m invested in the CCLA property fund and £10m invested in a cashplus fund. KCC also increased its use of money market funds to support short term liquidity requirements.
29. As a result, investment risk was lowered, while the average rate of return has increased to 2.29%. The progression of credit risk and return metrics for KCC's investments are shown in the extract from Arlingclose's quarterly investment benchmarking in the table below.

Investment Benchmarking

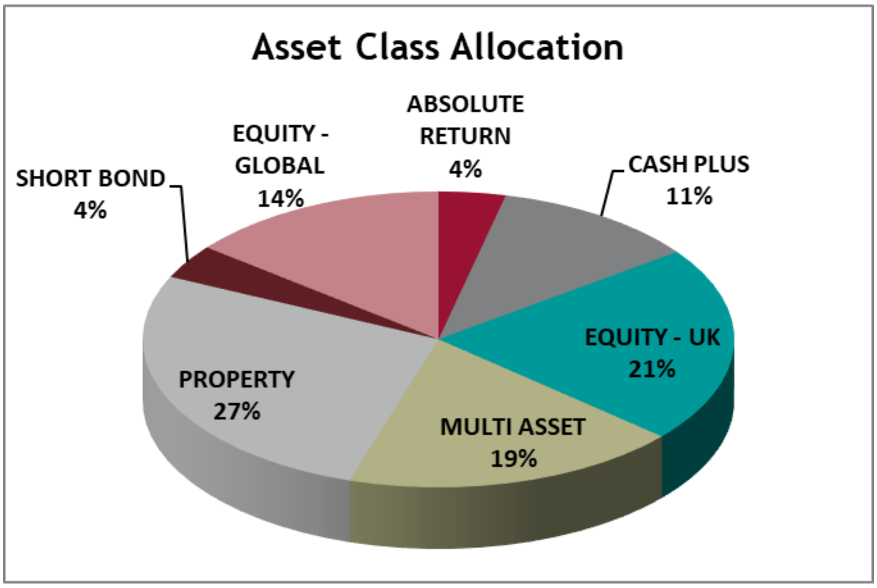
| | Credit Score | Credit Rating | Bail-in Exposure | WAM (days) | Rate of Return |
|---|---|---|---|---|---|
| 31.03.2017 | 3.23 | AA | 55% | 304 | 1.62% |
| 31.03.2018 | 3.15 | AA | 53% | 216 | 2.29% |
| Similar LAs | 3.94 | AA- | 48% | 879 | 1.31% |
| All LAs | 4.24 | AA- | 55% | 35 | 1.05% |

30. Details of the Externally managed pooled funds are shown in the following table. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed. In light of their strong income generation performance and KCC's latest cash flow forecasts, investment in these funds has been increased in the 2018-19 financial year.

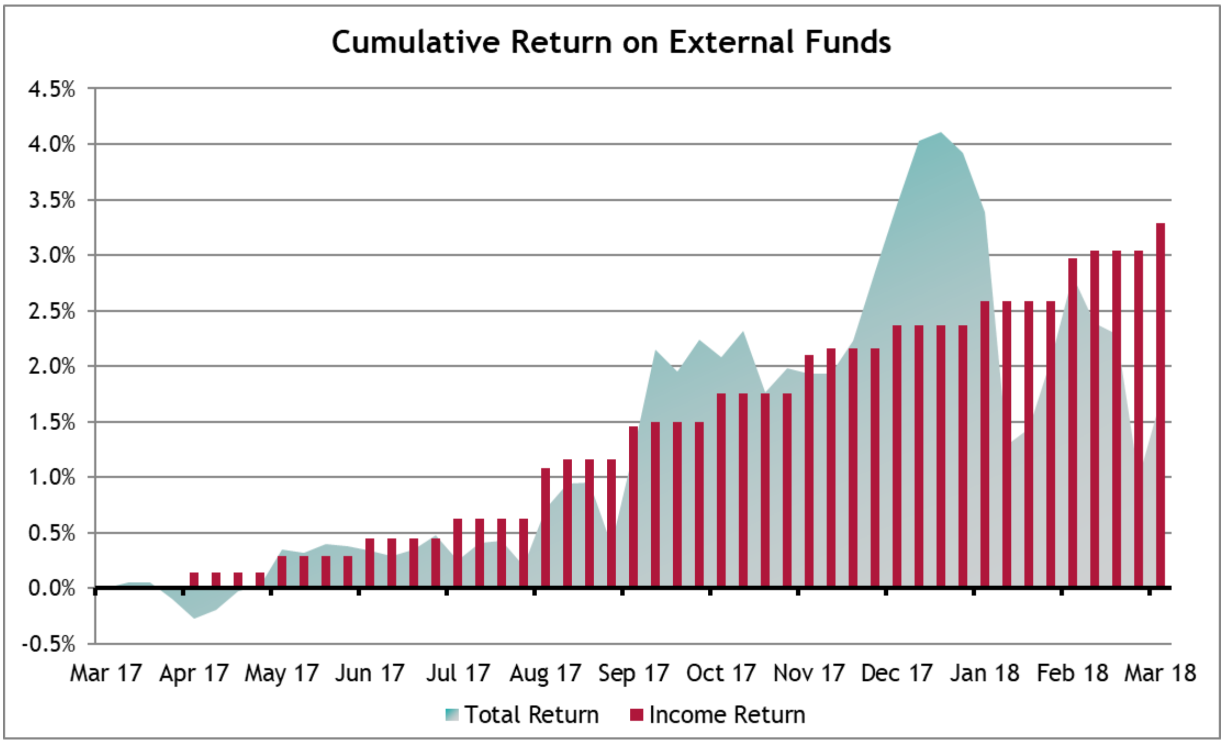
Externally Managed Investments

| Investment Fund | Market Value 31 March 2017 £m | 2017-18 Movement £m | Market Value 31 March 2018 £m | 12 months return to 31 March 2018 | |
|---|---|---|---|---|---|
| | | | | Income | Total |
| CCLA Property Fund | 25.4 | 10.8 | 36.2 | 4.43% | 6.76% |
| Schroder Income Maximiser Fund | | 19.5 | 19.5 | 4.94% | 4.77% |
| M&G Global Dividend Fund | | 9.9 | 9.9 | 2.98% | 0.38% |
| Threadneedle Global Equity Institutional Income Fund | | 9.4 | 9.4 | 1.41% | -4.51% |
| Threadneedle UK Equity Income Fund | | 9.2 | 9.2 | 2.62% | -5.32% |
| Pyrford Global Total Return Sterling Fund | 5.1 | (0.2) | 4.9 | 2.58% | 1.80% |
| Fidelity Multi Asset Income Fund | 25.8 | (1.1) | 24.7 | 4.09% | -0.16% |
| Cashplus / short bond fund | 10.0 | 10.1 | 20.1 | 0.25% | 0.34% |
| **Total Externally Managed Investments** | **66.3** | **67.4** | **133.7** | **3.29%** | **1.70%** |

31. A breakdown of the external investments by asset class is as follows




32. The following chart tracks the returns earned on the External investments over the 12 months to 31 March 2018




33. Of the original deposits (principal and interest) totalling £51.99m with Icelandic Banks in 2008 only £372,000 remains outstanding from Heritable. £4.5m was held as ISK in escrow accounts with two banks in Iceland and this was paid to KCC in June 2017 following the temporary lifting of capital controls. The total amount recovered by KCC now totals £52.6m

34. Investments as at 31 March 2018 are shown in Appendix 2.

## FINANCIAL OUTTURN

35. The Council's total investment income for the year, including dividends received on the investment funds and equity, was £6.9m, 2.16% on funds held. The above benchmark return primarily reflects:

    a. Internally managed deposits made at an average of 0.70% compared to the average 7-day LIBID rate during 2017-18 of 0.22%. The higher return in particular reflects the investment in a diversified covered bond portfolio which earned £1.58m during 2017-18.

    b. The Council increased its investment in externally managed investment funds and total income received in the year from these investments was £3.56m.

    c. Interest income from loan facilities to Liberty Property and East Kent Opportunities of £833k and £1.24m respectively.

    d. Dividends received on the equity held in Kent PFI Holding Co Ltd of £449k.

    e. The realised exchange loss on the sale of ISK held in Escrow accounts with Icelandic banks and write-down of Icelandic bank debtor totalling £809k.

## COMPLIANCE WITH PRUDENTIAL INDICATORS

36. The Council confirms that it has complied with its Prudential Indicators for 2017-18, which were set as part of the Council's Treasury Management Strategy Statement. Details can be found in Appendix 1.

## TREASURY ADVISOR

37. Following a full tendering process for treasury advisory services Arlingclose were reappointed for a 3-year period from 1 August 2016.

## RECOMMENDATION

38. Members are asked to note the report.

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**Treasury and Investments Manager**
**Ext: 03000 416488**

Appendix 1

## 2017-18 Outturn Monitoring of Prudential Indicators

## 1. Estimate of Capital Expenditure (excluding PFI)

| | £m |
|---|---|
| Actuals 2016-17 | 238.519 |
| Original estimate 2017-18 | 261.303 |
| Actuals 2017-18 | 184.865 |

## 2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

| | 2016-17<br><br>Actual<br>£m | 2017-18<br>Original Estimate<br>£m | 2017-18<br>Actual as at 31 March<br>£m |
|---|---|---|---|
| Capital Financing Requirement | 1,362.394 | 1,369.445 | 1,322.493 |
| Annual increase / reduction in underlying need to borrow | 14.135 | -2.182 | -39.901 |

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

## 3. Estimate of ratio of financing costs to net revenue stream

| | |
|---|---|
| Actual 2016-17 | 13.41% |
| Original estimate 2017-18 | 13.18% |
| Actual 2017-18 | 12.96% |

## 4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2017-18.

| | Operational boundary for debt relating to KCC assets and activities | | Operational boundary for total debt managed by KCC | |
|---|---|---|---|---|
| | Prudential Indicator<br>£m | Position as at 31 March 2018<br>£m | Prudential Indicator<br>£m | Position as at 31 March 2018<br>£m |
| Borrowing | 980 | 907 | 1,018 | 943 |

| | | | | |
|---|---|---|---|---|
| Other Long-Term Liabilities | 245 | 263 | 245 | 263 |
| **Total** | **1,225** | **1,170** | **1,263** | **1,206** |

5. **Authorised Limit for external debt**

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council.

| | **Authorised limit for debt relating to KCC assets and activities** | | **Authorised limit for total debt managed by KCC** | |
|---|---|---|---|---|
| | **Prudential Indicator £m** | **Position as at 31 March 2018 £m** | **Prudential Indicator £m** | **Position as at 31 March 2018 £m** |
| Borrowing | 1,020 | 907 | 1,058 | 943 |
| Other Long-Term Liabilities | 245 | 263 | 245 | 263 |
| **Total** | **1,265** | **1,170** | **1,303** | **1,206** |

The additional allowance over and above the operational boundary has not needed to be utilised and external debt has and will be maintained well within the authorised limit.

6. **Compliance with CIPFA Code of Practice for Treasury Management in the Public Services**

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. **Upper limits of fixed interest rate and variable rate exposures**

The Council has determined the following upper limits for 2017-18

Fixed interest rate exposure 100%
Variable rate exposure 50%

These limits have been complied with in 2017-18.

8. **Upper limits for maturity structure of borrowings**

| | **Upper limit** | **Lower limit** | **As at 31 March 2018** |
|---|---|---|---|
| | % | % | % |
| Under 12 months | 10 | 0 | 0 |
| 12 months and within 24 months | 10 | 0 | 4.67 |

| | | | |
|---|---|---|---|
| 24 months and within 5 years | 15 | 0 | 7.26 |
| 5 years and within 10 years | 15 | 0 | 8.75 |
| 10 years and within 20 years | 20 | 5 | 11.35 |
| 20 years and within 30 years | 25 | 5 | 18.98 |
| 30 years and within 40 years | 25 | 10 | 17.05 |
| 40 years and within 50 years | 30 | 10 | 28.76 |
| 50 years and within 60 years | 30 | 10 | 3.18 |

## 9. Upper limit for principal sums invested for periods longer than 364 days

| Prudential Indicator | Actual |
|---|---|
| **£m** | **£m** |
| 260 | 210.2 |

## Appendix 2

## Investments as at 31March 2018

### 1. Internally Managed Investments

### 1.1 Term deposits and Money Market Funds

| Instrument Type | Counterparty | Principal Amount | Interest Rate | Maturity Date |
|---|---|---|---|---|
| Fixed Deposit | Close Brothers | £5,000,000 | 0.80% | 05/09/18 |
| Fixed Deposit | North Wales Police and Crime Commissioner | £5,000,000 | 0.95% | 23/05/18 |
| Fixed Deposit | Redditch Borough Council | £4,000,000 | 0.95% | 29/05/18 |
| Fixed Deposit | DMADF | £600,000 | 0.25% | 16/04/18 |
| Fixed Deposit | DMADF | £2,450,000 | 0.25% | 03/04/18 |
| **Total UK Bank Deposits** | | **£17,050,000** | | |
| Money Market Fund | Aberdeen Sterling Liquidity Fund | £9,982,827 | 0.42% (variable) | n/a |
| Money Market Fund | Deutsche Managed Sterling Fund | £9,993,729 | 0.44% (variable) | n/a |
| Money Market Fund | Federated (PR) Short-term GBP Prime Fund | £9,985,998 | 0.50% (variable) | n/a |
| Money Market Fund | HSBC Global Liquidity Fund | £9,976,594 | 0.33% (variable) | n/a |
| Money Market Fund | Insight Sterling Liquidity Fund | £9,922,941 | 0.39% (variable) | n/a |
| Money Market Fund | LGIM Liquidity Fund | £9,981,589 | 0.41% (variable) | n/a |
| Money Market Fund | SSgA GBP Liquidity Fund | £9,991,217 | 0.39% (variable) | n/a |
| Money Market Fund | Standard Life Sterling Liquidity Fund | £9,984,853 | 0.66% (variable) | n/a |
| **Total Money Market Funds** | | **£79,819,748** | | |
| **Equity and Loan Notes** | Kent PFI (Holdings) Ltd | £2,134,151 | | |
| **Icelandic Recoveries outstanding** | Heritable Bank Ltd | £366,905 | | |

### 1.2 Bond Portfolio

| Bond Type | Issuer | Adjusted Principal | Coupon Rate | Maturity Date |
|---|---|---|---|---|
| Fixed Rate Covered Bond | Bank of Nova Scotia | £4,987,436 | 0.88% | 14/09/2021 |
| Fixed Rate Covered Bond | Coventry Building Society | £3,079,278 | 1.93% | 19/04/2018 |
| Fixed Rate Covered Bond | Coventry Building Society | £5,142,465 | 1.73% | 19/04/2018 |
| Fixed Rate Covered Bond | Coventry Building Society | £2,061,088 | 1.52% | 19/04/2018 |
| Floating Rate Covered Bond | Coventry Building Society | £3,004,144 | 0.56% | 17/03/2020 |
| Fixed Rate Covered Bond | Leeds Building Society | £5,579,421 | 0.63% | 17/12/2018 |
| Fixed Rate Covered Bond | Leeds Building Society | £2,043,411 | 2.03% | 17/12/2018 |
| Fixed Rate Covered Bond | Leeds Building Society | £1,514,308 | 1.19% | 17/12/2018 |
| Floating Rate Covered Bond | Leeds Building Society | £5,000,000 | 0.74% | 01/10/2019 |
| Floating Rate Covered Bond | Lloyds - Bonds | £1,402,059 | 0.58% | 18/07/2019 |
| Floating Rate Covered Bond | Lloyds - Bonds | £2,503,664 | 0.90% | 27/03/2023 |

| | | | | |
|---|---|---|---|---|
| Floating Rate Covered Bond | Lloyds - Bonds | £2,504,890 | 0.89% | 27/03/2023 |
| Fixed Rate Covered Bond | National Australia Bank | £3,002,504 | 1.10% | 10/11/2021 |
| Floating Rate Covered Bond | Nationwide Building Society | £2,149,563 | 0.82% | 27/04/2018 |
| Floating Rate Covered Bond | Nationwide Building Society | £3,428,245 | 0.70% | 27/04/2018 |
| Fixed Rate Covered Bond | Santander UK | £3,528,063 | 0.65% | 14/04/2021 |
| Floating Rate Covered Bond | Santander UK | £3,000,402 | 0.75% | 29/05/2018 |
| Floating Rate Covered Bond | Toronto-Dominion Bank | £5,452,902 | 0.95% | 01/02/2019 |
| Fixed Rate Covered Bond | Yorkshire Building Society | £3,094,680 | 1.55% | 12/04/2018 |
| Fixed Rate Covered Bond | Yorkshire Building Society | £2,054,403 | 1.98% | 12/04/2018 |
| **Total Bonds** | | **£64,532,925** | | . |

| | |
|---|---|
| **Total Internally managed investments** | **£163,903.730** |

## 2. Externally Managed Investments

| | Market Value at 31 March 2018 |
|---|---|
| CCLA Property Fund | £36,165,080 |
| Pyrford Global Total Return Sterling Fund | £4,889,270 |
| Fidelity Multi Asset Income Fund | £24,673,978 |
| Schroder Income Maximiser Fund | £19,451,932 |
| M&G Global Dividend Fund | £9,860,198 |
| Threadneedle Global Equity Income Fund | £9,408,093 |
| Threadneedle UK Equity Income Fund | £9,206,080 |
| **Bond, Equity and Property Funds** | **£113,654,632** |
| Aberdeen Ultra Short Duration Sterling Fund | £10,078,768 |
| Payden & Rygel Sterling Reserve Fund | £4,976,029 |
| Royal London Cash Plus | £4,995,612 |
| **Cashplus / Short Bond Funds** | **£20,050,408** |
| **Total Externally Managed Investments** | **£133,705,039** |

## 3. Total Investments

| | |
|---|---|
| **Total Investments** | **£297,608,770** |