

<b>Report of:</b>	<b>Head of Finance</b>
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<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Council: 13/01/16</b>

**COUNCIL**  
**13 JANUARY 2016**  
**TREASURY MANAGEMENT - MID YEAR REPORT 2015/16**

**1 Purpose of Report**

- 1.1 To update members on treasury management activity and performance during the first half of the 2015/16 financial year.

**2 Recommendation**

- 2.1 To note the report, the treasury activity and the prudential indicators for 2015/16.
- 2.2 To approve the changes to the credit methodology whereby viability, financial strength and support ratings will not be considered as key criteria in the choice of creditworthy investment counterparties.

**3 Key Issues and Reasons for Recommendations**

- 3.1 To report the treasury management activity and performance during the first half of the 2015/16 financial year.

**4 Relationship to Corporate Priorities**

- 4.1 Treasury management and investment activity link in with all of the Council's priorities and their spending plans.

**5 Report Detail****Background**

- 5.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
- 5.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3 Accordingly, treasury management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

**Introduction**

- 5.4 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 29<sup>th</sup> February 2012.
- 5.5 The primary requirements of the Code are as follows:
1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
  2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
  3. Receipt by the full council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid-year Review Report and an Annual Report covering activities during the previous year.
  4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
  5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Cabinet.

- 5.6 The mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- An economic update for the 2015/16 financial year to 30 September 2015;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
  - The Council's capital expenditure (prudential indicators);
  - A review of the Council's investment portfolio for 2015/16;
  - A review of the Council's borrowing strategy for 2015/16;
  - A review of compliance with Treasury and Prudential limits for 2015/16.
- 5.7 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.
- 5.8 In keeping with the agencies' new methodologies, the credit element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor's, this has been a change to the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 5.9 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of ..... This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.
- 5.10 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate.

While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

### **Economic Update**

- 5.11 **UK.** UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government’s continuing austerity programme, although the pace of reductions was eased in the May Budget. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager’s Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.
- 5.12 The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
- 5.13 There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the

volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

- 5.14 **USA.** The American economy made a strong comeback after a weak first quarter’s growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Fed. could start increasing rates at its meeting on 17 September, or if not by the end of 2015, the recent downbeat news about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed’s decision to pull back from making that start. The nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to weaken. This has pushed back expectations of a first rate increase from 2015 into 2016.
  
- 5.15 **EZ.** In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

**Interest rate forecasts**

- 5.16 The Council’s treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
<b>Bank rate</b>	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%
<b>5yr PVLB rate</b>	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
<b>10yr PVLB rate</b>	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
<b>25yr PVLB rate</b>	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
<b>50yr PVLB rate</b>	3.60%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%

- 5.17 Capita Asset Services undertook its last review of interest rate forecasts on 11 August shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe

havens like gilts and so caused PWLB rates to fall below the above forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

- 5.18 Despite market turbulence since late August causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.
- 5.19 The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.
- 5.20 The disappointing US nonfarm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. In turn, this is also causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply into the second half of 2016.
- 5.21 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
  - UK economic growth turns significantly weaker than we currently anticipate.
  - Weak growth or recession in the UK's main trading partners - the EU, US and China.
  - A resurgence of the Eurozone sovereign debt crisis.
  - Recapitalisation of European banks requiring more government financial support.
  - Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

- 5.22 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- Uncertainty around the risk of a UK exit from the EU.
  - The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
  - The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
  - UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

**Treasury Management Strategy Statement and Annual Investment Strategy Update**

- 5.23 The Treasury Management Strategy Statement (TMSS) for 2015/16 was approved by this Council on 11 February 2015. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

**The Council’s Capital Position (Prudential Indicators)**

- 5.24 This part of the report is structured to update:
- The Council’s capital expenditure plans;
  - How these plans are being financed;
  - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
  - Compliance with the limits in place for borrowing activity.

**Prudential Indicators for Capital Expenditure**

- 5.25 This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the budget.

<b>Capital Expenditure by Portfolio</b>	<b>2015/16 Original Estimate £m</b>	<b>2015/16 Current Spend £m</b>	<b>2015/16 Revised Estimate £m</b>
Housing Revenue Account	12.624	6.328	13.695
Housing General Fund	0.548	0.258	0.944
Environment	1.066	0.660	1.738
Culture and Sport	2.587	1.654	4.849
Town Centre Regeneration	0.200	0.114	0.644
Corporate Improvement	0.230	0.140	0.201
<b>Total</b>	<b>17.255</b>	<b>9.154</b>	<b>22.071</b>

### Changes to the Financing of the Capital Programme

- 5.26 The following table draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

<b>Capital Expenditure</b>	<b>2015/16 Original Estimate £m</b>	<b>2015/16 Revised Estimate £m</b>
Supported	17.255	22.071
Unsupported	-	-
<b>Total Spend</b>	<b>17.255</b>	<b>22.071</b>
Financed by:		
Capital Receipts	1.058	1.287
Major Repairs Allowance	3.223	3.340
Capital Grants/contributions	3.839	6.782
Revenue	9.135	10.662
<b>Total Financing</b>	<b>17.255</b>	<b>22.071</b>
<b>Borrowing Need</b>	<b>-</b>	<b>-</b>

### Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

- 5.27 The table shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

#### Prudential Indicator – Capital Financing Requirement

- 5.28 We are on target to achieve the original forecast Capital Financing Requirement.

#### Prudential Indicator – External Debt / the Operational Boundary

	<b>2015/16 Original Estimate £m</b>	<b>2015/16 Current Spend £m</b>	<b>2015/16 Revised Estimate £m</b>
<b>Prudential Indicator – Capital Financing Requirement</b>			
CFR	96.582	97.074	93.905

<b>Prudential Indicator – the Operational Boundary for external debt (compared with actual debt)</b>			
Operational boundary	99.604	99.604	99.604
Total PWLB Debt 31 March	85.836	85.034	85.034

**Limits to Borrowing Activity**

5.29 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowing less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

<b>Borrowing compared with Capital Financing Requirement (CFR)</b>	<b>2015/16 Original Estimate £m</b>	<b>2015/16 Current Spend £m</b>	<b>2015/16 Revised Estimate £m</b>
PWLB debt outstanding	85.836	85.034	85.034
CFR (year end position)	96.582	97.074	97.074

5.30 The Head of Finance reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

5.31 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

	<b>2015/16 Original Estimate £m</b>	<b>2015/16 Revised Estimate £m</b>
Authorised limit for external debt	104.854	104.854

**Investment Portfolio 2015/16**

5.32 In accordance with the Code, it is the Council’s priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council’s risk appetite. As set out earlier in this report, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in the previous decades as rates are very low and in line with

the 0.5% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

- 5.33 The Council held £17.836m of investments as at 30 September 2015 and the investment portfolio yield for the first six months of the year is 0.66% which compares very favourably against a benchmark of the 3 month LIBID rate of 0.45% although the Council's budgeted investment return target for 2015/16 of £130,000 is unlikely to be reached as a result of the continuing low bank rate.
- 5.34 A full list of investments held as at 30 September 2015 is in **APPENDIX 1**.
- 5.35 The Head of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2015/16.

#### **Investment Counterparty Criteria.**

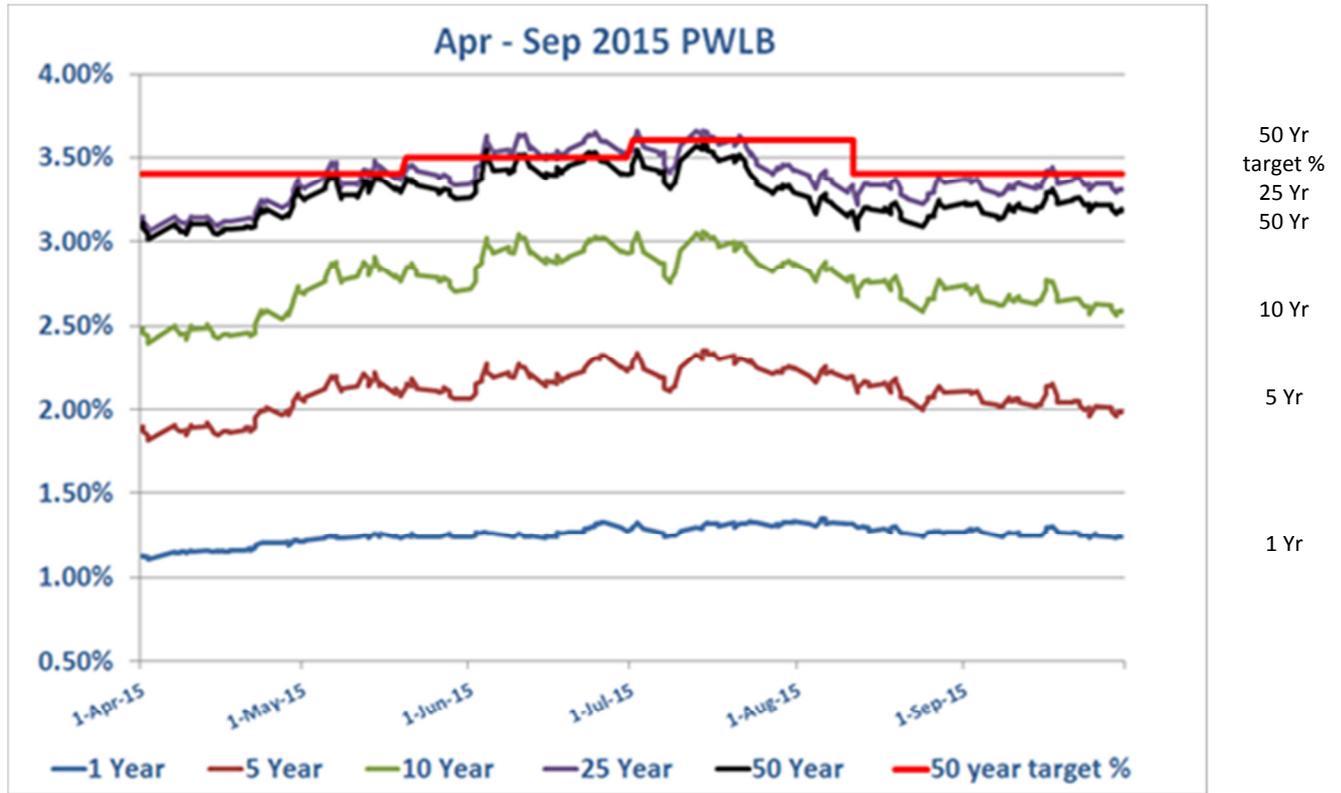
- 5.36 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of the new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.
- 5.37 In keeping with the agencies' new methodologies, the credit element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor's, this has been a change to the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 5.38 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions.
- 5.39 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected

changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

**Borrowing**

- 5.40 The Council’s Capital Financing Requirement (CFR) for 2015/16 is £97m. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council has borrowings of £85m and has therefore utilised £12m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.
- 5.41 Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement – CFR), no new external borrowing has been undertaken during the first half of the year.
- 5.42 As outlined below, the general trend has been an increase in interest rates during the first quarter but then a fall during the second quarter.
- 5.43 It is not currently anticipated that further borrowing will be undertaken during this financial year.
- 5.44 The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.11%	1.82%	2.40%	3.06%	3.01%
Date	02/04/2015	02/04/2015	02/04/2015	02/04/2015	02/04/2015
High	1.35%	2.35%	3.06%	3.66%	3.58%
Date	05/08/2015	14/07/2015	14/07/2015	02/07/2015	14/07/2015
Average	1.26%	2.12%	2.76%	3.39%	3.29%



**Debt Rescheduling**

5.45 Debt rescheduling opportunities have been limited in the current economic climate. No debt rescheduling was undertaken during the first six months of 2014/15.

**6 Implications**

**6.1 Financial**

The financial implications have been referred to throughout the report.

**6.2 Legal**

The legal implications have been referred to throughout the report.

**6.3 Human Resources**

There are no human resource implications arising from this report.

**6.4 Section 17 (Crime Prevention)**

There are no implications arising from this report.

**6.5 Human Rights Act**

There are no identified implications in respect of the Human Rights Act 1998 arising from this report.

**6.6 Data Protection**

There are no implications arising from this report.

**6.7 Risk Management**

The risk management implications have been referred to throughout the report.

**6.8 Equality & Diversity**

There are no identified implications arising from this report.

**6.9 Best Value**

The strategy ensures that best value is provided to the Council.

**7 Appendices to the Report**

Appendix 1 Current Investment List at 30 September 2015

**Previous Consideration**

Treasury Management -  
Mid Year Report 2015/16

Audit and Governance  
Committee

24 November, 2015

**Background Papers**

None



APPENDIX 1

**Current Investment List at 30 September 2015**

<b><u>Borrower</u></b>	<b><u>Principal (£)</u></b>	<b><u>Interest Rate</u></b>	<b><u>Start Date</u></b>	<b><u>Maturity Date</u></b>
Royal Bank of Scotland	1,000,000	0.98%	01/10/2014	01/10/2015
Bank of Scotland	1,000,000	1.00%	19/01/2015	18/01/2016
Bank of Scotland	2,724,000	1.00%	05/03/2015	03/03/2016
Bank of Scotland	1,276,000	1.00%	26/03/2015	24/03/2016
Nationwide Building Society	2,000,000	0.65%	16/07/2015	07/01/2016
Standard Life Money Market Fund	4,830,000	0.49%	N/A	N/A
Federated Money Market Fund	4,383,000	0.44%	N/A	N/A
Natwest Bank Call Account	473,000	0.25%	N/A	N/A
Deutsche Bank Money Market Fund	150,000	0.41%	N/A	N/A
<b>Total Investments</b>	<b>17,836,000</b>	<b>0.66%</b>		