

TREASURY MANAGEMENT – PERFORMANCE REVIEW 2014/15

1. Internally Managed Funds

The Council used two Money Market Funds and one special interest bearing account for all short term investments. Performance of the three funds was as follows:

| | Value of investments made in 14/15 <i>£'000</i> | Average balance held in fund <i>£'000</i> | % Return Achieved from Investments | Fund Performance | |
|---------------------------------------------|----------------------------------------------------|----------------------------------------------|------------------------------------|-----------------------|-----------------------------|
| | | | | % annual gross return | % annual return net of fees |
| Goldman Sachs | 30,910 | 1,582 | 0.56 | 0.55 | 0.40 |
| Deutsche Bank | 31,300 | 655 | 0.50 | 0.51 | 0.36 |
| RBS Special Interest Bearing Account (SIBA) | 9,750 | 312 | 0.56 | 0.42 | 0.27 |
| Total | 71,960 | 2,549 | 0.54 | | |

The total interest received on internal temporary investments in 2014/15 was as follows:

| | Average Value of Funds Invested <i>£'000</i> | Interest Earned <i>£'000</i> | % Return Gross of Fees |
|----------------|-------------------------------------------------|---------------------------------|------------------------|
| Internal Funds | 2,549 | 14 | 0.54 % |

The average rate of return achieved on money market funds and temporary internally managed funds (0.54%) exceeds the average seven day deposit rate of 0.35% by 0.19%. This compares to performance of 0.77% above the average seven day rate in 2013/14.

2. Externally Managed Funds

A summary of external fund balances 2014/15 is as follows:-

| Aberdeen Asset Management | Value <i>£'000</i> |
|----------------------------------------|-------------------------------|
| Fund Value at 1 April 2014 | 18,052 |
| Gross interest and profit for the year | 208 |
| Net investments to the fund in year | 1,500 |
| Fund value at 31 March 2015 | 19,760 |

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Fund managers performance is assessed on the rate of return excluding prior year adjustments for unrealised profits and losses against the benchmark of the 7 day LIBID rate. Performance against benchmark for 2014/15 was:

| Aberdeen Asset Management (Formerly Scottish Widows) | Value £'000 |
|-------------------------------------------------------------|------------------------|
| Average Value of Funds held during 2014/15 | 23,690 |
| Gross interest and profit for the year | 208 |
| | |
| Percentage return for 2014/15 gross of fees | 0.88 % |
| Benchmark Return (7 day LIBID) | 0.35 % |
| Variance 2014/15 to 7 day LIBID rate | +0.53 % |
| <i>Variance 2013/14 to 7 day LIBID rate</i> | <i>+0.48 %</i> |