

Specified and non-specified investments categories

Annex B

A variety of investment instruments will be used, subject to the credit quality of the institution, to place the council's surplus funds. The criteria, time limits and monetary limits applying to institutions or investment vehicles are listed in the tables below.

Investments are split into two categories of specified investments and non-specified Investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this council. To ensure that the council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

Specified investments:

Counterparty type	Minimum 'high' credit criteria/colour band	Maximum investment limit per counterparty institution	Maximum maturity period
<i>DMADF – UK Government</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>6 months</i>
<i>UK Government Treasury Bills</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>Term deposits - local authorities</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>1 year</i>
<i>Part-nationalised UK Banks</i>	<i>Blue</i>	<i>£15m</i>	<i>1 year</i>
<i>Term Deposits - UK Banks and Building Societies</i>	<i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Term Deposits - Non-UK Banks (with a sovereign rating of AA-)</i>	<i>Orange</i>	<i>£15m</i>	<i>1 year</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Orange/Blue</i>	<i>£15m</i>	<i>1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			

1. Money Market Funds CNAV*	AAA	£15m	Liquid
2. Money Market Funds LVNAV*	AAA	£15m	Liquid
3. Money Market Funds VNAV*	AAA	£15m	Liquid
4. Ultra-Short Dated Bond Funds	AAA	£15m	Liquid
5. Bond Funds	AAA	£15m	Liquid

*CNAV – constant net asset value

*LVNAV – low volatility net asset value

*VNAV – variable net asset value

NON-SPECIFIED INVESTMENTS:

A maximum of 100% can be held in aggregate in non-specified investment

1. Maturities of ANY period

Counterparty type	Minimum credit criteria	Maximum investment limit per counterparty institution	Maximum Maturity Period
<i>Fixed term deposits with variable rate and variable maturities: - Structured deposits</i>	<i>Orange Blue Red Green</i>	<i>£15m £15m £15m £8m</i>	<i>1 Year 1 year 6 months 100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Red Green</i>	<i>£15m £8m</i>	<i>6 months 100 days</i>
<i>Floating Rate Notes</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>1 year</i>
<i>Property Funds: the use of these investments may constitute capital expenditure</i>	<i>AAA-rated</i>	<i>£15m</i>	<i>5 years</i>

2. Maturities in excess of 1 year

<i>Term Deposits– local authorities</i>	<i>UK Sovereign Rating</i>	<i>£15m</i>	<i>> 1 year</i>
<i>Term deposits – Banks and Building Societies</i>	<i>Yellow Purple</i>	<i>£15m £15m</i>	<i>5 years 2 years</i>
<i>Certificates of Deposits issued by Banks and Building Societies not covered by UK Government guarantee</i>	<i>Yellow Purple</i>	<i>£15m £15m</i>	<i>5 years 2 years</i>

<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>1. Bond Funds</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>> 1 year</i>
<i>2. Gilt funds</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>> 1 year</i>

