

## Annex B

### Specified and Non-Specified Investments Categories

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

**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:

All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable.

<b>Institution / Counterparty</b>	<b>Minimum 'High' Credit Criteria</b>	<b>Use</b>
<i>Debt Management Agency Deposit Facility</i>	<i>UK Sovereign rating</i>	<i>In-house</i>
<i>Term deposits – Local Authorities</i>	<i>UK Sovereign rating</i>	<i>In-house</i>
<i>Term deposits – banks and building societies</i>	<i>Coded: Green on Capita's Matrix.</i>	<i>In-house</i>
<i>UK Part nationalised banks</i>	<i>Coded: Blue on Capita's Matrix.</i>	<i>In-house and Fund Mangers</i>
<i>Banks part nationalised by high credit rated (sovereign rating) countries – non UK</i>	<i>Coded: Blue on Capita's Matrix.</i>	<i>In-house and Fund Mangers</i>
<i>Collateralised deposit</i>	<i>Coded: Yellow on Capita's Matrix</i>	<i>In-house and Fund Mangers</i>
<i>Certificates of deposits issued by banks and building societies covered by UK Government guarantee</i>	<i>Coded: Blue on Capita's Matrix / UK Sovereign rating</i>	<i>In-house and Fund Mangers</i>
<i>Certificates of deposits issued by banks and building societies</i>	<i>Coded: Green on Capita's Matrix /</i>	<i>In-house and Fund Mangers</i>
<i>UK Government Gilts</i>	<i>Coded: Yellow on Capita's Matrix /</i>	<i>In-house buy and hold and Fund</i>

	<i>UK Sovereign rating</i>	<i>Managers</i>
<i>Bonds issued by multilateral development banks</i>	<i>Coded: Yellow on Capita's Matrix</i>	<i>In-house buy and hold and Fund Managers</i>
<i>Bonds issued by a financial institution which is guaranteed by the UK government</i>	<i>Coded: Yellow on Capita's Matrix / UK Sovereign rating</i>	<i>In-house buy and hold and Fund Managers</i>
<i>Sovereign bond issues (other than the UK govt)</i>	<i>Coded: Yellow on Capita's Matrix / Sovereign rating</i>	<i>In-house buy and hold and Fund Managers</i>
<i>Treasury Bills</i>	<i>Coded: Yellow on Capita's Matrix / UK Sovereign rating</i>	<i>Fund Managers</i>
<i>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -</i>		
<i>1. Government Liquidity Funds</i>	<i>AAA Rated</i>	<i>In-house and Fund Managers</i>
<i>2. Money Market Funds</i>	<i>AAA Rated</i>	<i>In-house and Fund Managers</i>
<i>.3. Enhanced cash funds</i>	<i>AAA Rated, Volatility Rating V1</i>	<i>In-house and Fund Managers</i>
<i>4. Bond Funds</i>	<i>AAA Rated</i>	<i>In-house and Fund Managers</i>
<i>5. Gilt Funds</i>	<i>AAA Rated</i>	<i>In-house and Fund Managers</i>
<i>6. Property Funds</i>		<i>In-house and Fund Managers</i>
<i>UK Nationalised Banks</i>	<i>Coded: Blue on Capita's Matrix</i>	<i>In-house and Fund Managers</i>
<i>UK Part nationalised Banks</i>	<i>Coded: Blue on Capita's Matrix</i>	<i>In-house and Fund Managers</i>

### **NON-SPECIFIED INVESTMENTS:**

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

#### *1. Maturities of ANY period*

<b><i>Institution / Counterparty</i></b>	<b><i>Minimum Credit Criteria</i></b>	<b><i>Use</i></b>	<b><i>Max % of total investments</i></b>	<b><i>Max. maturity period</i></b>
<i>Term deposits – banks and building societies</i>	<i>Coded: red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house</i>	<i>100%</i>	<i>3-6 Months</i>
<i>Fixed term deposits with variable rate and variable maturities: -Structured deposits</i>	<i>Coded: orange (1yr) red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house</i>	<i>40%</i>	<i>1 Year</i>

<i>Certificates of deposits issued by banks and building societies NOT covered by UK Government guarantee</i>	<i>Coded: orange (1yr) red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house buy and hold and Fund Managers</i>	<i>30%</i>	<i>1 Year</i>
<i>Commercial paper issuance covered by a specific UK Government guarantee and issued by banks covered by the UK bank support package</i>	<i>UK Sovereign rating</i>	<i>In-house and Fund Managers</i>	<i>30%</i>	<i>1 Year</i>
<i>Commercial paper other</i>	<i>Coded: orange (1yr) red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house</i>	<i>30%</i>	<i>1 Year</i>
<i>Corporate Bonds</i>	<i>Coded: orange (1yr) red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house and Fund Managers</i>	<i>30%</i>	<i>1 Year</i>
<i>Other debt issuance by UK banks covered by UK Government guarantee</i>	<i>UK Government explicit guarantee</i>	<i>In-house and Fund Managers</i>	<i>30%</i>	
<i>Floating Rate Notes: the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank</i>	<i>Long-term AAA</i>	<i>Fund Managers</i>	<i>N/A – Capital Expenditure</i>	<i>N/A – Capital Expenditure</i>
<i>Property fund: the use of these investments would constitute capital expenditure</i>	<i>--</i>	<i>Fund Managers</i>	<i>N/A – Capital Expenditure</i>	<i>N/A – Capital Expenditure</i>
<i>Local Authority mortgage guarantee scheme</i>	<i>Coded: orange (1yr) red (6mths) and green (100 days) on Capita's Matrix.</i>	<i>In-house</i>		

## 2. Maturities in excess of 1 year

<i>Term deposits – local authorities</i>	<i>--</i>	<i>In-house</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Term deposits – banks and building societies</i>	<i>Coded: Purple(2yrs) or Yellow (5yrs) on Capita's Matrix.</i>	<i>In-house</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Certificates of deposits issued by banks and building societies covered by UK Government guarantee</i>	<i>UK Sovereign</i>	<i>In house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Certificates of deposits issued by banks and building societies covered by the UK government banking</i>	<i>UK Sovereign</i>	<i>In house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>

<i>support package</i>				
<i>Certificates of deposits issued by banks and building societies NOT covered by the UK government banking support package</i>	<i>Coded: Purple(2yrs) or Yellow (5yrs) on</i>	<i>In house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>UK Government Gilts</i>	<i>UK Sovereign rating</i>	<i>In-house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Bonds issued by multilateral development banks</i>	<i>Long term AAA</i>	<i>In-house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Sovereign bond issues (i.e. other than the UK govt)</i>	<i>Long term AAA</i>	<i>In-house and Fund Managers</i>	<i>10%</i>	<i>&gt; 1 year</i>
<i>Collective Investment Schemes structure as open Ended Investment Companies (OEICs)</i>				
<i>1. Bond Funds</i>	<i>AAA</i>	<i>In-house and Fund Managers</i>		
<i>2. Gilt Funds</i>	<i>AAA</i>	<i>In-house and Fund Managers</i>		