

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 Yellow</i>	<i>£15m</i>	<i>6 months*</i>
<i>UK Government Treasury Bills</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>364 days*</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating Yellow</i>	<i>£15m</i>	<i>1 year</i>
<i>Term deposits - local authorities</i>	<i>UK sovereign rating Yellow</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 Red Green</i>	<i>£15m £15m £8m</i>	<i>1 year 6 months 100 days</i>
<i>Term Deposits - Non-UK Banks</i>	<i>Sovereign rating of AA- Orange Red Green</i>	<i>£15m £15m £8m</i>	<i>1 year 6 months 100 days</i>

<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>Blue Orange Red Green</i>	<i>£15m £15m £15m £8m</i>	<i>1 year 1 year 6 months 100 days</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>1. Money Market Funds (CNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>2. Money Market Funds (LVNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>3. Money Market Funds (VNAV**)</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>4. Ultra-Short Dated Bond Funds</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>5. Bond Funds</i>	<i>AAA</i>	<i>£15m</i>	<i>Liquid</i>
<i>6. Gilt Funds</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>Liquid</i>

* Maximum set by the UK Debt Management Office of HM Treasury

**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 investments.

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>UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green</i>	<i>£15m £15m £15m £15m £15m £8m</i>	<i>5 year 2 year 1 year 1 year 6 months 100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA- Yellow Purple Blue Orange Red Green</i>	<i>£15m £15m £15m £15m £15m £8m</i>	<i>5 year 2 year 1 year 1 year 6 months 100 days</i>

<i>Floating Rate Notes</i>	<i>Long-term AAA</i>	<i>£15m</i>	<i>1 year</i>
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</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 & < 5 years</i>
<i>Term deposits – Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA-</i> <i>Yellow</i> <i>Purple</i> <i>Blue</i> <i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA-</i> <i>Yellow</i> <i>Purple</i> <i>Blue</i> <i>Orange</i> <i>Red</i> <i>Green</i>	<i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£15m</i> <i>£8m</i>	<i>5 year</i> <i>2 year</i> <i>1 year</i> <i>1 year</i> <i>6 months</i> <i>100 days</i>
<i>UK Government Gilts</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year & < 5 years</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 & < 5 years</i>
<i>2. Gilt funds</i>	<i>UK sovereign rating</i>	<i>£15m</i>	<i>> 1 year & < 5 years</i>