

**APPROVED LIST OF SPECIFIED INVESTMENTS, CREDITWORTHINESS AND USAGE FOR UNDERTAKING THE AUTHORITY’S INVESTMENT MANAGEMENT STRATEGY
(Extract from Treasury Management Practices)**

Specified Investments are sterling investments of not more than one year maturity, or those which could be for a longer period, but where the Authority has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal is small.

INVESTMENT	SECURITY / CREDIT RATING	USE
UK Government and Local Authorities with less than one year maturity	High Security	In House
Money Market Funds	Rated AAA	In House
Bank of High credit quality as detailed above – for deposits with maturity less than one year	See table and criteria above Lowest common denominator matrix Meets sovereignty criteria Eligible Institutions	In House
Building Society of High credit quality as detailed above – for deposits with a maturity less than one year	See table and criteria above Lowest common denominator matrix, or assets of at least £3bn in top 10 building societies Eligible Institutions	In House
Supranational Bonds	Government backed	To be used in house/ external fund manager
Certificates of Deposit issued by banks and building societies	Short-term lowest common denominator matrix Government backed	To be used in house / external fund manager
UK Government gilts with a maturity of less than 1 yr. These are government bonds and provide the highest security of interest	Government backed	To be used in house / external fund manager
Gift Funds and Bond Funds	Government backed	To be used in house / external fund manager
Treasury Bills	Government backed	To be used in house / external fund manager

APPROVED LIST OF NON-SPECIFIED INVESTMENTS, CREDITWORTHINESS AND USAGE FOR UNDERTAKING THE COUNCIL'S INVESTMENT MANAGEMENT STRATEGY

(Extract from Treasury Management Practices)

Non Specified Investments are any other type of investments that do not fall under the Specified classification.

In accordance with the guidance issued by the Security of State effective from 1 April 2010, a limit must be stated for the upper limit that may be held in non-specified investments at any time. This limit has been set at 50% of the total portfolio as per the asset class limit set in the Investment Strategy Report.

Unrated banks, building societies and other institutions are classed as no-specified investments irrespective of the investment period.

Investment	Security/Credit Rating	Maximum Term	Use
Unrated Building Societies	Market capitalisation over £3bn in top 10 building societies	6 months	In House

The table below details the total percentage of the Annual Principal Sums Invested for more than 364 days that can be held in each category of investment, for example 100% of the Principal Sums limit can be held with Eligible Institutions at any one time.

Investment (All in Sterling)	Security/Credit Rating	Maximum term	Use	Upper Limit % of the Total Principal sums for each year
Eligible Institutions – these institutions have access to HM Treasury Liquidity if needed	Government backed	3 years	In House	100%
UK Government more than one year maturity	High Security	3 years	In House	100%
Local Authorities more than one year maturity	High Security	3 years	In House	100%

Bank of High credit quality as detailed above – for deposits with a maturity more than one year	See table and criteria above Lowest common denominator matrix Meets sovereignty criteria	3 years	In House	100%
Building Society of High credit quality as detailed above – for deposits with a maturity more than one year	See credit criteria table Lowest common denominator matrix.	3 years	In House	50%
Certificates of Deposit issued by banks and building societies	Short term lowest common denominator matrix Sovereignty government guarantee	3 Years	External fund manager	50%
Government Gilts with a maturity of more than one year	Government backed	3 years	In house after consultation from Treasury Advisory or use of external fund manager	50%
Gilt Funds and Bond Funds	Government backed	3 years	In house after consultation from Treasury Advisory or use of external fund manager	50%
The Council's own banker	Government backed / eligible institution	3 years	In house	50%