

Treasury Management Strategy Statement and Investment Strategy 2007/08
Approved Specified Investments

All of the Specified Investments listed below must be sterling-denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' credit rating criteria where applicable.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Minimum Credit, Individual and Support rating	Capital Expenditure	Circumstance of use
Fixed term deposits with govt and UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) including callable deposits, range trades and snowballs.	No	Yes	High security although LAs not credit rated.	No	In-house and fund managers.
Fixed term deposits with credit-rated banks and building societies, including callable deposits, range trades and snowballs.	No	Yes	F1, Individual C, Support 1, 2, 3 or equivalent.	No	In-house and fund managers.
Certificates of Deposit issued by credit-rated banks and building societies.	No	Yes	Short-term F1, Individual C, Support 1,2,3 or equivalent	No	In-house buy and hold upon the advice of Treasury Advisers and fund managers.
UK Government Gilts	No	Yes	Govt-backed	No	In-house buy and hold upon the advice of Treasury Advisers and fund managers.
Reverse Gilt Repos [A transaction where gilts are bought with a commitment (as part of the same transaction) to sell equivalent gilts on a specified date, or at call, at a specified price.]	No	Yes	Govt-backed	No	Fund managers only.
Money Market Funds These funds do not have any maturity date.	No	Yes	AAA	No	In-house and fund managers.
Commercial paper** [short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other	No	Yes	F1	No	Fund managers only.

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<i>issuers]</i>					
Gilt Funds and other Bond Funds (dependent on set-up structure) <i>*** These are open-end mutual funds investing predominantly in UK govt gilts and corporate bonds. These funds do not have any maturity date. The fund would hold highly liquid instruments and the Council's investment in these funds could be sold at any time.</i>	No	Yes	Fiche : AA- Moody's : Aa3 S&P : AA-	No, provided <i>it is not a body corporate by virtue of its set up structure.</i>	In-house and fund managers.
Treasury bills [Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]	No	Yes	Govt-backed	No	Fund managers only.
Bonds issued by a financial institution that is guaranteed by the United Kingdom Government (as defined in SI 2004 No 534)	No	Yes	Govt-backed	No	In-house buy and hold upon the advice of Treasury Advisers and fund managers.
Bonds issued by multilateral development banks (as defined in SI 2004 No 534)	No	Yes	AAA	No	In-house buy and hold upon the advice of Treasury Advisers and fund managers.
Sovereign bond issues (other than by UK govt)	No	Yes	AAA	No	In-house buy and hold upon the advice of Treasury Advisers and fund managers.