

Treasury Management Strategy Statement and Investment Strategy 2009/10
Approved Specified Investments

All of the Specified Investments listed below must be sterling-denominated, with maturities up to a maximum of 364 days, 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 <i>It is expected that core funds will be returned to the fund manager. As a consequence the in-house team is not expected to invest other than in call, fixed term and money market funds with duration of less than one year during 09/10.</i>
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 manager(s).
Fixed term deposits with credit-rated banks and building societies, including callable deposits, range trades and snowballs.	No	Yes	Short term F1, Individual C, Support 1, 2, 3 or equivalent. Sovereign Rating AA-	No	In-house and fund manager(s).
Certificates of Deposit issued by credit-rated banks and building societies.	No	Yes	Short-term F1, Individual C, Support 1,2,3 or equivalent. Sovereign Rating AA-	No	In-house buy and hold upon the advice of Treasury Advisers. Also fund manager(s).
UK Government Gilts	No	Yes	Govt-backed	No	In-house buy and hold upon the advice of Treasury Advisers. Also fund manager(s).
Reverse Gilt Repos <i>[A transaction where gilts are bought with</i>	No	Yes	Govt-backed	No	Fund manager(s) only.

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<i>a commitment (as part of the same transaction) to sell equivalent gilts on a specified date, or at call, at a specified price.]</i>					
Money Market Funds <i>These funds do not have any maturity date.</i>	No	Yes	MR1+ AAA	No	In-house and fund manager(s).
Commercial paper <i>[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]</i>	No	Yes	F1	No	Fund manager(s) only.
Gift 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	Fitch : AA- Moody's : Aa3 S&P : AA-	No, provided it is not a body corporate by virtue of its set up structure.	Fund manager(s) only.
Treasury bills <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount</i>	No	Yes	Govt-backed	No	Fund manager(s) only.

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<i>to par value]</i>					
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 to buy and hold upon the advice of Treasury Advisers. Also fund manager(s).
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. Also fund manager(s).
Sovereign bond issues (other than by UK govt)	No	Yes	AAA	No	In-house buy and hold upon the advice of Treasury Advisers. Also fund manager(s).