

ESSENTIAL REFERENCE PAPER 'D'

ANNEX 1a

Treasury Management Counterparties

'Specified' Investments:				
Treasury Vehicle	*Minimum 'High' Credit Criteria	Use	*** Investment Limit	*** Duration
Debt Management Agency Deposit Facility	Not Applicable	In-house		
Term deposits - UK Government	Not Applicable	In-house		
Term deposits - other LA's (including police & fire authority's)	Not Applicable	In-house		
Term deposits - banks and building societies**	*Short-term F1 Long-term A, Individual_, Support 1,2,3	In-house and Fund Managers		
Certificates of deposits issued by banks and building societies covered by UK Government guarantee	*Short-term F1 Long-term A, Individual_, Support 1	Fund Managers		
Certificates of deposits issued by banks and building societies NOT covered by UK Government guarantee	*Short-term F1, Long-term A, Individual _, Support 1,2,	Fund Managers		
1. Callable deposits	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund Managers		
2. Range trade	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund Managers		
3. Snowballs	*Short-term F1, Long-term AA, Individual _, Support 1,2,3_	Fund Managers		
UK Government Gilts	AAA-AA	Fund Managers		
Bonds issued by multilateral development banks	AAA	Fund Managers		

ANNEX 1a

Treasury Management Counterparties

'Specified' Investments:				
Treasury Vehicle	*Minimum 'High' Credit Criteria	Use	*** Investment Limit	*** Duration
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):				
1. Money Market Funds	To be discussed with treasury management adviser prior to making any investment	Fund managers and In-house		
2. Enhanced cash funds	*Short-term F1, Long-term AAA, Individual _,	Fund managers and in-house		
3. Short term funds	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund Managers		
4. Bond Funds	*AAA	Fund Managers		
5. Gilt Funds	*AAA-AA	Fund Managers		
Bonds issued by a financial institution which is guaranteed by the UK government	*AAA	In-house on a 'buy-and-hold basis. Also for use by fund managers		
Sovereign bond issues (i.e. other than the UK govt)	*AAA	Fund Managers		
Treasury Bills	AAA	Fund Managers. In-house on a buy and hold basis.		

Note: Counterparty limits for individual banking groups will not exceed £10 million, except for Lloyds and NatWest Groups which have been individually approved at £20 million respectively.

Annex 1b

Treasury Management Counterparties

'Non-Specified' Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Treasury Vehicles				
Term deposits - other LAs (with maturities in excess of 1 year)		In-house	60%	5 years
Term deposits - banks and building societies (with maturities in excess of 1 year)	*Short-term F1, Long-term A, Individual __, Support 1,2,3	In-house	80%	5 years
Term deposits with unrated counterparties : any maturity	Used to be unrated building societies and wholly owned subsidiaries)	Not permitted	Not Applicable	Not Applicable
Commercial paper issuance by UK banks covered by UK Government guarantee	*Short-term F1, Long-term A, Individual __, Support 1,2,3	Fund Managers	60%	5 years
Fixed term deposits with variable rate and variable maturities				
1. Callable deposits	*Short-term F1, Long-term AA, Individual __, Support 1,2,3	Fund managers	80%	5 years

Annex 1b

Treasury Management Counterparties

'Non-Specified' Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
2. Range trade	*Short-term F1, Long-term AA, Individual __, Support 1,2,3	Fund managers	10%	5 years
3. Snowballs	*Short-term F1, Long-term AA, Individual __, Support 1,2,3	Fund managers	10%	2 years
Certificates of deposits issued by banks and building societies with maturities in excess of 1 year	*Short-term F1, Long-term AA, Individual __, Support 1,2,3	Fund Managers	50%	5 years
UK Government Gilts with maturities in excess of 1 year	AAA-AA	Fund Managers	100%	10 years
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	Fund Managers	40%	10 years
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA-AA	Fund Managers	40%	10 years
Sovereign bond issues (i.e. other than the UK govt) with maturities in excess of 1 year	AAA	Fund Managers	50%	10 years

Annex 1b

Treasury Management Counterparties

'Non-Specified' Investments:	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Corporate Bonds : the use of these investments would constitute capital expenditure (bonds other than government bonds)	*AAA	Fund Managers(subject to regulation changes)	10%	5 years
Floating Rate Notes : the use of these investments would constitute capital expenditure unless they are issued by a multi-lateral development bank (i.e. bonds with interest rate that varies in line with the market rate of interest, reset say every 3 months)	*AAA	Fund Managers but not permitted where the investment would constitute capital investment.	10%	5 years

Annex 1c				
Treasury Management Counterparties				
Non Treasury Vehicles	* Minimum Credit Criteria	Use	**Max% of total investments	Maximum maturity period
Property Funds	Based on external credit assessment from the Council's Treasury Management Advisors. UK asset investment.	Fund Manager	£20 million. Maximum of two Funds at any one time for viability.	Medium to Long Term

* If forward deposits are to be made, the forward period plus the detail period should not exceed one year in aggregate.

** These limits include both in-house and externally managed funds.

*** 'Specified' investments must be in sterling, must mature within one year and must be made in high credit-rated financial institutions. No investment limits have been set for 'specified' investments.