

**TREASURY MANAGEMENT STRATEGY STATEMENT AND
ANNUAL INVESTMENT STRATEGY 2012/13**

INVESTMENT INSTRUMENTS

Investment instruments are used for the prudent investment of its cash balances are listed below under the 'Specified' and 'Non-Specified' Investments categories.

Specified Investments:

Specified investments are those investments offering high security and liquidity. All such investments will be in sterling, with **a maximum maturity of 364 days**, meeting the minimum 'high' rating criteria where applicable.

	Security/ Minimum 'High' Credit Criteria
Debt Management Agency Deposit Facility -UK Government Debt Management Office (DMO)	N/A
Local Authorities United Kingdom (UK)	High Security, although Local Authorities are not credit rated.
UK Government support to the banking sector (explicit) guarantee	UK sovereign rating
Bonds issued by a financial institution which is guaranteed by the UK government	Long term AAA
Certificates of deposit issued by banks and building societies covered by the UK Government (explicit) guarantee	UK sovereign rating
UK Government Gilts	UK sovereign rating
Money Market Funds	Minimum AAA rated
Treasury Bills	UK sovereign rating
Business Reserve Accounts and Deposit Accounts with credit rated deposit takers (banks and building societies)	Based on minimum Fitch Ratings of: <ul style="list-style-type: none"> • Short Term Rating F1 • Long Term Rating A

Non-Specified Investments

Non-specified investments are all sterling denominated, with **maturities in excess of one year**. A maximum of 25% may be held in aggregate in non-specified investments

Institution	Minimum Long-term credit rating	Time Limit
UK Local Authorities	--	3 year