

**TREASURY MANAGEMENT STRATEGY STATEMENT AND
ANNUAL INVESTMENT STRATEGY 2013-14**

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) | -- |
| 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 |