

Duration, Limits & Minimum Credit Criteria

Using credit worthiness methodology by Link Asset Services, the following duration and amount limits have been assigned to each colour band for Specified and Non Specified Investments. Maximum amount limits have been assigned to different levels of balances which enable the Council to be more risk sensitive to falling balances going forward.

Link Weighted Colour Band	Maximum Duration	Maximum Amount Based on Average Balance of		
		£200m	£150m	£100m
Specified Investments				
Blue*	1 Year	£40m	£30m	£25m
Orange	1 Year	£20m	£20m	£15m
Red	6 Months	£15m	£10m	£10m
Green	3 Months	£10m	£5m	£5m
Non Specified Investments				
Purple	2 Years	£25m	£20m	£15m
Yellow**	2 Years	£20m	£20m	£15m
Minimum Credit Rating Criteria				
Any Two of Three		Fitch	Standard & Poors	Moody's
Sovereign		AA-	AA-	Aa3
Long Term		A+	A+	A1
Money Market Funds		AAA	AAAm	Aaa/MR1

* Nationalised/Part Nationalised UK Banks

** MMF's/Government/Local Government

This page is intentionally left blank