

Leicestershire County Council Pension Fund
Cash Management Strategy

Investment	Level of security	Maximum period	Maximum sum invested
Money Market Funds: Low Volatility and constant NAV ⁽²⁾ Triple A rated fund	At least as high as acceptable credit rated banks.	Same day redemptions and subscriptions	£250m (max £50m in each MMF) Minimum use of two MMFs ⁽¹⁾ with each MMF having a minimum size of £3bn GBP
Term deposits with credit-rated institutions with maturities up to 1 year (including both ring-fenced and non ring-fenced banks)	Varied acceptable credit ratings, but high security	1 year; up to and including 365 days	£250m ⁽²⁾
Term deposits with overseas banks domiciled within a single country	Varied acceptable credit ratings, but high security	1 year; up to and including 365 days	£100m ⁽³⁾
Certificates of Deposit with credit rated institutions with maturities of up to 1 year	Varied acceptable credit ratings, but high security	1 year; up to and including 365 days	£250m
Term deposits with the Debt Management Office	UK Government backed	1 year; up to and including 365 days	£500m
UK Government Treasury Bills	UK Government backed	1 year; up to and including 365 days	£500m
Term Deposits with UK Local Authorities up to 1 year	LA's do not have credit ratings, but high security	1 year; up to and including 365 days r	£50m

¹Limits can be extended higher temporarily by the Director of Corporate Resources and will need to be reported to the next meeting of the Local Pension Committee.

²Funds will be invested in constant or low volatility NAV MMFs. Constant NAV MMFs where the capital value of a unit will always be maintained at £1. These funds have to maintain at least 99.5% of their assets in government backed assets. Low volatility NAV MMFs are those where the MMFs are permitted to maintain the unit price at £1 as long as the net asset value does not deviate by more than 0.20% from this level.

³Limits per counterparty as advised by the treasury advisor will be used up to a total for all term deposits of £350m

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