

ATTACHMENT A1:

Investments definitions specific to Council's investment portfolio

Bank Bonds	A bank bond is a debt security, in which the authorised bank owes the holders a debt and is obliged to repay the principal and interest (the coupon) at a later date, termed maturity
Floating Rate Note (FRN)	A FRN is a contractual obligation whereby the issuer has an obligation to pay the investor an interest coupon payment which is based on a margin above bank bill. The risk to the investor is the ability of the issuer to meet the obligation.
Standard & Poor's Rating Category AAA	An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
Standard & Poor's Rating Category AA	An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
Standard & Poor's Rating Category A	An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
Standard & Poor's Rating Category BBB	An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
Standard & Poor's Rating Category Low/Unrated	An issuer designated 'Low/Unrated' is not rated.
Term Deposits	Term deposits are money deposited at a banking institution that cannot be withdrawn for a certain "term" or period of time (unless a penalty is paid). When the term is over it can be withdrawn or it can be held for another term.