

**SPECIFIED INVESTMENTS***All investments listed below must be sterling-denominated.*

<b>Investment</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / Minimum Credit Rating</b>	<b>Capital Expenditure?</b>	<b>Circumstance of use</b>	<b>Maximum period</b>
<b>Term deposits</b> with the UK government (e.g. DMO Account) or with English local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year	No	Yes	High security although LAs not credit rated.	NO	In-house	1 year
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	No	Yes	Yes – Minimum colour band Green	NO	In-house	1 year
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) up to 1 year.  <i>Custodial arrangement required prior to purchase</i>	No	Yes	Yes – Minimum colour band Green	NO	In house buy and hold	1 year
<b>Banks nationalised by high credit rated (sovereign rating) countries</b>	No	Yes	Minimum Sovereign Rating AA-	No	In house	1 year
<b>UK Nationalised &amp; Part Nationalised banks</b>	No	Yes	Yes – Minimum colour band green	No	In house	1 Year

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<b>Investment</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / 'High' Credit Rating criteria</b>	<b>Capital Expenditure?</b>	<b>Circumstance of use</b>	<b>Maximum period</b>
<b>Government guarantee on all deposits by high credit rated (sovereign rating) countries</b>	No	Yes	Yes – Minimum Sovereign Rating AA-	No	In house	1 year
<b>Bonds issued by multilateral development banks</b> (Euro Sterling Bonds as defined in SI 2004 No 534) or issued by a financial institution guaranteed by UK government with maturities under 12 months.  <i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	NO	In-House on a buy and hold basis after consultation/advice from Capita&	1 year
Gilt Funds and Bond Funds	No	Yes	AAA	NO	In House	1 year
<b>Gilts : up to 1 year</b>  <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed UK Sovereign Rating	NO	In House on a buy and hold basis	1 year

<b>Money Market Funds &amp; Government Liquidity Funds (including CCLA Fund) &amp; Enhanced Money Market Funds</b>	No	Yes	Yes AAA rated & UK sovereign rating. Enhanced MMFs minimum colour Dark Pink/Light Pink & AAA rated	NO	In-house	the period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements.  Deposits are repayable at call.
<b>Treasury bills</b> <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</i>  <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed UK Sovereign Rating	NO	In House	1 year

**Monitoring of credit ratings:**

All credit ratings will be monitored continuously. If a counterparty or investment scheme is downgraded with the result that it no longer meets the Pension Fund's minimum credit criteria, the use of that counterparty / investment scheme will be withdrawn.

Any intra-month credit rating downgrade which the Pension Fund has identified that affects the Pension Fund pre-set criteria will also be similarly dealt with.