

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

| Investment | Share/ Loan Capital? | Repayable/ Redeemable within 12 months? | Security / Minimum Credit Rating | Capital Expenditure? | Circumstance of use | Maximum period |
|--|-----------------------------|--|--|-----------------------------|----------------------------|-----------------------|
| Term deposits 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 |
| Term deposits 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 |
| Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) covered by the UK Government guarantee: 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 |
| Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) NOT covered by the UK Government guarantee: 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 |
| Banks nationalised by high credit rated (sovereign rating) countries | No | Yes | Minimum Sovereign Rating AA- | No | In house | 1 year |

| Investment | Share/ Loan Capital? | Repayable/ Redeemable within 12 months? | Security / 'High' Credit Rating criteria | Capital Expenditure? | Circumstance of use | Maximum period |
|---|----------------------|---|--|----------------------|--|----------------|
| Banks & Building Societies supported by the UK Government package | No | Yes | Yes – Minimum colour band Green | No | In House | 1 year |
| Government guarantee on all deposits by high credit rated (sovereign rating) countries | No | Yes | Yes – Minimum Sovereign Rating AA- | No | In house | 1 year |
| Bonds issued by multilateral development banks (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 Sector | 1 year |
| Gilt Funds and Bond Funds | No | Yes | AAA | NO | In House | 1 year |
| Gilts : up to 1 year <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 |

| | | | | | | |
|--|----|-----|------------------|----|----------|---|
| Money Market Funds & Government Liquidity Funds (including CCLA Fund) & Enhanced Money Market Funds | No | Yes | Yes 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. |
| Treasury bills <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 | NO | In House | 1 year |

Monitoring of credit ratings :

All credit ratings will be monitored continuously and formally updated on a monthly basis. 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.