

Appendix A**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) up to 1 year. <i>Custodial arrangement</i>	No	Yes	Yes – Minimum colour band Green	NO	In house buy and hold	1 year

<i>required prior to purchase</i>						
Banks nationalised by high credit rated (sovereign rating) countries	No	Yes	Minimum Sovereign Rating AA-	No	In house	1 year
UK Part Nationalised banks	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.	No	Yes	AAA	NO	In-House on a buy and hold basis after consultation/advice from Capita&	1 year
<i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	NO		1 year

Gilt Funds and Bond Funds (including Ultra-Short Dated Bond Funds)					In House	
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 (CNAV) & Government Liquidity Funds (including CCLA Fund) & Enhanced Money Market Funds (LVNAV & VNAV)	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.
Treasury bills [Government debt security]	No	Yes	Govt-backed UK Sovereign	NO	In House	1 year

<i>with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</i>			Rating			
<i>Custodial arrangement required prior to purchase</i>						

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.