

**Schedule to Treasury Management Practices (TMPs)
Investment Criteria and Limits 2010-11**

State/Sector and Counter party type	UK	Europe excl UK	Rest of the world
Core Funds			
Geographical sector	75%	40%	40%
AAA sovereign states within each geographical sector	100%	25%	25%
Group limit as % of geographical sector limit	25%	25%	25%
Individual counter party limit as a % of geographical sector limit – F1+/AA-/B/2	25%	25%	25%
Individual counter party limit as a % of geographical sector limit – the eight named UK institutions and wholly owned subsidiaries whose support rating reflects the implicit support of HMG	20%	N/A	N/A
Cash flow funds excluding AAA MR1+ Money Market Funds			
Geographical sector	100%	40%	40%
AAA sovereign states within each geographical sector	100%	25%	25%
Group limit as % of geographical sector limit	25%	25%	25%
Individual counter party limit as a % of geographical sector limit – F1+/AA-/B/2	25%	25%	25%
Individual counter party limit as a % of geographical sector limit – the eight named UK institutions and wholly owned subsidiaries whose support rating reflects the implicit support of HMG	20%	N/A	N/A

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Specified Investments:_(All such investments must be sterling denominated, with maturities of up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable)

Investment type	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies	F1+,AA-,B, 2 Sovereign rating AAA	In-house and Fund Managers
Term deposits with nationalised UK banks and the 8 institutions named by the Govt and subject to an implicit guarantee: <ul style="list-style-type: none"> • Santander • Barclays • HBOS • Lloyds TSB • HSBC • Nationwide Building Society • RBS • Standard Chartered 	F1,A+,B/C,1 Sovereign rating AAA	In-house and Fund Manager
Certificates of deposits issued by banks and building societies	F1+,AA-,B,2 Sovereign rating AAA	In-house and Fund Manager
UK Govt Gilts	--	Fund Manager
Commercial paper	F1+,AA-,B,2 Sovereign rating AAA	Fund Manager
Treasury Bills	--	Fund Manager
Bonds issued by a financial institution guaranteed by HMG	F1+,AA-,B, 2	Fund Manager
Bonds issued by multilateral development banks	Long Term and Sovereign AAA	Fund Manager
Sovereign bonds issues by other than UK Govt	Long Term and Sovereign AAA	Fund Manager
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):		
1. UK Government Liquidity Funds	--	In-house and Fund Manager
2. Money Market Funds	AAAMR1+	In-house and Fund Manager
3. Enhanced cash funds	AAA	In-house and Fund Manager

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Non-Specified Investments A maximum of 60% of core funds will be held in aggregate in non-specified investment

Investment type	Minimum Credit Criteria	Use	Max % of core investments	Max. maturity period
Fixed term deposits with variable rate and variable maturities: - Structured deposits	Short-term F1+, Long-term AA-, Individual B, Support 2	In-house	10%	2 years
Commercial paper issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house and Fund Manager	10%	2 years
Commercial paper other	Short-term F1+, Long-term AA-, Individual B, Support 2	In-house	10%	2 years
Other debt issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house and Fund Manager	20%	2 years
Term deposits – local authorities	--	In-house	20%	2 years
Term deposits – banks and building societies	Short-term F1+, Long-term AA-, Individual B, Support 2	In-house	20%	2 years
Certificates of deposits issued by banks and building societies	Short-term F1+, Long-term AA-, Individual B, Support 2	In house and Fund Manager	20%	2 years
UK Government Gilts	Sovereign AAA	In-house and Fund Manager	50%	5 years
Bonds issued by multilateral development banks	AAA	Fund Manager	25%	5 years
Bonds issued by a financial institution which is guaranteed by the UK government	--	Fund Manager	15%	5 years
Sovereign bond issues (i.e. other than the UK govt)	AAA	Fund Manager	15%	5 years