

### 3 PERMITTED COUNTERPARTIES FOR INVESTMENT TRANSACTIONS (AN184-2011)

Reference is made to Article VII of the minute of meeting of the Superannuation Investment Sub-Committee of 29th August, 2011, wherein approval was given to Report No 117-2011 "Treasury Management Strategy". Appendix 1 of the report detailed the credit ratings and maximum deposits to be placed with approved lending bodies. To reflect the downgrading of two approved lending bodies from F1+ to F1 on 14th October, 2011, reduced maximum deposit limits have been operated with effect from 1st November, 2011. On five occasions between 18th October, 2011 and 27th October, 2011, sums which exceeded the F1 (but not F1+) maximum deposit limits were held. Recommended revised limited are detailed below:-

<b><u>Approved Lending Bodies</u></b>	<b><u>Short-Term Credit Rating</u></b>	<b><u>Maximum Deposits £m</u></b>
<b><u>Banks</u></b>		
Royal Bank of Scotland plc	F1	5*
Lloyds Banking Group (inc HBOS)	F1	5
Santander Corporate Banking	F1	5
<b><u>Money Market Funds</u></b>	AAA	5

\* This £5m limit applies to the call account. Additional smaller balances (less than £1m) may also be held in the current account.

Any institution whose credit rating falls below the limits set above will no longer be a permitted counterparty for further transactions.

The Sub-Committee is asked to approve this recommendation.