SCHEDULE Regulations 7(7) and 12.

Limits on Investments

Part I

1% limit

1. Any single sub-underwriting contract.

2% limit

2. All contributions to any single partnership.

5% limit

3. All contributions to partnerships.

10% limit

4. All deposits with a person specified in paragraph 12 or 13 of Schedule 2 to the Banking Act 1987 and all loans (but see paragraph 14).

5. All investments in unlisted securities of companies.

6. Any single holding (but see paragraphs 15 and 16).

7. All deposits with any single bank, institution or person (other than the National Savings Bank).

15% limit

8. All sub-underwriting contracts.

25% limit

9. All investments in units or other shares of the investments subject to the trusts of unit trust schemes managed by any one body (but see paragraph 16).

10. All investments in open-ended investment companies where the collective investment schemes constituted by the companies are managed by any one body.

11. All investments in units or other shares of the investments subject to the trusts of unit trust schemes and all investments in open-ended investment companies where the unit trust schemes and the collective investment schemes constituted by those companies are managed by any one body (but see paragraph 16).

12. All insurance contracts.

13. All securities transferred (or agreed to be transferred) by the Committee under stock lending arrangements.

Part II

Exceptions to limits in Part I

14. The restriction in paragraph 4 does not apply to a Government loan.

15. The restriction in paragraph 6 does not apply if—

(a) the investment is made by an investment manager appointed under regulation 6, and

(b) the single holding is in units or other shares of the investments subject to the trusts of any one unit trust scheme.

16. The restrictions in paragraphs 6 , 9 and 11 do not apply—

(a) to any investment falling within paragraph 1 of Part I (National Savings) or paragraph 1 or 2 of Part II (interest bearing securities, loans etc.) of Schedule 1 to the Trustee Investments Act 1961, or

(b) to a deposit with a relevant institution.

Part III

Interpretation of Parts I and II

17. In this Schedule—

"Collective investment scheme" has the meaning given in section 75 of the Financial Services Act 1986(**1**);

"Companies" includes companies established under the law of any territory outside the United Kingdom;

"Government loan" means a loan—

(a) to Her Majesty's Government in the United Kingdom, or

(b) to the Government of the Isle of Man;

"Listed securities" means securities quoted on a recognised stock exchange;

"Loan" does not include—

(a) investing money in registered securities to which section 1 of the Stock Transfer Act 1963(**2**) applies (transfer by stock transfer forms) or in listed securities, or

(b) depositing money with a relevant institution;

and "lent" must be understood in that way.

"Open-ended investment company" means an open-ended investment company as defined in section 75(8) of the Financial Services Act 1986 which is an undertaking for collective investment schemes to which the Council Directive No.85/611/EEC co-ordinating the laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities(**3**), as amended, applies;

"Single holding" means investments—

(a) in securities of, or in loans to or deposits with, any one body,

(b) in units or other shares of the investments subject to the trust of any one unit trust scheme, or

(**1**) 1986 c. 60
(**2**) 1963 c. 18
(**3**) O.J. No. L375, 31.12.85, p. 3-18 as amended by Council Directive 88/220/EEC (O.J. No. L100, 19.04.88, p. 31-33).

(c) in transactions involving any one piece of land or other property;

"Unlisted securities" means securities which are not quoted on a recognised stock exchange.