

AGENDA FOR THE CONSULTATION MEETINGS WITH GILT MARKET INVESTORS (3.30PM) AND GEMMS (5.00PM) TO DISCUSS GILT ISSUANCE IN JANUARY-MARCH 2011, TO BE HELD ON TUESDAY 30 NOVEMBER 2010 at:

EASTCHEAP COURT, 11 PHILPOT LANE, LONDON EC3M 8UD

The DMO would like to invite up to 20 end investors to contribute to a discussion on gilt issuance in January-March 2011. Attendees may be nominated by their representative organisations (e.g. NAPF, ABI etc.) or they may contact the DMO directly. Spaces are allocated on a first come, first served basis, at the DMO's discretion. Places will be limited to one person per organisation. Please contact Sarah Ellis sarah.ellis@dmo.gsi.gov.uk (0845 357 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (0845 357 6532) by close Friday 26th November 2010 if you would like to attend.

1. **Review of gilt market operations in October - December 2010.**
2. **Autumn Forecast 2010 – potential impact on financing.**
3. **Choice of conventional and index-linked gilts for auctions scheduled in January-March 2011.**
4. **To meet the planning assumption for financing via syndication set out in the DMO's Financing Remit, the DMO expects to hold one more syndicated offering (of an index-linked gilt) in Q4. Views are sought on the choice of index-linked gilt and the timing of the syndicated offering.**
5. **The DMO would also be interested in views on the scheduling of up to two mini-tenders in Q4.**

Table 1 below lists the 11 scheduled auction dates for January-March 2011. For conventional gilts, a suggested schedule for the maturity of issuance is provided in Table 2 to facilitate the discussion.

**Table 1:
January-March
Issuance Calendar**

06-Jan	Conventional
11-Jan	Index-linked
19-Jan	Conventional
01-Feb	Conventional
03-Feb	Conventional
08-Feb	Index-linked
17-Feb	Conventional
01-Mar	Conventional
03-Mar	Conventional
08-Mar	Index-linked
17-Mar	Conventional

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

06-Jan	Medium
11-Jan	IL
19-Jan	Long
01-Feb	Short
03-Feb	Long
8-Feb	IL
17-Feb	Medium
01-Mar	Short
03-Mar	Long
08-Mar	IL
17-Mar	Medium

The DMO's ongoing policy is to build up gilts to benchmark size, subject to considering the impact of issuance on the redemption profile. The suggested maturity schedule of conventional issuance in Table 2 reflects the DMO's aim to provide regularity in issuance across each maturity sector.

Conventional gilt issuance

The DMO is planning on the basis that there will be two short-dated, three medium-dated and three long-dated auctions in January-March 2011.

- Short-dated (two auctions): The DMO expects to re-open 2% 2016 at least once within the quarter and welcomes views on whether it should be re-opened twice. The DMO would also welcome views on the identity and timing of any other short-dated candidate for re-opening in Q4, taking into account implications for the near-term redemption profile.
- Medium-dated (three auctions): The DMO anticipates re-opening 3¾% 2020 at least once in Q4 and welcomes views on whether further re-openings should take place. The DMO also seeks views on the identity and timing of any other medium-dated gilts for launch or re-opening in Q4.
- Long-dated (three auctions): The DMO anticipates re-opening 4½% 2034 and 4¼% 2040 in Q4 and seeks views on the frequency and timing of these re-openings. The DMO also welcomes views on any other long-dated gilts for re-opening in Q4.

Index-linked gilt issuance

There are three index-linked auctions scheduled in January-March 2011. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance in Q4, taking into account that one further syndicated offering of an index-linked gilt is expected in Q4.

6. Any other business

- **Issuance template**

In order to maximise the efficiency of the quarterly consultation meetings, the DMO intends to introduce (for the start of financial year 2011-12) a more streamlined way of collecting investor/GEMM feedback on auction choices in advance of the quarterly consultation meetings. Feedback will be sought on this proposed approach.

- **GEMM client survey 2010**

The DMO will announce details of the gilt operation calendar for January-March 2011 at 3.30pm on Friday 3 December 2010.

The next consultation meeting(s) to discuss gilt issuance in April-June 2011 is scheduled to be held on Monday 28 March 2011 at 3.30pm (investors) and 5.00pm (GEMMs).