Appendix D

SOUTH YORKSHIRE MAYORAL COMBINED AUTHORITY

2023/24 Treasury Management Outturn Report

Introduction

The MCA is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and to report against the prudential and treasury indicators set for the year. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2023/24 the minimum reporting requirements were met by the MCA as follows:

- Approving an annual treasury management strategy in advance of the 2023/24 financial year (approved by the MCA Board on 6 March 2023)
- Receiving a mid-year treasury management update report (received by the MCA Board on 14 November 2023 as part of the Quarter 2 Finance Update)
- Receiving an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, the MCA received a quarterly treasury management update on 31 July 2023 as part of the Quarter 1 Finance Update.

Independent scrutiny of treasury management activities has been performed over the financial year by the Audit, Standards and Risk Committee in considering the draft 2023/24 annual treasury management strategy and in receiving the mid year treasury management update at the ASRC meetings held on 25 January 2023 and 13 December 2023 respectively. Members of the ASRC also undertook treasury management training on 28 February 2024 in order to support their role of providing effective scrutiny of treasury management strategy and policies.

Executive Summary

During 2023/24, the MCA complied with its legislative and regulatory requirements.

The key actual prudential and treasury indicators with comparators, are as follows:

Key Prudential and treasury Indicators	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Treasury Management Investment income	£9	£3	£21
Return on investments	1.88%	2.18%	4.28%
Average level of investments	£458	£195	£484
Net Borrowing Requirement for the year	£0	£0	£0
Capital Financing Requirement	£106	£104	£110
External debt - loans	£117	£67	£47
Over / (under) borrowing	£11	-£37	-£63
Core Funds - 31 March	£440	£317	£417

Other prudential and treasury indicators are to be found in the main body of this report.

Recommendations

The MCA is recommended to:

1. Approve the actual 2023/24 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2023/24

1.Investment strategy

Statutory Guidance on Local Government Investments requires authorities to consider security, liquidity and yield in that order of importance. The 2023/24 investment strategy's aim was to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the MCA's risk appetite.

The MCA's risk appetite is set by reference to counterparty risk. The MCA has adopted the creditworthiness service provided by its external treasury management advisors to manage counterparty risk. The service involves a risk weighted scoring of the three main credit rating agencies to arrive at a colour coding system to recommend the maximum amount and duration of investments with different levels of risk.

All investments made during the course of the year have been in accordance with the investment Strategy and counterparty criteria specified at the start of the year in the 2023/24 Treasury Management Strategy.

Investment portfolio

The MCA Group has held a substantial investment portfolio throughout the course of 2023/24.

The weighted average level of investments in 2023/24 was £484m which has remained broadly stable throughout the year apart from March 2024 where there has been a significant fall in the investment portfolio to £416.7m – see Table 1a below

Table 1a – Investment balances and returns over the 2023/24 financial year

As can see from the Table 1b below, the reason for the continued high level of investments year on year is the high level of unapplied capital grants and usable reserves and balances.

Table 1b – Core Funds

Core Funds	2022/23 Actual £m	2023/24 Forecast £m	2023/24 Actual £m
Reserves and balances - revenue and capital receipts	£118	£107	£132
Cash set aside to repay debt	£11	-£37	-£63
Capital grant received in advance / capital grant unapplied	£264	£224	£274
Sub-total	**£393**	**£294**	**£343**
Short term cash / working capital	£47	£25	£74
Total	**£440**	**£319**	**£417**

In 2023/24, the MCA has continued with its existing prudent approach to managing its investment portfolio by investing in a relatively narrow range of financial instruments with highly rated counterparties, namely:

- Fixed term deposits with local authorities through the local authority to local authority market
- Call accounts with reputable banks with a high credit rating, and
- Low volatility low risk highly liquid Money Market Funds which provide for instant access.

This is illustrated in table 2 below.

Annex 1 provides an investment summary of the investment portfolio as at March 2024 including its risk profile.

Table 2 - Analysis of investments by type

Investments by type	Quarter 1 Actual £'000	Quarter 2 Actual £'000	Quarter 3 Actual £'000	Quarter 4 Actual £'000	Quarter 4 Actual %
Fixed term local authority deposits - long term	123,000	113,000	108,000	133,000	32%
Fixed term local authority deposits – short term	107,000	107,000	140,000	155,000	37%
Fixed term bank deposits - short term	100,000	100,000	60,000	0	0%
Call accounts	40,000	40,000	40,000	40,000	10%
Money Market Funds - Low volatility	133,766	104,766	146,206	88,706	21%
Total investments	**503,766**	**464,766**	**494,206**	**416,706**	**100%**

Return on Investments

The weighted average return on investments has increased steadily throughout 2023/24 as illustrated in Table 3 below

Table 3 – Return on investments

Returns on investments	2023/24 Target %	2023/24 Quarter 1 %	2023/24 Quarter 2 %	2023/24 Quarter 3 %	2023/24 Quarter 4 %	2023/24 Full Year %
Return on treasury investments	2.18	3.7	4.3	4.5	4.6	4.28

The target return on investments of 2.18% was set at a time when the prevailing Bank of England base rate was 3.5% and forecast to peak at 4.50% in June 2023 before falling back to 4% by March 2024.

In the event, the Bank of England base rate increased in steps to 5.25% at the start of August 2023 and has remained at this level over the remainder of 2023/24 resulting in higher returns than originally expected.

The Money Market Funds (MMFs) in which the MCA invests (Low volatility Net asset Value or LVNAV) although technically equity instruments, are treated as cash equivalents as they are instant access, very low risk funds with a high credit rating which are subject to only minimal risk of price fluctuation. The MMFs are responsive to changes to the base rate which they track with only a short time delay. They have therefore seen an increase in returns from 4.1% at the start of the year to 5.3% at the end of the year as the bank of England base rate has increased. Retaining a significant proportion of the MCA's investments in MMFs presents an opportunity to realise higher returns whilst retaining liquidity, and, providing flexibility to take advantage of longer term high yield offers as they arise.

Returns on fixed term deposits have similarly increased from 3.1% at the start of the year to 4.3% at the end of the year. The overall return earned on fixed term deposits is less responsive to changes in the Base rate due to them being invested over a fixed term of longer duration. As at March 2024, the investment portfolio had £58m of investments made in 2022 when interest rates were only starting to rise. These were invested longer term to attract the best rates available at the time but now have the effect of dampening down returns overall. The majority will mature in 2024/25 and be replaced by investments attracting higher rates which will help to push up the overall return.

Overall Investment Performance

The combined effect of having a sustained high level of investments throughout the course of the year and steadily increasing returns has resulted in treasury management investment income outperforming the original budget by a very substantial margin as illustrated below.

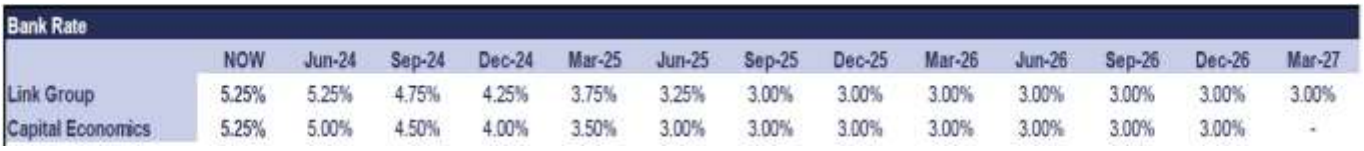
Investment performance	Original Budget £'000	Quarter 1 Revised Forecast £'000	Quarter 2 Revised Forecast £'000	Quarter 3 Revised Forecast £'000	Quarter 4 Actual £'000
Treasury management investment income	3,000	7,000	17,000	19,000	20,874

The strong investment performance has been achieved at relatively low risk.

This is illustrated in Annex 1 which shows the investment portfolio at March 2024 being heavily weighted to investments with the lowest risk rating and an overall weighted average risk rating of 1.4 on a scale of 1 to 7 where 1 is the lowest risk rating and 7 the highest.

Longer term investments of more than 365 days

The markets are forecasting that interest rates have now peaked and are expecting the Bank of England base rate to start to fall as inflation is brought under control and the economy starts to pick up. The exact timing and speed of cuts is uncertain (for example recent data shows underlying inflation being higher than expected in the US and UK with a risk that rate cuts may be delayed as a consequence) but the view of our treasury advisors remains that there will be a gradual reduction from the second half of 2024 onwards (see table below).



Bank Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capital Economics	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-

Accordingly, the investment strategy has been to switch to longer term investments in order to secure better returns going forward.

Table 4a below summarises the level of longer term investment instruments in relation to the overall investment portfolio over the course of the year (all longer term investments are fixed term local authority deposits as illustrated in Table 2 above)

It demonstrates that the maximum amount invested longer term has remained within the limit specified in the 2023/24 treasury management strategy but that we have worked closely with colleagues in Sheffield City Council's treasury team who manage day to day investments on our behalf, to maximise long term investments as close as possible to the maximum permitted.

Table 4b shows the maturity profile of longer term investments as at March 2024.

Table 4a – Longer term investments (Balance held 2023/24)

Longer Term Investments greater than 365 days	Quarter 1 Actual £m	Quarter 2 Actual £m	Quarter 3 Actual £m	Quarter 4 Actual £m
Maximum - per Investment Strategy	£144	£144	£144	£144
Existing long term investments	£123	£113	£108	£133
Balance available to invest	£21	£31	£36	£11
Total Investment Portfolio (Long term and Short term)	**£504**	**£465**	**£494**	**£417**
Long Term Investments as a % of total investment portfolio	**24.4%**	**24.3%**	**21.9%**	**31.9%**

Table 4b – Longer term investments (Maturity profile)

Maturity profile of longer term investments	£m
Within years 1-2	£118
Within years 2-3	£15
Total - longer term investments	**£133**

In addition to the more traditional types of investment, the Treasury management Strategy has in recent years provided for consideration of investments in alternative or longer-term options. These options could include:

- Short-dated bond funds (suitable for investors with a minimum time horizon of 2 to 3 years);
- Property Funds (suitable for investors with a minimum time horizon of at least 5 years); and
- Multi-asset income funds (suitable for investors with a minimum time horizon of at least 5 years).

Whilst we have not pursued these options in 2023/24, it is an area we will re-examine with our treasury advisors in 2024/25 as a potential alternative to the local authority market.

<u>Security</u>

By continuing with the existing prudent approach to managing the investment portfolio, the risk of default in respect of the current narrow range of investment types is considered to be very low.

The Code of Practice on Local Authority accounting in the UK prescribes that the default risk on local authority deposits is £nil on the grounds that relevant statutory provisions prevent default.

As illustrated in Annex 1, the historic risk of default associated with other types of investment is very low and is estimated to be less than £5k on non local authority deposits at March 2024 of £128m.

<u>Liquidity</u>

The purpose of Liquidity is to ensure that there are adequate funds available to meet expenditure when it falls due.

The 2023/24 Treasury Management Strategy included a liquidity allowance of up to £25m to be maintained in the bank for daily cashflow management. This relatively high balance is considered necessary given the uncertainty of the timing of expenditure on the MCA's major capital investment programmes and receipt of external grant from Central Government to fund them. In practice, operationally, a liquidity balance of up to £10m has generally been maintained throughout 2023/24.

In addition to the liquidity allowance, the Money Market Funds (MMFs) held by the MCA are almost immediate access as they can be drawn down within a day or two.

The combination of the liquidity allowance plus investments held in MMFs has provided sufficient liquidity to meet expenditure as it has fallen due throughout 2023/24 and there has been no need to draw down any temporary revenue borrowing during the year.

The controls over the amount held in longer term investments ensures that the MCA does not overcommit to such investments in the medium to longer term giving rise to a potential borrowing need.

2. Borrowing Strategy

The Combined Authority (Borrowing Powers) Regulations 2022 conferred on the MCA the same borrowing powers as its constituent member authorities. However, unlike other constituent member authorities the MCA's ability to borrow is subject to an annual agreement on an aggregated 'debt-cap' with Government. Whilst the MCA has no new plans to borrow for expenditure it has sought a cap that would afford it headroom to take on borrowing if a suitable investment opportunity arose. The MCA's debt-cap for 2023/24 was £209m which provided headroom for additional debt of c. £90m in 2023/24. This has not been utilised in 2023/24.

The current borrowing strategy is to meet any borrowing need for the year internally from treasury investments rather than taking out external borrowing. This is in the expectation that the cost of new borrowing will fall over time as interest rates decrease (see latest projections provided by our treasury advisors in Table 5 below) and that therefore deferring any need to borrow externally will be financially beneficial.

In addition, the strategy is to repay debt as it falls due rather than to refinance debt. This assumption has been built into the MCA's medium term financial plans resulting in a projected fall in debt servicing costs as debt is repaid.

The strategy also seeks to take the opportunity to reschedule existing debt where this will lead to an overall saving. This was the case in 2023/24 where the MCA took advantage of the higher interest rate environment to repay £20m of market loans early in order to generate future savings as explained in further detail below.

Table 5 – Forecast PWLB borrowing rates

5yr PWLB Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	**4.94%**	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	3.50%	3.50%
Capital Economics	**4.94%**	4.50%	4.20%	4.00%	4.00%	3.90%	3.90%	3.90%	3.80%	3.80%	3.70%	-	-

10yr PWLB Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	**5.00%**	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.70%	3.70%	3.70%	3.70%
Capital Economics	**5.00%**	4.60%	4.40%	4.10%	4.10%	4.10%	4.10%	4.10%	4.00%	3.90%	3.90%	-	-

25yr PWLB Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	**5.46%**	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%	4.10%
Capital Economics	**5.46%**	5.10%	4.70%	4.30%	4.30%	4.30%	4.30%	4.30%	4.20%	4.10%	4.10%	-	-

50yr PWLB Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	**5.23%**	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	3.90%	3.90%
Capital Economics	**5.23%**	4.80%	4.60%	4.40%	4.40%	4.40%	4.30%	4.30%	4.30%	4.20%	4.10%	-	-

Debt Rescheduling / Early Repayment

The rise in the base rate to 5.25% has meant that early repayment has become an economic prospect for the first time since the global financial crisis in 2008 due to the rate being comparable with the MCA's market loans which ranged from 4.50% to 4.95%.

A cost benefit exercise was therefore undertaken with the MCA's treasury advisors on whether it would be economically beneficial to repay the loans early.

The results of this exercise were that there was a net benefit to the MCA from repaying the market loans early in present value terms. This involved paying a premium of £2.784m in order to create annual interest savings of £945k p.a. In accordance with local authority capital finance and accounting regulations, the cost of the premium is being charged over a 30 year period at an annual cost of c. £100k p.a.

Early repayment also de-risks the impact of the market loans being called at a time when interest rates are higher than the rates of 4.50% to 4.95% over the unexpired 30 year term of the loans which would have resulted in higher debt interest charges in the future.

The prospect of refinancing or paying off early some of the underlying PFI debt relating to Doncaster Interchange in order to reduce future unitary payments over the remainder of the PFI term is discussed at the regular review meetings with the PFI Operator. No such opportunities have presented themselves to date.

Borrowing limits

There are two indicators on borrowing limits: the authorised limit and operational boundary.

The authorised limit represents a control on the maximum amount of debt that can be borrowed for capital investment and temporary cash flow purposes. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the long term.

The authorised limit approved at the start of the year allowed £15m headroom over the maximum expected amount of gross debt in the year for temporary revenue borrowing plus a further £50m to accommodate investment that the MCA itself may wish to finance in the short term through borrowing that would be repaid through the MCA's gainshare allocation.

The operational boundary is the maximum amount of money that the MCA group expects to borrow during the financial year. It acts as a useful warning if breached during the year that underlying spend may be higher than expected or income lower than budgeted.

The operational boundary has been determined in the same way as the Authorised limit but excluding the £15m headroom for temporary revenue borrowing.

As neither the £15m headroom for temporary revenue nor the £50m to accelerate capital investment in schemes to be funded by gainshare has been called upon, the amount of actual borrowing has fallen over the course of the year and has remained well within both the Authorised limit and Operational Boundary throughout the year. Table 6 below shows the actual debt at March 2024 against the approved Borrowing limits.

Table 6 – Authorised Limit and Operational Boundary

Authorised Limit	2023/24 Limit £m	2023/24 Actual Debt £m
Loans	£132	£47
Headroom for potential new borrowing	£50	£0
Other Long Term Liabilities	£11	£10
Total	**£193**	**£57**

Operational Boundary	2023/24 Boundary £m	2023/24 Actual Debt £m
Loans	£117	£47
Headroom for potential new borrowing	£50	£0
Other Long Term Liabilities	£11	£10
Total	**£178**	**£57**

3. Capital expenditure and Financing

The table below shows how the capital expenditure for the year out-turned against the original estimate

Capital Expenditure Estimates	2023/24 Original Estimate £m	2023/24 Actual £m
Total Capital Investment	**£217**	**£150**

The way in which the capital expenditure for the year has been funded is illustrated in the table below. It demonstrates that the capital programme was fully funded and there was therefore no additional borrowing requirement for the year.

Capital Financing Estimates	2023/24 Original Estimate £m	2023/24 Actual £m
Total capital investment	£217	£150
Sources of funding:		
Capital grant		£147
Capital receipts / earmarked reserves		£3
Total capital funding	**£217**	**£150**
Net borrowing needed for the year	**£0**	**£0**

Capital Financing Requirement (CFR)

The Capital Financing Requirement (CFR) represents the MCA's underlying need to borrow.

The CFR increases if capital expenditure is not fully funded thereby giving rise to a financing requirement. It reduces as amounts are set aside from revenue or capital receipts towards the CFR.

Table 7 below shows the change in the MCA's CFR over the course of the year

Table 7 – Capital Financing Requirement

Capital Financing Requirement	2023/24 Estimate Loans £m	2023/24 Estimate OLTL £m	2023/24 Actual Loans £m	2023/24 Actual OLTL £m
Opening CFR	**£107**	**£0**	**£107**	**£0**
Opening adjustment - PTE CFR on integration			**£7**	
Doncaster Interchange PFI		**£10**		**£10**
Implementation of IFRS 16				
Movement in CFR				
Additional borrowing requirement	£0	£0	£0	£0
MRP	-£3	-£0	-£4	-£0
Capital receipts set aside for the repayment of debt	£0	£0	£0	£0
Other adjustments	£0	£0	£0	£0
Closing CFR	**£104**	**£10**	**£110**	**£10**

The opening adjustment of £7m in respect of the PTE CFR has crystallised as a consequence of integration on 1 April 2023. Intercompany capital financing arrangements between the MCA and SYPTE put in place in 2013/14 and 2014/15 sought to transfer all of the underlying need to borrow (Capital Financing Requirement) to the MCA. Whilst this successfully transferred £103.4m of the underlying need to borrow, integration has identified that a £7m residual Capital Financing Requirement remained within SYPTE.

The Prudential Code recommends that borrowing and other long-term liabilities (OLTL) are distinguished from one another in order to relate prudential indicators directly to the Balance Sheet. Accordingly, Doncaster Interchange PFI liability has been included in the table above under other long term liabilities to better comply with the requirements of the Prudential Code.

Amount of external debt against the Capital Financing Requirement (CFR)

As illustrated in Table 8, the MCA has now moved into an under-borrowed position whereby the amount of external borrowing is less than the underlying need to borrow or Capital Financing Requirement.

Table 8 – External borrowing against the underlying need to borrow

External borrowing	2023/24			
	Estimate		Actual	
	Loans £m	OLTL £m	Loans £m	OLTL £m
Loans - start of the year	£117		117	
Expected change in loans	-£50		-£70	
Doncaster Interchange PFI - start of the year		£10		£10
Expected change in PFI liability		-£0		-£0
Implementation of IFRS 16				
Gross Debt - end of the year	**£67**	**£10**	**£47**	**£10**
Capital Financing Requirement	£104	£10	£110	£10
Over / (under) borrowing	**-£37**	**£0**	**-£63**	**£0**

In accordance with the MCA's borrowing strategy, the under-borrowing position is being funded internally from treasury investments rather than taking out external borrowing.

This is possible due to high level of unapplied capital grant and usable reserves and balances being carried in the balance sheet as illustrated in the Core Funds in Table 1b.

The under-borrowed position is forecast to remain broadly constant at c.£63m over 2025/26 and 2026/27 as the amount of debt repaid will be broadly equal to the amount set aside from revenue to repay debt (minimum revenue provision or MRP).

In 2027/28, the under-borrowed position will rise to c.£83m because of a further £22m of PWLB debt being scheduled for repayment (see Table 9 Maturity of Group Borrowing below). Thereafter, the under-borrowed position will start to fall gradually as MRP becomes greater than the amount of external debt being repaid.

Table 9 – Maturity of External Borrowing

Maturity of Borrowing:	2023/24 £m	%
2024/25	4	9%
2025/26	4	9%
2026/27	4	9%
2027/28	22	47%
2028/29	0	0%
2029/30	4	9%
2030/31	4	9%
2051/52	5	11%
Total	**£47**	**100%**

Financing Costs

The affordability of decisions taken to finance capital investment is assessed by the ratio of Financing Costs to Net Revenue Stream.

Financing costs continue to fall as debt is being repaid. The early repayment of £20m of market loans in 2023/24 will reduce the cost base by c.£845k p.a from 2024/25 onwards

Ratio of financing costs to net revenue streams	2022/23 Actual £m	2023/24 Estimate £m	2023/24 Actual £m
Interest	£8	£5	£4
MRP	£3	£4	£4
Financing Costs	**£11**	**£9**	**£8**
Income - transport levy	£54	£55	£55
Other unrestricted income	£21	£20	£25
Net Revenue Stream	**£76**	**£75**	**£80**
Finance Costs/net Revenue Stream	15%	12%	10%

Managing exposure to the risk of interest rate changes

Borrowing

Following the early repayment of £20m of market loans in 2023/24 all of the MCA's debt portfolio is fixed rate PWLB debt. As such there is no risk to the amount of interest payable from interest rate fluctuations. The interest payable is therefore a function of the maturity profile and future interest can be forecast accurately.

Investments

The investment portfolio comprises a mix of:

- fixed interest rate deposits with local authorities and other counterparties with a high credit rating which secure returns over the term of the investment
- highly liquid Money Market Funds (MMFs) with variable rates which track changes to the Bank of England base rate, and
- Notice accounts with banks that offer good returns over shorter periods

The current mix has meant that the MCA has benefited from the substantial increase in rates that has taken place over the 18 months to August 2023 as the rates paid by MMFs has responded whilst being underpinned by fixed interest rate deposits.

The investment strategy is to increase the weighting to longer term fixed interest deposits to take advantage of the higher rates currently on offer before the projected fall in the Bank of England base rate starts to take effect.

The position is monitored regularly by updates from our treasury management advisors and through liaison with SCC treasury to optimize returns.

Annex 1

Investment Summary Sheet

Totals	
Total	**£416,706,000**
exc. Calls & MMFs & USDBFs	£288,000,000
exc. Struct. Prods.	£416,706,000
Fixed Deposits	£288,000,000
Calls & O/N	£40,000,000
MMFs	£88,706,000
USDBFs	£0
Struct. Prods.	£0
Bonds	£0
CDs	£0

Portfolio Breakdown	
Fixed Deposits	69.1%
Calls & O/N	9.6%
MMFs	21.3%
USDBFs	0.0%
Struct. Prods.	0.0%
Bonds	0.0%
CDs	0.0%

Portfolio Characteristics				
WARoR	4.58%	Score	%	Days Limit
WAM	235	1	90%	1825
WA Tot. Time	557	1.25	0%	1825
Maturity Std. Dev.	262	1.5	0%	1825
WA Risk	1.4	2	0%	730
		3	0%	365
		4	0%	365
		5	10%	180
		6	0%	100
		7	0%	0

Maturity Structure	
< 1 Month	27%
1-3 Months	16%
3-6 Months	20%
6-9 Months	4%
9-12 Months	6%
12 Months +	28%

Institution Type	
Banks	10%
Building Socs.	0%
Government	69%
MMFs	21%
USDBFs	0%
MLDBs	0%
Other	0%

Country	
Domestic	79%
Foreign	0%
*Excludes MMFs & USDBFs	

Historic Risk of Default	
<1 year	0.009%
1 to 2 yrs	0.031%
2 to 3 yrs	0.062%
3 to 4 yrs	0.000%
4 to 5 yrs	0.000%