



# Leicestershire County Council

## Investment Portfolio Benchmarking Analysis

March 2023

**Group Members:**

- Amber Valley Borough Council
- Charnwood Borough Council
- City Of Lincoln Council
- Doncaster Metropolitan Borough Council
- Leicestershire County Council
- Lincolnshire County Council
- Melton Borough Council
- North East Lincolnshire Council
- Nottingham City Council
- Nottinghamshire Fire And Rescue Service
- Police And Crime Commissioner For Lincolnshire
- South Kesteven District Council
- West Lindsey District Council

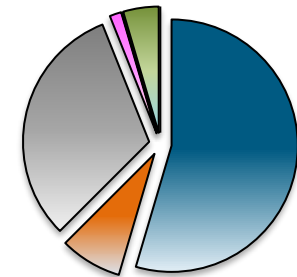
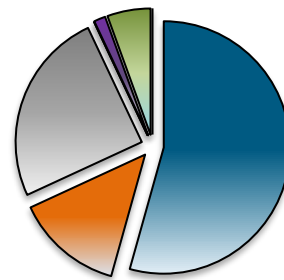
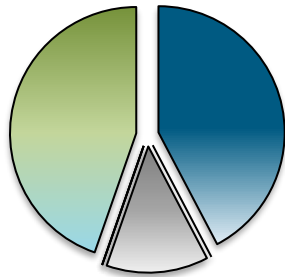
# Leicestershire County Council

## Summary Sheet

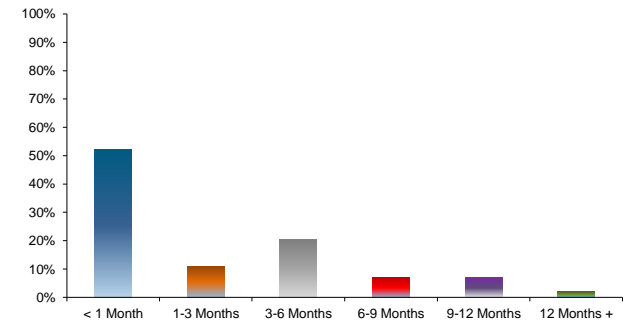
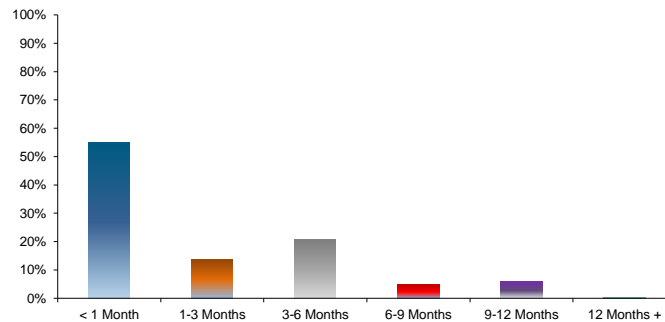
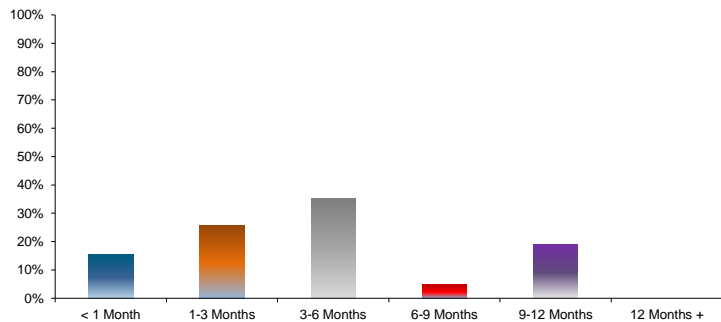
Leicestershire County Council		Benchmarking Group 11 (13) Basic Portfolio Characteristics		English Counties (17)	
<b>WARoR</b>	3.84%		3.93%		3.68%
<b>WAM</b>	135		68		102
<b>WATT</b>	261		132		202
<b>WA Credit Risk</b>	3.75		2.89		2.36
<b>Model WARoR</b>	3.48%		3.65%		3.57%
<b>Difference</b>	0.36%		0.27%		0.12%
<b>Model Band</b>	3.27% - 3.69%		3.44% - 3.87%		3.36% - 3.78%
<b>Performance</b>	Above		Above		Inline

### Asset Breakdown

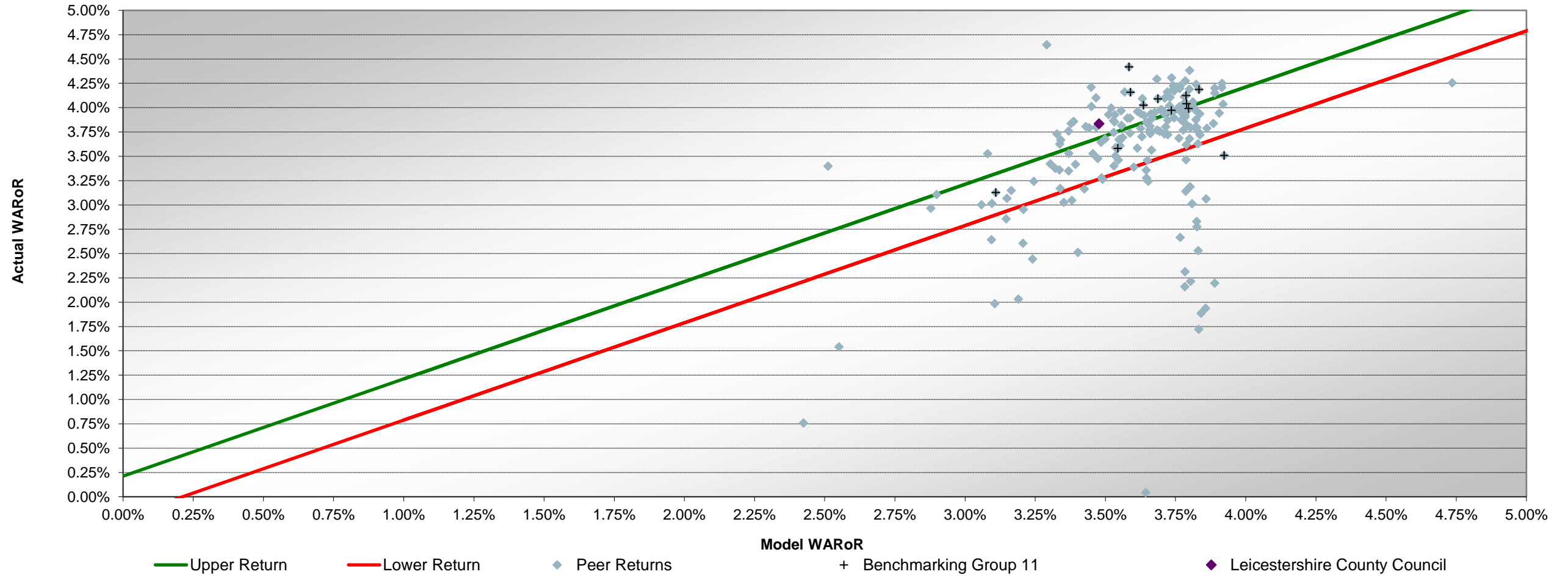
- Fixed Deposits
- Calls & O/N
- MMFs
- USDBFs
- Struct. Prods.
- Bonds
- CDs



### Maturity Profiles



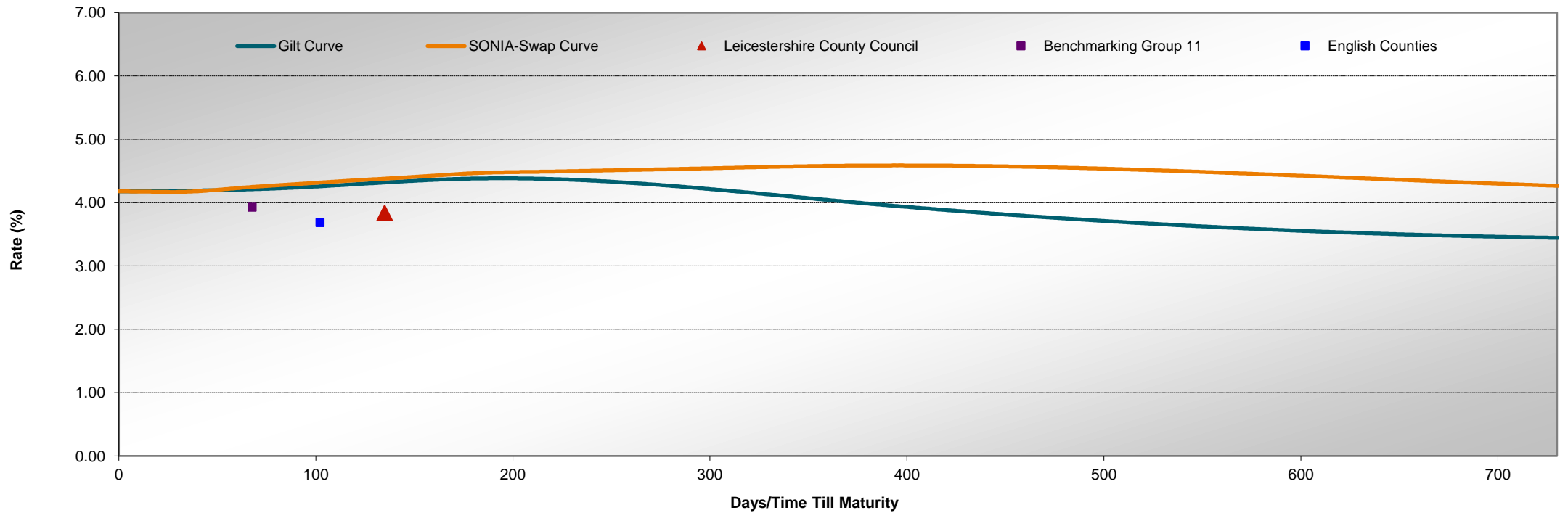
Population Returns against Model Returns



	Actual WARoR	Model WARoR	Difference	Lower Bound	Upper Bound	Performance
<b>Leicestershire County Council</b>	3.84%	3.48%	0.36%	3.27%	3.69%	Above

# Leicestershire County Council

## Returns Comparable Against the Risk-Free Rate and SONIA Swap Curve



	WARoR	WAM	WATT	WARisk	Gilt	SONIA-Swap	Difference		Model Bands	Performance
							Gilt	SONIA-Swap		
Leicestershire County Council	3.84%	135	261	3.75	4.32%	4.38%	-0.48%	-0.54%	3.27% - 3.69%	Above
Benchmarking Group 11	3.93%	68	132	2.89	4.21%	4.25%	-0.28%	-0.32%	3.44% - 3.87%	Above
English Counties	3.68%	102	202	2.36	4.26%	4.32%	-0.57%	-0.63%	3.36% - 3.78%	Inline

# Leicestershire County Council

## Peer Comparison

	Leicestershire County Council	Benchmarking Group 11 (13)		English Counties (17)		Population Average (236)	
<b>Basic Characteristics</b>							
Principal	£425,500,000	£97,264,194		£268,772,475		£94,614,024	
WARoR	3.84%	3.93%		3.68%		3.62%	
WAM	135	68		102		65	
WATT	261	132		202		142	
WA Credit Risk	3.75	2.89		2.36		2.80	
<b>Portfolio Breakdown</b>							
Fixed Deposits	42.30%	54.34%	12	54.57%	16	53.08%	200
Calls & O/N	0.00%	13.78%	6	7.94%	13	15.58%	169
MMFs	13.04%	24.87%	11	31.45%	16	27.22%	172
USDBFs	0.00%	0.00%	0	1.50%	3	0.97%	14
Struct. Prods.	0.00%	0.00%	0	0.00%	0	0.02%	2
Bonds	0.00%	1.47%	2	0.00%	0	0.62%	9
CDs	44.65%	5.54%	3	4.54%	3	2.50%	22
<b>Institution Breakdown</b>							
Banks	86.96%	51.40%	12	38.01%	17	42.61%	210
Building Socs.	0.00%	1.15%	1	1.67%	3	3.52%	46
Government	0.00%	21.11%	8	27.36%	13	25.35%	149
MMFs	13.04%	24.87%	11	31.45%	16	27.22%	172
USDBFs	0.00%	0.00%	0	1.50%	3	0.97%	14
MLDBs	0.00%	1.22%	2	0.00%	0	0.07%	2
Other	0.00%	0.25%	1	0.00%	0	0.25%	11
<b>Domestic/Foreign Exposure</b>							
Domestic	25.85%	54.12%	13	53.11%	17	63.33%	225
Foreign	61.10%	21.02%	8	13.93%	9	8.48%	78
MMFs	13.04%	24.87%	11	31.45%	16	27.22%	172
USDBFs	0.00%	0.00%	0	1.50%	3	0.97%	14
<b>Maturity Structure</b>							
< 1 Month	15.39%	54.99%		52.24%		58.89%	
1-3 Months	25.85%	13.54%		11.06%		15.32%	
3-6 Months	35.25%	20.74%		20.54%		16.52%	
6-9 Months	4.70%	4.73%		7.02%		5.12%	
9-12 Months	18.80%	5.75%		6.98%		2.94%	
12 Months +	0.00%	0.25%		2.16%		1.22%	

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# Leicestershire County Council

## Detailed Peer Comparison

	Leicestershire County Council				Benchmarking Group 11 (13)					English Counties (17)						
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	n	%	WARoR	WAM	WATT	n		
<b>Asset Breakdown</b>																
<b>Fixed Deposits</b>	42.30%	3.74%	140	292	54.34%	3.97%	81	165	12	54.57%	3.62%	154	306	16		
<b>Calls</b>	0.00%	0.00%	0	0	13.78%	3.82%	25	25	6	7.94%	3.64%	14	14	12		
<b>Overnight</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0		
<b>MMFs</b>	13.04%	3.96%	0	0	24.87%	3.97%	0	0	11	31.45%	3.97%	0	0	16		
<b>USDBFs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	1.50%	2.10%	0	0	3		
<b>Structured Prods.</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0		
<b>Cert.of Deposit</b>	44.65%	3.89%	169	307	5.54%	4.23%	40	74	3	4.54%	4.20%	32	57	3		
<b>Gov. Bonds</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0		
<b>Corp. Bonds</b>	0.00%	0.00%	0	0	1.47%	2.37%	31	73	2	0.00%	0.00%	0	0	0		
<b>MLDB Bonds</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	0.00%	0.00%	0	0	0		
<b>Institutional Breakdown</b>																
<b>Banks</b>	86.96%	3.82%	155	300	51.40%	3.98%	86	166	12	38.01%	3.91%	81	159	17		
<b>Building Soccs.</b>	0.00%	0.00%	0	0	1.15%	1.82%	2	2	1	1.67%	3.78%	24	37	3		
<b>Government</b>	0.00%	0.00%	0	0	21.11%	4.15%	50	82	8	27.36%	3.49%	162	312	13		
<b>MMFs</b>	13.04%	3.96%	0	0	24.87%	3.97%	0	0	11	31.45%	3.97%	0	0	16		
<b>USDBFs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	1.50%	2.10%	0	0	3		
<b>MLDBs</b>	0.00%	0.00%	0	0	1.22%	2.19%	17	63	2	0.00%	0.00%	0	0	0		
<b>Other</b>	0.00%	0.00%	0	0	0.25%	1.08%	37	71	1	0.00%	0.00%	0	0	0		
<b>Foreign Breakdown</b>																
<b>Domestic</b>	25.85%	4.31%	170	230	54.12%	3.98%	75	147	13	53.11%	3.62%	144	283	17		
<b>Foreign</b>	61.10%	3.61%	149	329	21.02%	2.37%	90	186	8	13.93%	3.68%	63	133	9		
<b>MMF</b>	13.04%	3.96%	0	0	24.87%	3.97%	0	0	11	31.45%	3.97%	0	0	16		
<b>USDBFs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0	1.50%	2.10%	0	0	3		
<b>Sovereign State Breakdown</b>																
UK	25.85%	4.31%	170	230	UK	54.12%	3.98%	75	147	13	UK	53.11%	3.62%	144	283	17
GER	11.75%	4.77%	219	328	GER	4.57%	1.86%	95	160	6	AUS	3.41%	1.30%	57	121	6
AUS	9.40%	2.83%	92	365	CAN	3.33%	1.12%	32	98	4	CAN	3.09%	1.10%	39	96	5
CAN	9.40%	2.12%	46	364	SING	2.94%	1.01%	36	54	3	SING	2.62%	0.78%	30	74	4
FRA	7.05%	3.30%	87	273	QAT	2.18%	0.22%	9	28	1	GER	2.18%	1.50%	54	82	6
FIN	4.70%	3.12%	140	365	AUS	2.12%	0.92%	42	81	3	FIN	0.69%	0.70%	37	65	3
NETH	4.70%	2.90%	74	319	UAE	1.75%	0.19%	4	28	1	NETH	0.52%	0.45%	17	40	2
NOR	4.70%	4.59%	267	365	HKG	1.22%	0.34%	17	63	2	SWE	0.47%	0.43%	21	21	2
SWE	4.70%	4.98%	363	363	FIN	0.68%	0.60%	35	56	2	FRA	0.41%	0.19%	5	16	1
DEN	2.35%	4.95%	166	183	NETH	0.61%	0.59%	25	53	2	NOR	0.28%	0.27%	16	21	1
SWTZ	2.35%	4.24%	103	181	FRA	0.54%	0.25%	7	21	1	DEN	0.14%	0.29%	10	11	1
					NOR	0.36%	0.35%	21	28	1	SWTZ	0.14%	0.25%	6	11	1
					SWE	0.36%	0.38%	28	28	1						
					DEN	0.18%	0.38%	13	14	1						
					SWTZ	0.18%	0.33%	8	14	1						
<b>Sovereign Rating Breakdown</b>																
AAA	39.95%				AA-	56.30%				AA-	53.11%					
AA-	25.85%				AAA	12.54%				AAA	9.74%					
AA+	14.10%				AA+	4.01%				AA+	3.78%					
AA	7.05%				AA	2.29%				AA	0.41%					

Since MMFs are ring-fenced institutions and do not belong to a specific country, the sovereign breakdowns will exclude them from the analysis. As a result the "% of Portfolio" may not add up to 100%.

# Leicestershire County Council

## Selected Peer Comparison

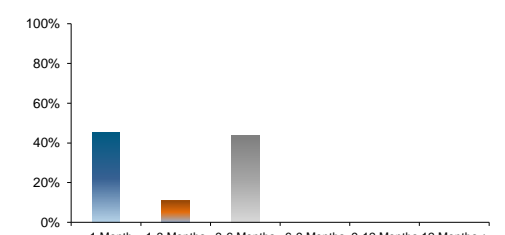
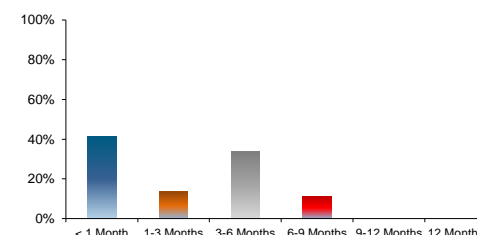
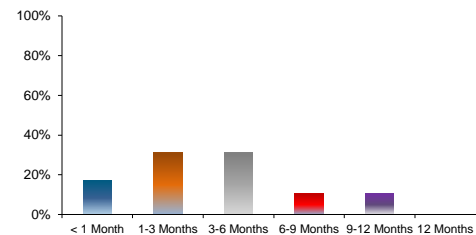
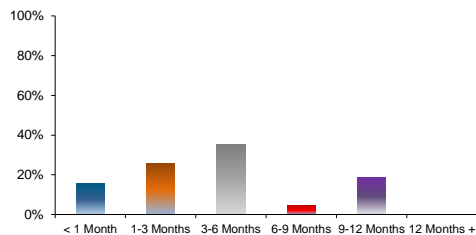
Leicestershire County Council	Amber Valley Borough Council	Charnwood Borough Council	City Of Lincoln Council
<b>Basic Portfolio Characteristics</b>			
WARoR	3.84%	4.13%	4.09%
WAM	135	120	66
WATT	261	160	119
WA Credit Risk	3.75	3.60	2.96
Model WARoR	3.48%	3.79%	3.69%
Difference	0.36%	0.34%	0.40%
Model Band	3.27% - 3.69%	3.58% - 4.00%	3.38% - 3.80%
Performance	Above	Above	Above

Portfolio Breakdown																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Fixed Deposits	42.30%	3.74%	140	292	72.40%	4.26%	140	195	74.63%	4.24%	104	223	59.97%	4.15%	110	198
Calls	0.00%	0.00%	0	0	14.83%	3.63%	126	126	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Overnight	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MMFs	13.04%	3.96%	0	0	12.76%	3.93%	0	0	25.37%	3.92%	0	0	40.03%	4.00%	0	0
USDBFs	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Structured Prods.	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Cert.of Deposit	44.65%	3.89%	169	307	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Gov. Bonds	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Corp. Bonds	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MLDB Bonds	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

Institution Breakdown																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Banks	86.96%	3.82%	155	300	66.55%	4.03%	156	211	74.63%	4.24%	104	223	51.79%	4.07%	100	200
Building Socs.	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Government	0.00%	0.00%	0	0	20.69%	4.55%	79	92	0.00%	0.00%	0	0	8.18%	4.65%	173	184
MMFs	13.04%	3.96%	0	0	12.76%	3.93%	0	0	25.37%	3.92%	0	0	40.03%	4.00%	0	0
USDBFs	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MLDBs	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Other	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

Domestic/Foreign Exposure																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Domestic	25.85%	4.31%	170	230	66.55%	4.17%	158	198	33.92%	4.17%	51	181	59.97%	4.15%	110	198
Foreign	61.10%	3.61%	149	329	20.69%	4.11%	73	135	40.71%	4.30%	149	258	0.00%	0.00%	0	0

### Maturity Profiles



# Leicestershire County Council

## Selected Peer Comparison

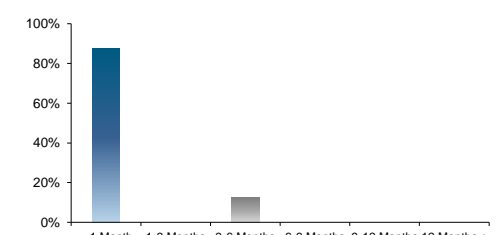
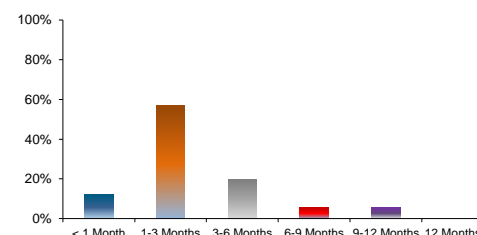
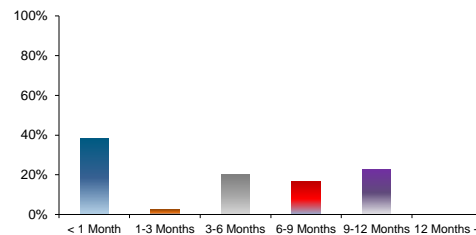
	Doncaster Metropolitan Borough Council	Lincolnshire County Council	Melton Borough Council	North East Lincolnshire Council
<b>Basic Portfolio Characteristics</b>				
<b>WARoR</b>	4.19%	4.42%	3.13%	4.04%
<b>WAM</b>	8	145	93	19
<b>WATT</b>	18	238	320	25
<b>WA Credit Risk</b>	2.80	2.90	4.29	1.08
<b>Model WARoR</b>	3.83%	3.58%	3.11%	3.79%
<b>Difference</b>	0.35%	0.84%	0.02%	0.25%
<b>Model Band</b>	3.62% - 4.05%	3.37% - 3.80%	2.90% - 3.32%	3.58% - 4.00%
<b>Performance</b>	Above	Above	Inline	Above

Portfolio Breakdown																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
<b>Fixed Deposits</b>	39.97%	4.40%	20	45	59.70%	4.51%	186	318	87.97%	3.02%	106	364	84.04%	4.05%	5	6
<b>Calls</b>	60.03%	4.05%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	1.68%	4.00%	0	0
<b>Overnight</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>MMFs</b>	0.00%	0.00%	0	0	25.89%	3.98%	0	0	12.03%	3.95%	0	0	1.61%	3.96%	0	0
<b>USDBFs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>Structured Prods.</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>Cert.of Deposit</b>	0.00%	0.00%	0	0	14.42%	4.82%	235	338	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>Gov. Bonds</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>Corp. Bonds</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	12.67%	4.01%	115	161
<b>MLDB Bonds</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

Institution Breakdown																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
<b>Banks</b>	60.03%	4.05%	0	0	61.14%	4.70%	219	333	87.97%	3.02%	106	364	1.68%	4.00%	0	0
<b>Building Socs.</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>Government</b>	39.97%	4.40%	20	45	12.97%	3.97%	88	265	0.00%	0.00%	0	0	84.04%	4.05%	5	6
<b>MMFs</b>	0.00%	0.00%	0	0	25.89%	3.98%	0	0	12.03%	3.95%	0	0	1.61%	3.96%	0	0
<b>USDBFs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
<b>MLDBs</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	12.67%	4.01%	115	161
<b>Other</b>	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

Domestic/Foreign Exposure																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
<b>Domestic</b>	100.00%	4.19%	8	18	19.15%	4.04%	77	238	36.89%	3.52%	130	364	85.72%	4.05%	5	5
<b>Foreign</b>	0.00%	0.00%	0	0	54.96%	4.76%	237	350	51.08%	2.65%	88	364	12.67%	4.01%	115	161

### Maturity Profiles





# Leicestershire County Council

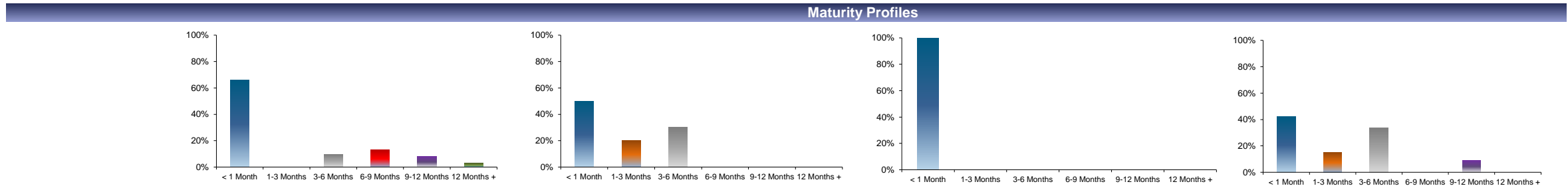
## Selected Peer Comparison

	Nottingham City Council	Nottinghamshire Fire And Rescue Service	Police And Crime Commissioner For Lincolnshire	South Kesteven District Council
<b>Basic Portfolio Characteristics</b>				
WARoR	3.58%	3.51%	3.97%	4.03%
WAM	88	36	3	89
WATT	191	36	17	163
WA Credit Risk	2.05	5.00	1.00	2.89
Model WARoR	3.54%	3.92%	3.73%	3.64%
Difference	0.04%	-0.41%	0.24%	0.39%
Model Band	3.33% - 3.76%	3.71% - 4.13%	3.52% - 3.95%	3.42% - 3.85%
Performance	Inline	Below	Above	Above

<b>Portfolio Breakdown</b>																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Fixed Deposits	34.41%	3.56%	112	244	20.00%	3.78%	3	4	57.89%	3.91%	5	29	73.13%	4.05%	122	223
Calls	9.74%	3.68%	154	154	80.00%	3.44%	44	44	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Overnight	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MMFs	36.42%	3.95%	0	0	0.00%	0.00%	0	0	42.11%	4.06%	0	0	26.87%	3.95%	0	0
USDBFs	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Structured Prods.	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Cert.of Deposit	12.98%	3.98%	122	319	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Gov. Bonds	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Corp. Bonds	6.45%	0.73%	291	786	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MLDB Bonds	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

<b>Institution Breakdown</b>																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Banks	30.84%	3.88%	150	286	85.00%	3.81%	36	37	0.00%	0.00%	0	0	48.76%	3.96%	89	209
Building Socs.	0.00%	0.00%	0	0	15.00%	1.82%	32	32	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Government	26.29%	3.43%	89	198	0.00%	0.00%	0	0	57.89%	3.91%	5	29	24.38%	4.25%	188	253
MMFs	36.42%	3.95%	0	0	0.00%	0.00%	0	0	42.11%	4.06%	0	0	26.87%	3.95%	0	0
USDBFs	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
MLDBs	3.21%	0.37%	105	652	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0
Other	3.24%	1.08%	475	918	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0

<b>Domestic/Foreign Exposure</b>																
	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT	%	WARoR	WAM	WATT
Domestic	37.65%	3.53%	103	197	100.00%	3.51%	36	36	57.89%	3.91%	5	29	67.04%	4.05%	118	211
Foreign	25.93%	3.16%	190	450	0.00%	0.00%	0	0	0.00%	0.00%	0	0	6.09%	4.16%	163	365



# Leicestershire County Council

## Selected Peer Comparison

### West Lindsey District Council Basic Portfolio Characteristics

WARoR	3.99%
WAM	0
WATT	0
WA Credit Risk	1.51
Model WARoR	3.80%
Difference	0.20%
Model Band	3.59% - 4.01%
Performance	Inline

### Portfolio Breakdown

	%	WARoR	WAM	WATT
Fixed Deposits	0.00%	0.00%	0	0
Calls	12.86%	4.15%	0	0
Overnight	0.00%	0.00%	0	0
MMFs	87.14%	3.97%	0	0
USDBFs	0.00%	0.00%	0	0
Structured Prods.	0.00%	0.00%	0	0
Cert.of Deposit	0.00%	0.00%	0	0
Gov. Bonds	0.00%	0.00%	0	0
Corp. Bonds	0.00%	0.00%	0	0
MLDB Bonds	0.00%	0.00%	0	0

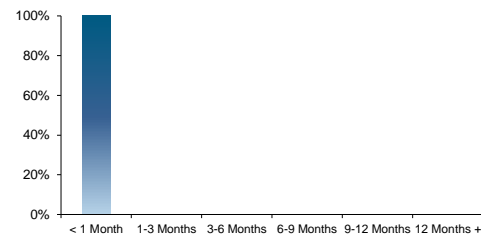
### Institution Breakdown

	%	WARoR	WAM	WATT
Banks	12.86%	4.15%	0	0
Building Socs.	0.00%	0.00%	0	0
Government	0.00%	0.00%	0	0
MMFs	87.14%	3.97%	0	0
USDBFs	0.00%	0.00%	0	0
MLDBs	0.00%	0.00%	0	0
Other	0.00%	0.00%	0	0

### Domestic/Foreign Exposure

	%	WARoR	WAM	WATT
Domestic	12.86%	4.15%	0	0
Foreign	0.00%	0.00%	0	0

### Maturity Profiles



## Benchmarking Rationale and Methodology

The aim of this benchmarking model is to compare portfolio weighted average rate of returns (WARoR) by adjusting for the risks inherent in the portfolio. The main risks in cash portfolios are:

- Maturity Risk
- Credit Risk

As such, the model must normalise WARoRs by adjusting for these risks so as to calculate risk-adjusted returns, or "Model WARoR". The risks the model looks at include:

- Maturity Risk
- Credit Risk
- Change in the shape of the yield curve

This will account for the majority of all risk in the portfolio, however, there will still be some "model uncertainty" as no model can fully explain each WARoR. The difference in model WARoR and actual WARoR may be due to the following reasons:

- Timing differences
- Higher diversification
- Tilt towards a particular asset type or institution type that is extraordinarily paying an above market rate (e.g. special tranche rates)

As a result, the model will build "Standard Error Bands" around the model WARoR calculated so as to adjust for this model uncertainty. This gives us a range for where the actual WARoR should fall. If the actual WARoR is above this upper band, then we would say the client is above on a risk-adjusted basis given the risks inherent in the portfolio. If the actual WARoR is below the lower band, then we would say the client is below on a risk-adjusted basis given the risks inherent in the portfolio.

**Model Band**      Some values when compared to the Model Band will fall outside the range even if the value appears to be equal to the minimum or maximum. This is due to rounding the data to two decimal places within Excel.

For example:  
The value returned is 0.9512 and the range is 0.9541 – 1.2321. When rounded the data will be represented as 0.95 and a range of 0.95 – 1.23, although this appears to be in line with the range the underlying data will actually fall outside.

### Definitions

<b>WARoR</b>	Weighted Average Rate of Return	This is the average annualised rate of return weighted by the principal amount in each rate.
<b>WAM</b>	Weighted Average Time to Maturity	This is the average time, in days, till the portfolio matures, weighted by principal amount.
<b>WATT</b>	Weighted Average Total Time	This is the average time, in days, that deposits are lent out for, weighted by principal amount.
<b>WA Risk</b>	Weighted Average Credit Risk Number	Each institution is assigned a colour corresponding to a suggested duration using Link Asset Services' Suggested Credit Methodology. 1 = Yellow; 1.25 = Pink 1; 1.5 = Pink 2, 2 = Purple; 3 = Blue; 4 = Orange; 5 = Red; 6 = Green; 7 = No Colour
<b>Model WARoR</b>	Model Weighted Average Rate of Return	This is the WARoR that the model produces by taking into account the risks inherent in the portfolio.
<b>Difference</b>	Difference	This is the difference between the actual WARoR and the model WARoR; Actual WARoR minus Model WARoR

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