PLYMOUTH CITY COUNCIL

Subject:	Treasury Management Strategy 2014/15 – Mid Year Review
Committee:	Audit Committee
Date:	18 December 2014
Cabinet Member:	Councillor Mark Lowry
CMT Member:	Malcolm Coe (Assistant Director for Finance)
Author:	Zoe Wilkinson, Lead Accountant
Contact details	Tel: 01752 304707 email: zoe.wilkinson@plymouth.gov.uk
Ref:	ACCT/DJN
Key Decision:	No
Part:	I

Purpose of the report:

The Local Government Act 2003 requires the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy. The Council's strategy for 2014/15 was approved by full Council at its budget meeting on 23 January 2014. This report provides an update on the progress and outcomes against the Treasury Management Strategy for the six month period ended 30 September 2014. It is a requirement of the CIPFA Code of Practice on Treasury Management that a full mid-year report, as a minimum, should be presented to Full Council.

The Brilliant Co-operative Council Corporate Plan 2013/14 - 2016/17:

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns and its implications have been fully incorporated into the council's budgets.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:
N/A

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

1. The report be noted by the Audit Committee and presented to Full Council.
   As required by Cipfa Code of Practice, Treasury Management
2. The Audit Committee agree that approval of the Treasury Management Strategy and Annual Investment Strategy 2015/16 is delegated to the Head of Corporate Strategy in consultation with the Chair and Vice Chair of the Audit Committee to agree a final version before being submitted to Full Council for authorisation in February 2015.

Alternative options considered and rejected:

It is statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the Cipfa Code of Practice for Treasury Management which requires a mid-year report to be submitted to the Audit Committee and Full Council covering the performance against this approved strategy.

Published work / information:

Treasury Management Strategy 2013/14 Mid-Year Review to Council 27 January 2014
Treasury Management Practices, Principles and Schedules 2014/15 to Audit Committee 26 June 2014

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Not applicable									

Sign off:

Fin	djn14 15.24	Leg	alt/219 04	Mon Off	dvs/21 909	HR		Assets		IT		Strat Proc	
Originating SMT Member - Malcolm Coe													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

Treasury Management Strategy Mid-Year Review

1. Introduction

1.1 The definition of Treasury Management is:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

1.2 The responsibility for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions is delegated by the Council to its Section 151 Officer and is overseen by a Treasury Management Board consisting of Councillors and senior officers of the Council.

1.3 The day to day operation of the Treasury Management activity is carried out in accordance with detailed Treasury Management Practices (TMP's). Updates to these practices for 2014-15 were approved by the Audit Committee on 26th June 2014.

1.4 The Council works closely with its Treasury Management advisers, Arlingclose, who assist the Council in formulating views on interest rates, regular updates on economic conditions and interest rate expectations, and advise on specific borrowing and investment decisions.

1.5 Under the Council's approved Strategy we continue to manage risk and diversify our investment portfolio.

2. Review of the Council's Performance April – September 2014

2.1 Table 1 shows the Council's overall treasury portfolio at 30th September 2014 compared to the position at the start of the year.

Table 1

01/04/2014 £m	Average Interest rate %		30/9/2014 £m	Average Interest rate %
		External Borrowing Long-term:		
44.252	5.79	PWLB	44.252	5.76
100.000	4.38	Market	100.000	4.38
0.087	0.65	Bonds	0.036	0.60
80.800	0.29	Temporary Borrowing	85.500	0.29
225.139	**3.19**	**Total PCC Borrowing**	**229.788**	**3.12**
		Long-term liabilities		
29.440	8.73	PFI Schemes	29.440	8.73
1.937	n/a	Finance Leases	1.937	n/a
8.889	n/a	Cornwall County Council (TBTF)	8.889	n/a
265.405		**Total External Debt**	**270.054**	
(70.812)	0.89	Bank Deposits	82.222	0.83
(7.500)	Variable	Property Fund (Pooled investment)	10.000	Variable
(5.025)	Variable	Other External Funds	15.025	Variable
(83.337)		**Total Investments**	**(107.247)**	
182.068		**Net Borrowing/(Net Investment) Position**	**162.807**	

3. Borrowing

3.1 Under Section 3 of the Local Government Act 2003 and supporting regulations the Council must determine and keep under review how much it can afford to borrow. The Council is required to set two limits:

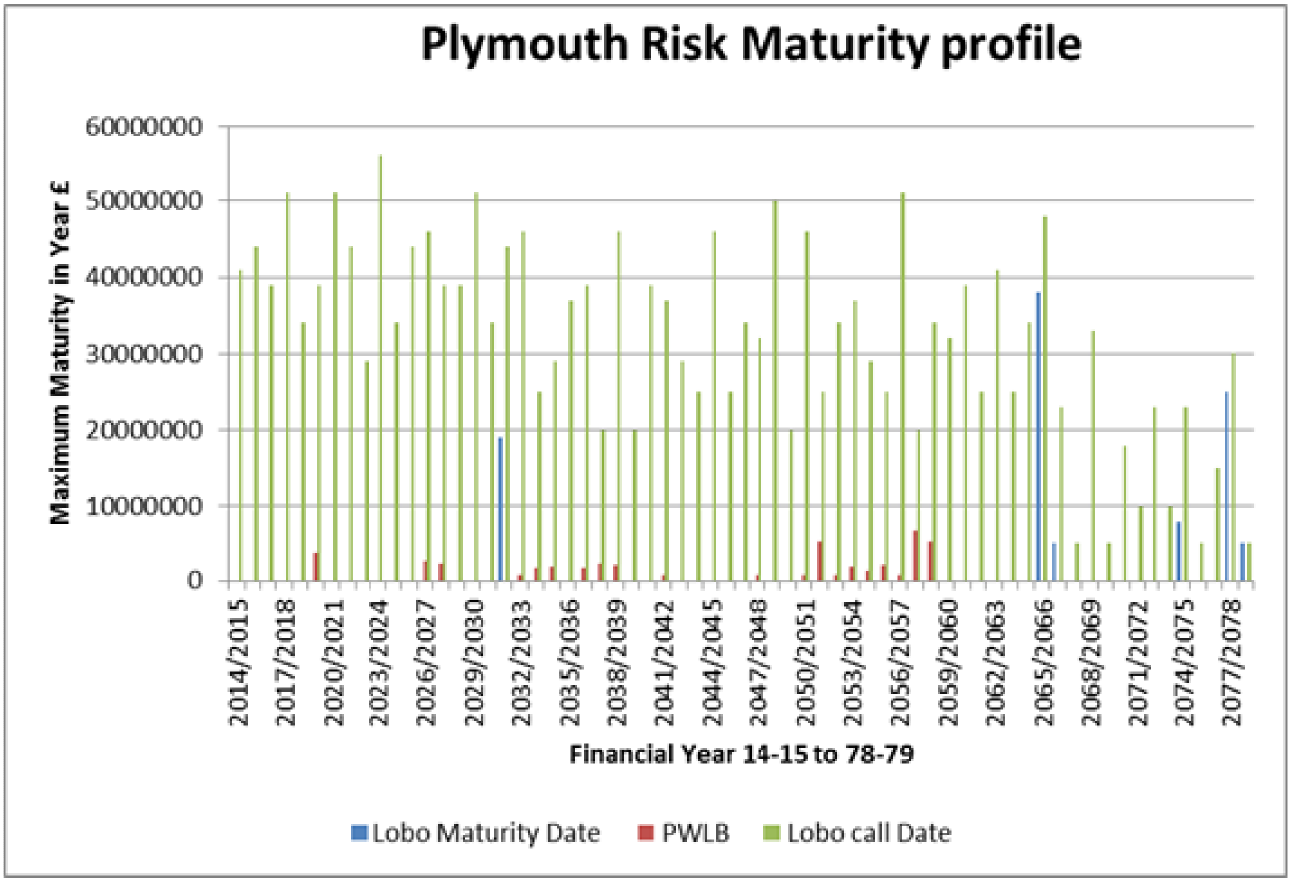
3.2 The external debt limits for 2014/15, as approved by Council in January 2014, are as follows:

- Authorised limits £335m
- Operational Boundary £312m

3.3 These limits have not been breached in the period 1st April to 30th September 2014.

3.4 The following graph in ***Figure 1*** shows the maturity profile of the Council's £144.242m borrowing at 30th September 2014:

Figure 1



3.5 The debt portfolio currently includes £100m of LOBO loans. These loans have various option call dates where the banks have the ability to amend the loan terms and at which point the Council could choose to repay the loan if the terms are changed. This is reflected within the maturity profile shown above (in green) to enable officers to risk manage the Council's cash flows

3.6 Table 2 shows the movement in the borrowing portfolio during the year.

Table 2

	Balance 01/04/2014 £000s	Debt Maturing £000s	Debt Repaid £000s	New Borrowing £000s	Balance 30/09/14 £000s	Increase / (Decrease) in Borrowing
Short Term Borrowing	80,800	0	0	4,700	85,500	4,700
Long Term Borrowing	144,339	(51)	0	0	144,288	(51)
TOTAL BORROWING	**225,139**	**(51)**	**0**	**4,700**	**229,788**	**4,649**

3.7 New borrowing in year

The use of short-term borrowing has continued to be the most cost effective means of financing capital expenditure and cashflow requirements. During the first half of the year the level of borrowing was constrained within a maximum investment level to generate additional revenue savings whilst maintaining the risk of excessive level of investments. By matching any short-term borrowing with the available liquid deposits held in bank call accounts, this has lowered overall treasury risk by allowing flexibility of reducing debt and investment levels at short notice should credit conditions deteriorated.

The Council started the year with £80.8m of short–term loans. New loans were taken out in the period 1st April to 30th September 2014 with an average period of 70 days at an average rate of 0.29%.

3.8 Debt Rescheduling

There has been no debt rescheduling in the period. Officers along with our advisers Arlingclose continue to monitor PWLB interest rates looking for opportunities to repay any debt, maximising the savings achieved whilst maintaining a balanced maturity profile.

3.9 Overall debt performance for the first part of the year

All new debt taken in 2014-15 has been in short-term borrowing to meet cash flow/capital financing requirements. Over the period total loan debt has increased by £4.649m as a result of an increase in short-term borrowing.

Due to affordability and credit risk the current borrowing strategy is to take short-term borrowing at very low rates. However the Section 151 officer will continue to monitor interest rates and credit conditions and consider long-term borrowing in line with the approved 2014/15 Treasury Management Strategy.

4. Investments

4.1 Managing Investment Risk

In accordance with investment guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity (accessibility) of the Authority's investments is important but is a secondary consideration.

4.2 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under statute. Non-specified investments are, effectively, everything else.

4.3 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 3 Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and building societies (CD's)	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	×
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	×
Commercial Paper	✓	×
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	×
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	×
Loans to other organisations	✓	✓

4.4 The credit rating limits proposed for specified investments with institutions for 14-15 is a lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's of A-. Limits will be set for levels depending on the rating of each institution.

4.5 Investment Activity

Investments are made short term to cover cash flow and liquidity requirements and longer term to maximise and guarantee future income.

With bank deposit rates falling and current returns not being as attractive, the Authority continues to look at alternative investment products to diversify its portfolio. After discussions with Arlingclose, the Council's Treasury Management

Advisers, a number of fund managers were interviewed and the following funds chosen:

- Federated Prime Rate Cash Plus Fund
- Ignis Sterling Short Duration Cash Fund
- Investec Short Bond Fund
- Investec Target Return Fund
- Payden & Rygel Sterling Reserve Fund

£1-2m has been deposited in each of these funds investing in a range of investments and asset classes including Certificates of Deposits (CD) and Government and Corporate Bonds. The target return on these funds will produce around 1%. The performance of these funds will be included in the Treasury Management out-turn report.

4.6 Table 4 and Figure 2 below show the split of investments over country/sector as at 30th September 2014.

Figure 2:

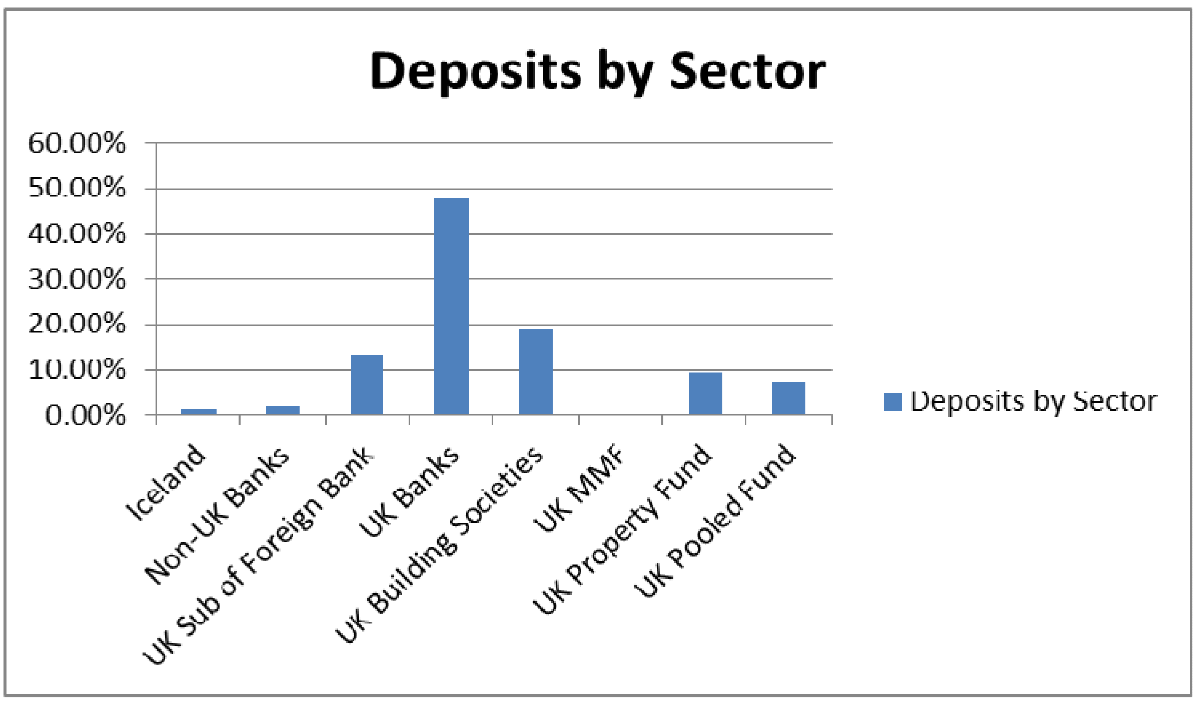
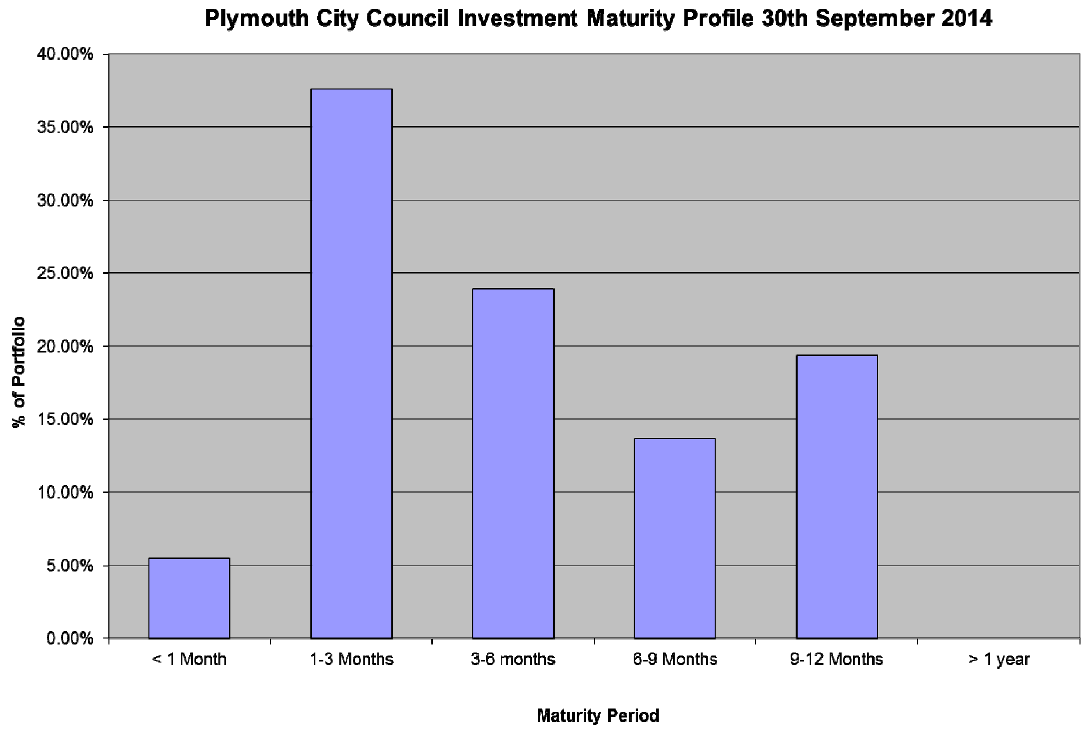


Table 4

Counterparty	Total £m	Sector Type	%	Sector %
Santander UK (was Abbey National)	14.500	UK Subsidiary of Foreign Bank	13.52	13.52
Lloyds Banking Group	15.000	UK Banks	13.99	
Barclays	13.285	UK Banks	12.39	
HSBC	15.000	UK Banks	13.99	
Close Brothers	5.000	UK Banks	4.66	
Standard Chartered	3.000	UK Banks	2.80	47.83
Nationwide Building Society	16.000	UK Building Societies	14.92	
National Counties Building Society	1.000	UK Building Societies	0.93	
Market Harborough Building Society	1.000	UK Building Societies	0.93	
Furness Building Society	1.000	UK Building Societies	0.93	
Cumberland Building Society	1.000	UK Building Societies	0.93	18.64
Nordea Bank Finland	1.000	Non UK Banks	0.93	
Rabobank	1.000	Non UK Banks	0.93	1.86
CCLA Lamit Property Fund	10.000	UK Property Fund	9.32	9.32
Iceland	1.437	Iceland	1.34	1.34
UK MMF	0.025	UK MMF	0.02	0.02
Federated Prime Rate Cash Plus Fund	2.000	UK Pooled Fund	1.87	
Ignis Sterling Short Duration Cash Fund	2.000	UK Pooled Fund	1.87	
Investec Short Bond Fund	2.000	UK Pooled Fund	1.87	
Investec Target Return Fund	1.000	UK Pooled Fund	0.93	
Payden & Rygel Sterling Reserve Fund	1.000	UK Pooled Fund	0.93	7.47
Total	**107.247**		**100.00**	**100.00**

4.7 The maturity profile of the Council's deposits is represented in figure 3. This shows a large proportion of deposits maturing during the 1 – 3 month period, reflecting the deposits in call accounts. These types of deposits ensure that the Council has the ability to react quickly to adverse changes in market conditions.

Figure 3



4.8 Credit Risk

The Treasury Management Strategy report to Audit Committee in February 2010 outlined a recommendation that officers work to develop a set of benchmarking criteria against which the Council's investment risk could be measured. This continues to be used in 2014-15:

The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

4.9 Table 3 shows the rating currently attached to the Council's portfolio and its movement during the year.

Table 3

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2014	5.32	A+	5.73	A
30/06/2014	5.38	A+	5.68	A
30/09/2014	5.67	A	4.84	A

Throughout the first half of the year the Council's credit score was maintained well within the target level of 7 as set in the approved 2014/15 strategy.

4.10 Arlingclose have used the scoring matrix to compare Plymouth's investment risk against other unitary authorities who use Arlingclose as their advisers. The results are shown in section 5.

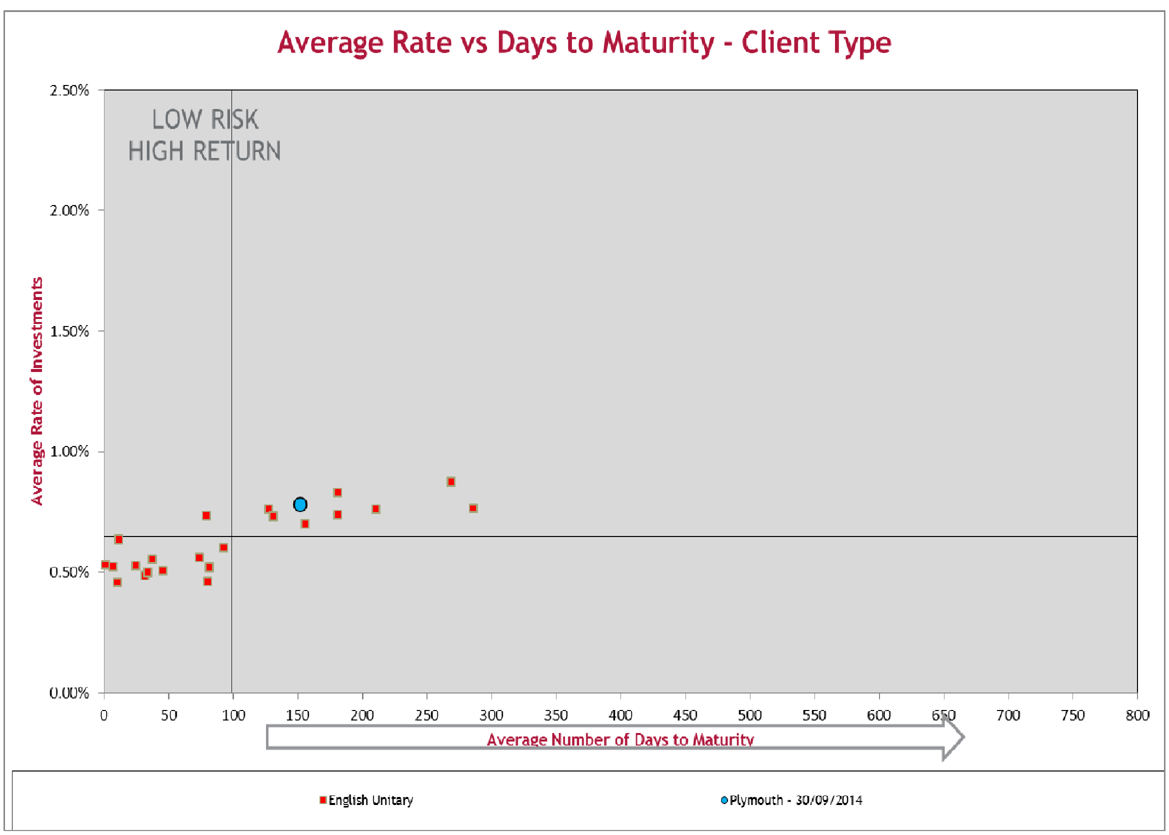
5. Benchmarking

5.1 The Council's performance on investments is measured against a benchmark of the 7 day libid rate. For the period to 30th September 2014 the return on investments made in 2014/15 was 0.83% against the average 7 day Libid for the period of 0.347%.

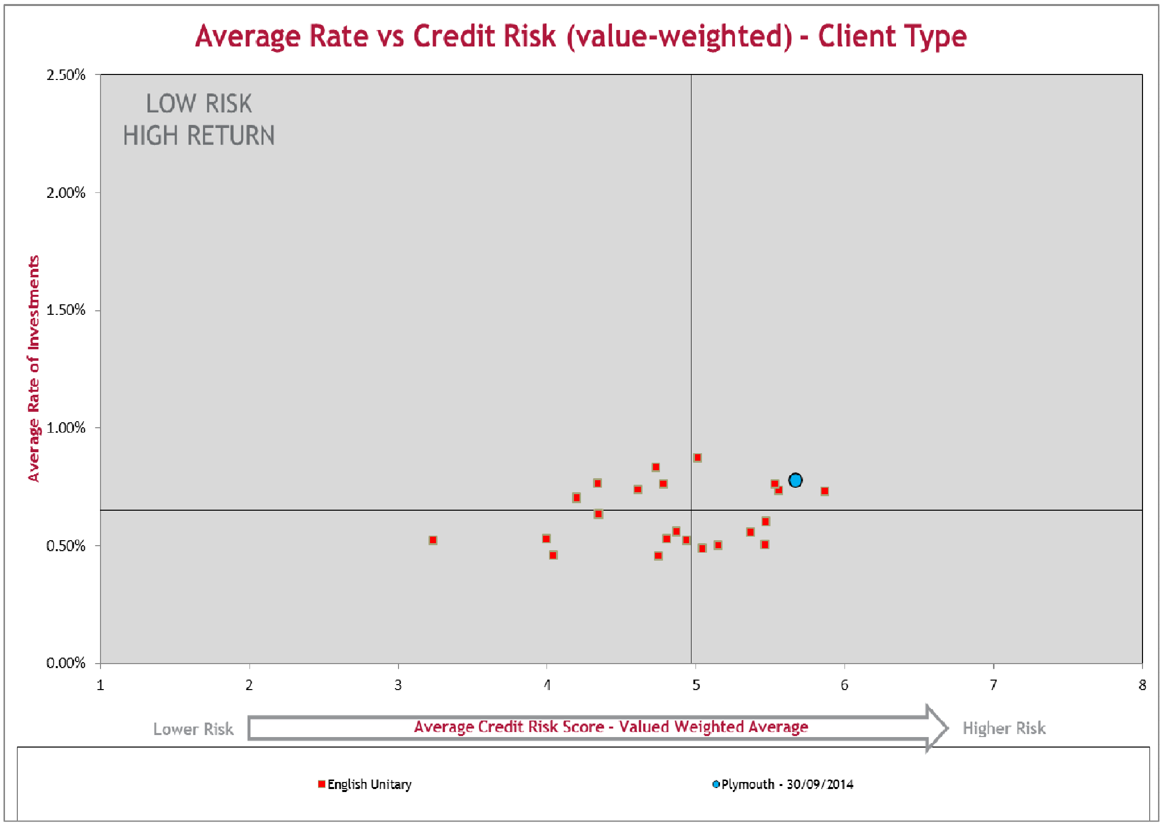
5.2 As outlined above, Arlingclose have developed a set of benchmarking criteria to enable comparisons on performance to be made on data provided by all their clients. To compare like with like the following graphs compare our performance with other unitary authorities. We feel that the best graphs used to demonstrate our performance to 30th September 2014 are as follows;

1. Average rate of investment against average maturity period
2. Average rate of investment against value weighted average credit risk score
3. Average rate of investment against time weighted average credit risk score

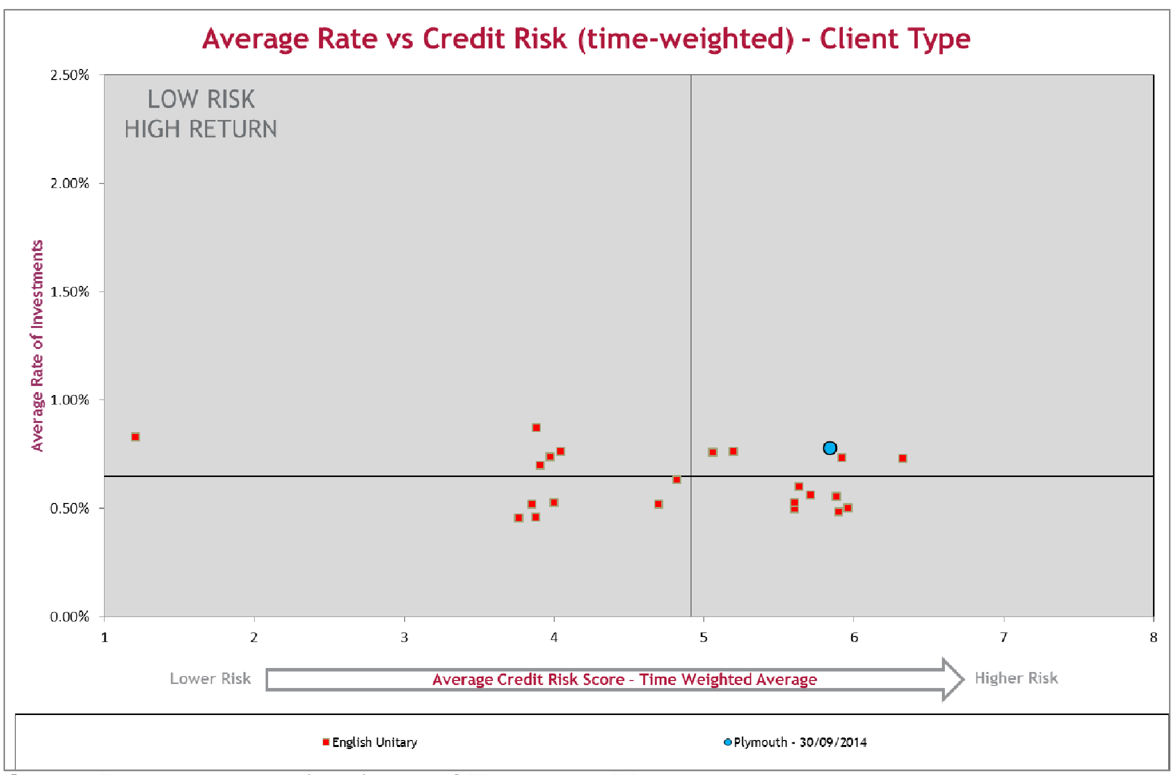
Graph 1 Average Number of days to Maturity V Return



Graph 2 Value Weighted Average Return



Graph 3 Time weighted Average V Return



6. Revenue Implications of Treasury Management

6.1 The expenditure and income arising from the Council's borrowing and investments accrues to the revenue accounts. The table below shows the monitoring positions against budget arising from these transactions in 2014/15 to 30th September 2014.

Table 4 Summary of Capital Financing Costs 2014/15

	2014/15 Budget £000	Forecast 2014/15 Outturn £000	Variance £000
External Interest payments	8,347	8,147	(200)
External Interest received	(936)	(1,136)	(200)
Interest transferred to other accounts	15	15	0
Premiums / Discounts written out to Revenue	(146)	(146)	0
Debt Management Expenses	126	126	0
Treasury Management Cost	**7,406**	**7,006**	**(400)**
Minimum Revenue Provision	8,394	8,194	(200)
Recharges for unsupported borrowing	(4,617)	(4,617)	0
Recovered from trading Accounts	(2,725)	(2,725)	0
Net Cost to General Fund	**8,458**	**7,858**	**(600)**

7. Compliance with Prudential Indicators

7.1 Under the arrangements set out in the Prudential Code for Capital Finance in Local Authorities, individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the Code, and for establishing a range of prudential indicators covering borrowing limits and other Treasury Management measures. The Prudential Indicators for 2014/15 were approved by Council on 23rd January 2014.

Performance to 30th September 2014 against these limits is set out below:

7.2 <u>Gross Debt and the Capital Financing Requirement</u>

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for capital purposes, the Local Authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year for the current and next two financial years.

The Council's underlying need to borrow as measured by the Capital Financing Requirement (CFR) as at 31 March 2014 was estimated at £264.753m. At the start of the year total debt was £225.139m. By the 30th September this had increased to £229.788m, but still below the CFR. Short term cash flow requirements will sometimes mean the debt will be above the CFR but the

Section 151 officer can report that the Authority had no difficulty meeting the requirement in the current year to date.

7.3 Authorised Limit and Operational Boundary for External Debt

The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.

The Council's Affordable (Authorised) Borrowing Limit was set at £335m for 2014/15.

The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit. The Operational Boundary may be breached at certain times during the year due to short-term cash flow requirements.

The Operational Boundary for 2014/15 was set at £312m.

There were no breaches to the Authorised Limit or Operational Boundary to 30th September 2014.

7.4 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Table 5

	Limits for 2014/15 %
Upper Limit for Fixed Rate Exposure	210
Upper Limit for Variable Rate Exposure	60

The Council's exposure to both fixed and variable rates was managed well within the limits set during the first half of the year.

7.5 Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposure to interest rate changes.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The following table shows the limits during the year.

Table 6

Maturity Structure of Fixed Rate Borrowing	Upper Limit %
under 12 months	40
12 months and within 24 months	60
24 months and within 5 years	60
5 years and within 10 years	50
10 years and within 20 years	50
20 years and with 30 years	30
30 years and within 40 years	20
40 years and within 50 years	20
50 years and above	20

7.6 Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2013/14 was set at £30m and the estimate for 2014/15 is £40m.
- On the advice of the Council's advisers no deposits were made beyond 364 days during the first half of the year. Having not taken any deposits over 364 days in the first half of the year the Council still has space for longer-term deposits should this be viewed as appropriate in light of credit conditions, available counterparties and the risk/reward of these investments.

7.7 Credit Risk

- This indicator has been incorporated to review the Council's approach to credit risk.
- The Council confirms it considers security, liquidity and yield, in that order, when making investment decisions.
- The Council can confirm that all investments were made in line with minimum credit rating criteria set in the 2014/15 Treasury Management Strategy.

8. Outlook for Q3-Q4

There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. At the time of writing this report, our advisors brought our attention to the risk of Barclays Bank and Deutsche Bank being downgraded below the A- threshold in the coming months. Where strategies permit, they have advised that new and unsecured investments with Barclays Bank and Deutsche Bank are restricted to a maximum period of 6 months. Arlingclose continues to forecast the first rise in official interest rates in Q3 and general market sentiment is now close to this forecast. There is a momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.

Appendix 1 contains projected rates for Dec 2014 to March 2018.

9 Summary

9.1 In compliance with the requirements of the CIPFA Code of Practice, this report provides members with a summary of the Treasury Management activity during the first half of 2014/15. As indicated in this report none of the financial boundaries have been breached and a prudent approach has been taken in relation to investment activity and borrowing.

9.2 As part of the 2014/15 budget setting process we reduced the allocation to Treasury Management by £1m. This was to reflect the reduced interest costs resulting from the realignment of our LOBO debt at the end of last year. This report sets out the additional saving in-year currently forecast at £0.600m from our continuing policy of securing the best available rates from our investments.

9.3 In the two months since the period covered by this report, we have further diversified our investment portfolio. Following advice from our advisors, we have invested a further £5m in the Property Investment fund, taking our total investment from £10m to £15m. We are also talking to our brokers about two investments of £2.5m each in secure bonds, with a fixed coupon in excess of 1.45% for a maximum of eighteen months.

9.4 The LGA (Local Government Association) are in the process of setting up a Municipal Bonds Agency, with a view to improving the lending capabilities and reducing council financing costs. It will raise money on the capital markets through issuing bonds, arrange lending or borrowing directly from local authorities and source funding from other third party sources, such as banks, pension funds and insurance companies.

9.5 At this early stage, Plymouth City Council is still negotiating with the LGA to understand the short term and long term benefits of becoming an investor at this early pre-launch stage. More details will be included in future reports.

9.6 As part of the budget setting process, each year the Council is required to produce its annual Treasury Management Strategy and Annual Investment Strategy. This document forms a fundamental strategy within the overall budget and the report for 2015/16 will be included in the budget debate at Full Council in February 2015.

9.7 It is recommended that approval of the Treasury Management Strategy and Annual Investment Strategy 2015/16 is delegated to the Head of Corporate Strategy in consultation with the Chair and Vice Chair of the Audit Committee to agree a final version before being submitted to Full Council for authorisation in February 2015.

Appendix 1 - Projected Rates - Dec 14 – Mar 18

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Dec-17	Mar-18
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
3-month LIBID rate													
Upside risk	0.05	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.55	0.60	0.65	0.85	1.00	1.15	1.30	1.45	1.60	1.75	1.85	2.05	2.15
Downside risk	0.10	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	-0.95	-0.95	-0.95	-1.00
1-yr LIBID rate													
Upside risk	0.10	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.95	1.00	1.05	1.20	1.35	1.50	1.65	1.80	1.95	2.10	2.20	2.40	2.50
Downside risk	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80	-0.80
5-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	1.70	1.75	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	2.95
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.70	-0.70
10-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.40	2.45	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.05	3.10
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60
20-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.90	2.95	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60
50-yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	3.00	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.60
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60