READING BOROUGH COUNCIL
REPORT BY HEAD OF FINANCE

TO:	**AUDIT & GOVERNANCE COMMITTEE**		
DATE:	**24 SEPTEMBER 2015**	**AGENDA ITEM:**	**5**
TITLE:	**TREASURY MANAGEMENT 2015/16 ACTIVITY TO AUGUST**		
LEAD COUNCILLOR:	**CLLR STEVENS**	**AREA COVERED:**	**CHAIR OF AUDIT & GOVERNANCE**
SERVICE:	**FINANCIAL**	**WARDS:**	**BOROUGHWIDE**
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1. EXECUTIVE SUMMARY

1.1 This report sets out for the Committee information about the Council's treasury activities to the end of August in 2015/16. The report is based on a template provided by Arlingclose, the Council's treasury advisor, for Q1 activity updated to cover developments in July & August. There will be a short presentation at the Committee meeting to accompany this report.

2. RECOMMENDED ACTION

2.1 Audit & Governance Committee is asked to note progress in implementing the 2015/16 treasury strategy.

2.2 Audit & Governance Committee is asked to note the proposed development of the Council's approach to minimum revenue provision.

3. Background

3.1 The Council's Treasury Management Strategy for 2015/16 is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, which includes the requirement for:

- The creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Authority's treasury management activities.

- The creation and maintenance of Treasury Management Practices, which set out the manner in which the Authority will seek to achieve those policies and objectives.

- The receipt by the authority of an annual strategy report for the year ahead and an annual review report of the previous year.

- The delegation by the authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

3.2 Treasury management in this context is defined as:

"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."

In addition to the annual strategy and annual review reports, the Code of Practice recommends that councillors should receive at least one interim report during the year.

Practically in Reading we meet these requirements by providing a brief update as part of each budget monitoring report, and this "mid year" report, presented at the end of September, reporting activity to the end of August. This report therefore ensures the Council meets CIPFA's recommendations.

3.3 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk and is intended to explain how, so far during 2015/16

- the Council tried to minimise net borrowing costs over the medium term
- we ensured we had enough money available to meet our commitments
- we ensured reasonable security of money we have lent and invested
- we maintained an element of flexibility to respond to changes in interest rates
- we managed treasury risk overall

The remainder of this report has been prepared based on a template provided by Arlingclose Limited, the Council's treasury advisor.

3.4 External Context

As the year began, economic data was largely overshadowed by events in Greece. Markets' attention centered on the never-ending Greek issue stumbled from turmoil to crisis, running the serious risk of a disorderly exit from the Euro. The country's politicians and the representatives of the 'Troika' of its creditors - the European Commission (EC), the European

Central Bank (ECB) and the International Monetary Fund (IMF) – barely saw eye to eye. Greece failed to make a scheduled repayment to the IMF on 30th June, in itself not a default until the IMF's Managing Director declares it so. Prime Minister Tsipras blindsided Greece's creditors by calling a referendum on 5th July on reform proposals which by then were off the table anyway. The European Central Bank froze liquidity assistance provided to Greek banks and capital controls within the country severely restricted individuals' and corporates' access to cash.

3.5 On 12 July, following a weekend European Union Summit, it was announced that the terms for a third bailout of Greece had been reached. The deal amounting to €86 billion was agreed under the terms that Greece would see tax increases, pension reforms and privatisations; the very reforms Tsipras had vowed to resist. On 27th August, Alexis Tsipras resigned from his post as Prime Minster of Greece after just eight months in office by calling a snap election, to be held on 20 September. Presumably aiming to solidify his government's position of power, opinion polls in Greece suggest this may have backfired, with the centre-right New Democracy party gaining support and running neck-and-neck with Syriza. Political uncertainty continues.

3.6 The summer also saw attention shift towards China as the Shanghai composite index (representing China's main stock market), which had risen a staggering 50%+ since the beginning of 2015, dropped by 43% in less than three months with a reported $3.2 trillion loss to investors, on the back of concerns over growth and after regulators clamped down on margin lending activity in an effort to stop investors borrowing to invest and feeding the stock market bubble. Chinese authorities intensified their intervention in the markets by halting trading in many stocks in an attempt to maintain market confidence. They surprised global markets in August as the People's Bank of China changed the way the yuan is fixed each day against the US dollar and allowed an aggressive devaluation of the currency. This sent jitters through Asian, European and US markets impacting currencies, equities, commodities, oil and metals. On 24th August, Chinese stocks suffered their steepest one-day fall on record, driving down other equity markets around the world and soon becoming known as another 'Black Monday'.

3.7 **UK Economy:** The economy has remained resilient over the last six months. Although economic growth slowed in Q1 2015 to 0.4%, year/year growth to March 2015 was a relatively healthy 2.9%. Q2 2015 GDP growth bounced back and was confirmed at 0.7%, with year/year growth showing slight signs of slowing, decreasing to 2.6%. GDP has now increased for ten consecutive quarters, breaking a pattern of slow and erratic growth from 2009. The annual rate for consumer price inflation (CPI) briefly turned negative in April, falling to 0.1%, before returning to 0.1%, 0.0% and 0.1% in May, June and July respectively. In the August Quarterly Inflation Report, the Bank of England projected that GDP growth will continue around its average rate since 2013. The Bank of England's projections for inflation remained largely unchanged from the May report with them expecting inflation to gradually increase to around 2% over the next 18 months and then remain there in the near future. Further improvement in the labour market saw the ILO unemployment rate for the three months to April fall to 5.5%, although this ticked back up to 5.6% in subsequent months. In the August report, average earnings excluding bonuses for the three months to June rose 2.8% year/year.

3.8 The outcome of the UK general election, largely fought over the parties' approach to dealing with the consequences of the structural deficit and the pace of its removal, saw some very big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics.

3.9 The US economy slowed to 0.6% in Q1 2015 due to bad weather, spending cuts by energy firms and the effects of a strong dollar. However, Q2 GDP showed a large improvement at a revised 3.7% (annualised). This was largely due to a broad recovery in corporate investment alongside a stronger performance from consumer and government spending and exports. With the Fed's decision on US interest rate dependent upon data, GDP is clearly supportive. However it is not as simple as that and the Fed are keen to see inflation rise alongside its headline economic growth and also its labour markets. Markets remained split between predicting a rate rise in September or December.

3.10 Market reaction: Equity markets initially reacted positively to the pickup in the expectations of global economic conditions, but were tempered by the breakdown of creditor negotiations in Greece. China led stock market turmoil around the globe in August, with the FTSE 100 falling by around 8% overnight on 'Black Monday'. Indices have not recovered to their previous levels but some improvement has been seen. Government bond markets were quite volatile with yields rising (i.e. prices falling) initially as the risks of deflation seemingly abated. Thereafter yields fell on the outcome of the UK general election and assisted by reappraisal of deflationary factors, before rising again. Concerns around China saw bond yields dropping again through August. Bond markets were also distorted by the size of the

European Central Bank's QE programme, so large that it created illiquidity in the very markets in which it needed to acquire these bonds, notably German government bonds (bunds) where yields were in negative territory.

3.11 Local Context

At 31/3/2015 the Authority's underlying need to borrow for capital purposes as measured by the (borrowing, excluding PFI) Capital Financing Requirement (CFR) was £407.1m, while usable reserves and working capital which are the underlying resources available for investment were c.£30m (at both 31/3/14 & 31/3/15).

3.12 At 31/3/2015, the Authority had £313.7m of borrowing and £34.4m of investments. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, subject to normally holding a minimum cash investment balance of £10m. The Authority has an increasing CFR over the next 3 years due to the capital programme, but minimal investments and will therefore be required to borrow up to £75m over the forecast period.

3.13 Borrowing Strategy

At 31/8/2015 the Authority held £313.7m of loans, (unchanged from 31/3/2015), as part of its strategy for funding previous years' capital programmes. We do not expect to need to borrow long term in 2015/16 save possibly towards the year end.

3.14 However, we anticipate having a borrowing requirement up to £50m by the end of 2016/17, and we will need to develop our strategy to borrow this money. The chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

3.15 Affordability and the "cost of carry" remained important influences on the Authority's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain, lower than long-term rates, it is more cost effective, at least in the short-term (and for this period) to use internal resources.

3.16 The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the Authority with this ‘cost of carry’ and breakeven analysis.

3.17 Arlingclose expect short term interest rates (base rate) to rise during 2016, but consider that any rise in longer term rates is likely to be modest.

3.18 **Borrowing Activity in 2015/16**

There has been no borrowing activity to date in this financial year; balances remain as they were at 31/3/16.

	Balance on 31/03/2015 & 31/8/15 £m	Ave Rate % and Ave Life (yrs) (@ 31/3)
Short Term Borrowing[1]	0.5	<0.5%/<1year
Long Term Borrowing – PWLB	283.2	3.56%/30.6yrs
Long Term Borrowing – Market	30.0	4.18%/55.2yrs
TOTAL BORROWING	313.7	3.61%/32.9yrs
Other Long Term Liabilities	33.8	
TOTAL EXTERNAL DEBT	347.5	

3.18 **PWLB Certainty Rate and Project Rate Update:** The Council qualifies for borrowing at the ‘Certainty Rate’ (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2014. In April the Authority submitted its application to the DCLG to access this reduced rate for a further 12 month period from 01/11/2015.

3.19 **LOBOs:** We hold £30m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £5m of these LOBOS had an option during the quarter, which was notr exercised by the lender. As a further £15m of LOBOS have options during 2015/16, the Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

[1] Loans with maturities less than 1 year.

3.20 Debt Rescheduling:

The premium charge for early repayment of PWLB debt remained relatively expensive and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

3.21 Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Cashflow forecasts indicated that during 2015/16 the Authority's investment balances would range between £0 and £50 million. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

3.22 The transposition of European Union directives into UK legislation now places the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors through potential bail-in of unsecured bank deposits. Given the increasing risk and continued low returns from short-term unsecured bank investments, we have been diversifying into more secure and/or higher yielding asset classes during 2015/16. This includes £10m that is available for longer-term investment that has been placed in the CCLA Property Fund. In past years more of the Council's surplus cash was invested in short-term unsecured bank deposits. This diversification into securities with underlying collateral and investments with organisations which are not subject to bail-in represents the beginning of a longer term substantial change in strategy this year.

Investment Activity in 2015/16

Investments	Balance on 01/04/2015 £m	Investments Made £m	Maturities/ Investments Sold £m	Balance on 31/08/2015 £m	Avg Rate/Yield (%) and Avg Life years)
Short term Investments – Deposits with Banks and Building Societies	15.0	20.0	25.0	10.0	0.57%/0.17yr
Short term Investments – Bank Call Accounts	3.3	Changes Daily		4.3	0.4%
Money Market Funds	11.1	Changes Daily		12.6	0.4%
Long Term Investments - CCLA Property Fund	5.0	5.0	0.0	10.0	3.0%*
TOTAL INVESTMENTS	34.4			36.9	1.15%
Increase/ (Decrease) in Investments £m				2.5	

*The yield on the CCLA Property Fund is higher than 3%, but there is a bid – offer spread, and until the sale unit price matches our weighted purchase price we are holding the excess to mitigate the risk of capital loss should we need to sell ahead of the envisaged 5+ year duration. We have an opportunity to sell each month.

3.23 Security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2015/16.

3.24 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority's minimum long-term counterparty rating for institutions defined as having "high credit quality" is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

3.25 Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2015	A+	4.85	A+	5.32
30/06/2015	A	5.64	A	5.84

Scoring:
-Value weighted average reflects the credit quality of investments according to the size of the deposit
-Time weighted average reflects the credit quality of investments according to the maturity of the deposit
-AAA = highest credit quality = 1
- D = lowest credit quality = 26
-Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Overall our investment activity has included a small number of (rolling) bank deposits, with most immediate money being mainly held in money market funds In addition we now hold £10m in the CCLA property fund as a longer term investment.

3.26 Counterparty Update

All three credit ratings agencies have reviewed their ratings in the last quarter to reflect the loss of government support for most financial institutions and the potential for varying loss given defaults as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions have seen upgrades due to an improvement in their underlying strength and an assessment that that the level of loss given default is low.

3.27 Fitch reviewed the credit ratings of multiple institutions in May. Most UK banks had their support rating revised from 1 (denoting an extremely high probability of support) to 5 (denoting external support cannot be relied upon). This resulted in the downgrade of the long-term ratings of Royal Bank of Scotland (RBS) to BBB+ from A, Deutsche Bank to A from A+, Bank Nederlandse Gemeeten to AA+ from AAA and ING to A from A+. JP Morgan Chase and the Lloyds Banking Group however both received one notch upgrades.

3.28 Moody's concluded its review in June and upgraded the long-term ratings of Close Brothers, Standard Chartered Bank, ING Bank, Goldman Sachs International, HSBC, RBS, Coventry Building Society, Leeds Building Society, Nationwide Building Society, Svenska Handelsbanken and Landesbank Hessen-Thueringen.

3.29 Budgeted Income and Outturn

The average cash balances invested were £44.7m during to the end of August. The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates have remained at relatively low levels (see Table 1 in the Appendix). New deposits were made at an average rate of 0.54%. Investments in Money Market Funds generated an average rate of 0.4%.

3.30 The Council's budgeted investment income for the year is estimated at £205k. We anticipate an investment outturn of £241k for the whole year, together with just under £300k from the CCLA Property Fund investment.

3.31 Compliance with Prudential Indicators

The Authority confirms compliance with its Prudential Indicators for 2015/16, which were set in February as part of the Council's Treasury Management Strategy Statement, except for the upper limit on fixed rate exposure, where (as has happened previously) the upper limit on variable rate exposure. Has slightly breached the limit.

3.32 Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures: This indicator is set to control the Councuil's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2015/16	2016/17	2017/18
Upper limit on fixed interest rate exposure	120%	£120%	£120X%
Actual (maximum)	124%		
Upper limit on variable interest rate exposure	50%	50%	50%
Actual	7%		

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower	Actual 31 March/August
Under 12 months	25%	0%	13%
12 months and within 24 months	25%	0%	2%
24 months and within 5 years	25%	0%	5%
5 years and within 10 years	25%	0%	5%
10 years and within 20 years	100%	40%	12%
20 years and within 30 years	100%		12%
30 years and within 40 years	100%		28%
40 years and within 50 years	100%		23%
50 years and above	100%		0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment (though *LOBO option dates are generally excludes potential repayment dates, but exclude variable rate borrowing.*

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2015/16	2016/17	2017/18
Limit on principal invested beyond year end	£20m	£20m	£10m
Actual (inc.CCLA Property Fund) 31/8/16)	£10m		

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating] or [credit score] 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.

	Target	Actual
Portfolio average credit	6.0	*To follow*

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing. Generally the minimum £10m balance remained available through the first half of the financial year.

3.33 Outlook for remain of 2015/16 and beyond

Arlingclose's expectation for the first rise in the Bank Rate (base rate) remains the second calendar quarter of 2016. The pace of interest rate rises will be gradual and the extent of rises limited. The appropriate level for Bank Rate for the post-crisis UK economy is likely to be lower than the previous norm. We would suggest this is between 2.0% and 3.0%. There is also sufficient momentum in the US economy for the Federal Reserve to raise interest rates in 2015.

3.34 The weak global environment and resulting low inflation expectations are likely to dampen long term interest rates. We project gilt yields will follow a shallow upward path in the medium term, with continuing concerns about the Eurozone, and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued. The uncertainties surrounding the timing of UK and US interest rate rises, and the status of Greek negotiations, are likely to prompt short term volatility in gilt yields.

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Official Bank Rate													
Upside risk			0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	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

3.35 Minimum Revenue Provison

The Council has outstanding (General Fund) Debt arising from capital expenditure that has been incurred historically funded by borrowing. The technical measure of this is known as the "capital finance requirement" (CFR) and the Council is required to make annual provision for debt repayment known as the "Minimum Revenue Provision" (MRP)

3.36 Over the last couple of years practice has been developing in this area as part of the approach to tackling the budget gap the following are suggested

(i) A revised approach on the pre 2007/08 debt. As at 31/3/15 £68.4m of our debt predated 2007/08 debt, so moving from a 4% reducing balance approach to a payment over 50 years would reduce annual costs by £1.37m in 2014/15. The argument for this approach apart from improved prudence is that this historic debt was subsidised by the government within the RSG settlement; since RSG has been reduced the subsidy has reduced, and the previous approach is no longer an affordable way to repay debt.

(ii) A revised approach to the remaining "supported" debt from 2007/08 to 2010/11. Over those years the Council received supported borrowing allocations of £28.6m. As at 31/3/15, on a pro rata basis £20.8m remains to be repaid. In a similar way to the pre 2007/08 debt these were also subsidised, so in a similar way we might reduce the debt repayment by 2% of the remaining outstanding debt on a reducing balance basis for (say) a 10 year period.

(iii) Other related proposals remain under development.

Appendix

Money Market Data and PWLB Rates

The average, low and high rates correspond to the rates during the financial year rather than those in the tables below.

Please note that the PWLB rates below are Standard Rates. Authorities eligible for the Certainty Rate can borrow at a 0.20% reduction. Borrowing eligible for the project rate can be undertaken at a 0.40% reduction.

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/04/2015	0.50	0.35	0.46	0.43	0.51	0.76	0.97	0.87	1.05	1.32
30/04/2015	0.50	0.35	0.48	0.43	0.52	0.74	0.98	1.00	1.21	1.51
31/05/2015	0.50	0.43	0.50	0.43	0.52	0.75	0.98	0.97	1.18	1.49
30/06/2015	0.50	0.35	0.45	0.43	0.52	0.79	0.99	1.09	1.35	1.68
Average	0.50	0.41	0.48	0.43	0.52	0.75	0.98	0.99	1.21	0.53
Maximum	0.50	0.45	0.58	0.56	0.65	0.84	1.00	1.17	1.44	1.81
Minimum	0.50	0.30	0.40	0.43	0.51	0.55	0.97	0.87	1.04	1.29
Spread	--	0.15	0.18	0.13	0.14	0.29	0.03	0.30	0.40	0.53

Table 2: PWLB Borrowing Rates – Fixed Rate, Maturity Loans

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2015	127/15	1.33	2.10	2.69	3.24	3.37	3.32	3.31
30/04/2015	166/15	1.41	2.27	2.90	3.44	3.55	3.50	3.48
31/05/2015	204/15	1.44	2.26	2.90	3.44	3.54	3.48	3.45
30/06/2015	248/15	1.48	2.44	3.13	3.65	3.72	3.64	3.60
	Low	1.31	2.02	2.60	3.16	3.28	3.23	3.21
	Average	1.43	2.29	2.95	3.49	3.58	3.52	3.49
	High	1.53	2.52	3.24	3.77	3.85	3.78	3.75

Table 3: PWLB Borrowing Rates – Fixed Rate, Equal Instalment of Principal (EIP) Loans

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/04/2015	127/15	1.66	2.14	2.71	3.03	3.24	3.35
30/04/2015	166/15	1.79	2.31	2.92	3.24	3.45	3.54
31/05/2015	204/15	1.78	2.30	2.93	3.26	3.45	3.53
30/06/2015	248/15	1.90	2.49	3.15	3.47	3.65	3.72
	Low	1.60	2.06	2.62	2.94	3.16	3.26
	Average	1.80	2.34	2.97	3.30	3.49	3.57
	High	1.98	2.57	3.27	3.60	3.77	3.85

Table 4: PWLB Variable Rates

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR	**Pre-CSR**	**Pre-CSR**	**Post-CSR**	**Post-CSR**	**Post-CSR**
01/04/2015	0.62	0.63	0.66	1.52	1.53	1.56
30/04/2015	0.62	0.64	0.67	1.52	1.54	1.57
31/05/2015	0.62	0.65	0.68	1.52	1.55	1.58
30/06/2015	0.62	0.66	0.70	1.52	1.56	1.60
Low	0.62	0.61	0.66	1.52	1.51	1.56
Average	0.63	0.65	0.68	1.53	1.55	1.58
High	0.64	0.67	0.71	1.54	1.57	1.61