EBS/10/136

July 2, 2010

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Annual Report of PRG, PRG-HIPC, and MDRI Trust Assets**

Attached for the **information** of Executive Directors is a paper on the annual report of PRG, PRG-HIPC, and MDRI Trust Assets.

It is not intended that this paper will be published on the Fund's external website.

Questions may be referred to Mr. Steinberg (ext. 36386) and Mr. Attie (ext. 35490) in FIN.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Annual Report of PRG, PRG-HIPC, and MDRI Trust Assets

Prepared by the Finance Department

(In consultation with the Legal, Monetary and Capital Markets, and Strategy, Policy, and Review Departments)

Approved by Andrew Tweedie

July 2, 2010

I. Introduction and Summary

1. **This paper presents, for information of the Executive Board, the annual report on investment performance of PRG, PRG-HIPC, and MDRI Trust assets for the 12-month period ending April 30, 2010.**[1,2] Additional information on market developments, manager performance, and compliance issues are presented in the annual report on the Investment Account.[3]

2. **The main points of the paper are:**

- Trust assets earned 2.07 percent from May 1, 2009 through April 30, 2010, less than half of last year's performance as money market and bond yields stayed close to their historic low levels during the period. The bond portfolio

---

[1] The performance of Trust Assets was last reported in the *Semi-Annual Report of PRGF-ESF, PRGF-HIPC, and MDRI Trust Assets* (EBS/09/210, 12/23/2009). The previous annual report (EBS/09/112) was issued on July 8, 2009.

[2] The names of some Trust assets covered in this review were changed in January 2010. The PRGF-ESF Trust is now the PRG Trust, and the PRGF-HIPC Trust is now the PRG-HIPC Trust. See A *New Architecture of Facilities for Low-Income Countries and Reform of the Fund's Concessional Financing Framework—Decision*, (SM/09/189 Supplement 2, 07/24/2009), and Decision 14354-(09/79).

[3] Performance of the Investment Account is reported in *Annual Report of the Investment Account* (EBS/10/135, 7/2/2010). The higher return of the Investment Account reflects the inclusion of short-term BIS deposits in the Trusts.

earned 2.51 percent, while the MTI portfolio earned 2.57 percent.[4] Short-term BIS deposits, which are held for liquidity purposes and to meet obligations under arrangements with contributors to the Trusts, earned 0.24 percent.

- External managers and the MTI portfolio outperformed the 1–3 year index. The active managers improved their results compared with last year and added about 25 basis points to the return of the index; the World Bank performed slightly better, returning 32 basis points above the index. The MTI portfolio benefited from higher ex ante yields, a modest tightening of swap spreads, and an improvement in BIS pricing.

3. **The paper is structured as follows**. Section II describes the investment strategy and cash flows of Trust resources. Section III analyzes portfolio returns, and manager performance. Section IV reports on risk control measures and compliance.

II. Investment Strategy and Cash Flows

4. **Consistent with its investment strategy (Box 1), Trust assets comprise short-term deposits, government bonds, and MTIs issued by the BIS.** About 20 percent of Trust assets are held in short-term deposits with the BIS to meet liquidity requirements from operations and obligations under arrangements with contributors to the Trusts. The balance of the portfolio, comprising funds available for investment over longer horizons, is divided evenly between eligible government bonds denominated in the currencies of the SDR basket and MTIs issued by the BIS. Trust assets held in government bonds and MTIs are managed in line with the 1–3 year benchmark index endorsed by the Executive Board.[5, 6] The bond portfolios are managed by the World Bank (34 percent of investable assets), JP Morgan and UBS (8 percent each).

---

[4] Medium-Term Instruments (MTIs) are transferable book-entry claims on the Bank for International Settlements (BIS). MTIs, which are eligible securities for investment by over 50 central banks, were launched in 1998 in the U.S. dollar market, and progressively issued by the BIS in other currencies in subsequent years. While MTIs bear the same basic characteristics as a government bond and benefit from the BIS' triple-A rated credit quality, they are spread products which typically provide an ex-ante yield advantage over government securities of similar maturity. This yield pick-up originates from their pricing against the inter-bank swap yield curve, minus the intermediation margin of the BIS. A widening (tightening) in swap spreads would thus worsen (improve) the performance of MTIs relative to government bonds of comparable duration.

[5] See *Semi-Annual Review of Investment of PRGF-ESF, PRGF-HIPC, and MDRI Trust Assets* (EBS/06/168, 12/19/2006).

[6] While the investment strategy and administrative arrangements for Trust assets are similar to those of the Investment Account, management and custodial fees are slightly lower in the case of the Trusts. Trust assets include a liquidity tranche, absent from the Investment Account, which is placed in deposits with the BIS and is not subject to such fees.

Box 1. The Investment of Trust Assets

Trust assets consist of contributions from Fund members and the Fund itself for the financing of PRG, PRG-HIPC, and MDRI Trust operations. Bilateral contributions from members take the form of grants and deposits or loans at below-market interest rates. Contributions from the Fund were channeled through the SDA and comprise the net proceeds of off-market gold transactions conducted in 1999 and 2000 (equivalent to SDR 2.226 billion), investment income from the gold proceeds, and other SDA resources. On January 6, 2006, all SDA resources were transferred to fund the MDRI-I Trust, the HIPC sub-account of the PRGF-HIPC Trust, and the PRGF-ESF Subsidy Account. At end-April 2010, the total portfolio of Trust assets had a market value of SDR 6.61 billion and was structured as follows:

- 80 percent in the PRG Trust and related accounts;
- 15 percent in the PRG-HIPC Trust and related accounts; and
- 5 percent in the MDRI-I and -II Trusts.

The investment strategy of Trust assets has fluctuated over time between SDR-denominated deposits at the Bank for International Settlements (BIS) and short-term government debt obligations. In March 2000, the Executive Board endorsed a new investment strategy to enhance the return on investments to supplement the resources available to support PRGF and HIPC operations by extending duration. This was achieved by shifting three-quarters of the assets that had been invested in short-term deposits with the BIS into fixed-income securities with an average duration of 1–3 years. From January 2002 through August 2006, all Trust assets were then shifted into short-term investments, mainly BIS deposits and short-duration government debt obligations, in order to protect the investment gains that were generated by the decline in interest rates in all four currencies of the SDR basket to historically low levels at that time.

A phased extension of the portfolio duration to the current 1–3 year benchmark was completed in FY2007. Eligible investments are limited to (i) marketable obligations issued by an international financial organization and denominated in SDRs or in the currency of a member of the Fund; (ii) marketable obligations issued by a member or by a national official financial institution of a member and denominated in SDRs or in the currency of that member; and (iii) deposits with a commercial bank, a national official financial institution of a member, or an international financial institution that are denominated in SDRs or in the currency of a member. The investment authority of SDA-related resources is restricted to marketable obligations of members and international financial institutions.[1] In order to minimize currency risk, such eligible securities are denominated in SDRs or in a currency of the SDR basket. The currency composition of the portfolio is weighted to reflect the currency weights of the SDR basket. The minimum rating is double-A.

[1] A description of the investment authority is set out in *Investment of SDA, PRGF, and PRGF-HIPC Resources* (2/15/00, EBS/00/26).

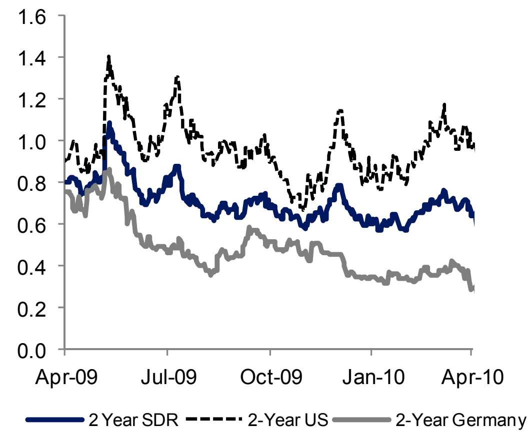
5. **Trust assets decreased slightly during the period**. While the size of the bond and MTI portfolios is little changed, the balance of deposits declined by about SDR 400 million from end-April 2009 as a result of net outflows to service bilateral lenders, disbursements and repayments to the Trusts from borrowers—a significant share of this outflow is due to the repayment of EUR 300 million to the German authorities in February 2010. At end-April 2010, the net asset value of the portfolio stood at SDR 6.61 billion.

III. PORTFOLIO RETURNS AND MANAGER PERFORMANCE

A. Portfolio Returns

6. **Trust assets earned 2.07 percent in the period under review, compared with 5.26 percent in the previous fiscal year (Table 1 and Annex II).**[7] Despite signs of economic recovery, SDR-weighted government bond yields continued to decrease, albeit at a much slower pace than during the previous two fiscal years.[8] Overall, the two-year SDR interest rate, which broadly corresponds to the duration of the Trusts invested in bonds and MTIs, fell by 19 basis points (Annex I). After an initial period of slow increase in yields in the spring and summer of 2009, concerns about the sustainability of the recovery and over sovereign credit risk in Europe triggered a flight to quality, mainly in the euro-area (Figure 1). This pushed two-year SDR-weighted yields down to their lowest level since the start of the crisis in 2007. German government bond yields fell the most. Short-term SDR yields to which BIS deposit rates are anchored also declined in response to the exceptionally accommodative monetary policy stance in SDR markets. This resulted in a reduced performance of the liquidity tranche of the Trusts, which is placed in fixed-term deposits with the BIS.

Figure 1. Selected Two-Year Government Bond Yields (In percent)



Sources: Bloomberg, staff calculations.

7. The investable tranche of Trust assets (in bonds and MTIs) returned 2.54 percent and significantly exceeded the return of shorter-term SDR-denominated deposits (Figure 2), primarily due to the steep slope of the yield curve. The spread between three-month and two-year yields averaged about 47 basis points.

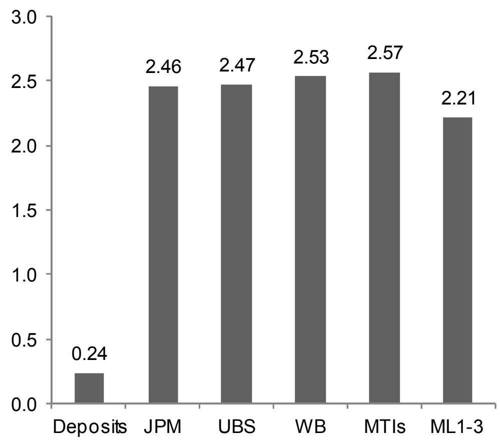
8. Income return originating from coupon and interest earned represented the greatest part of the Trusts' total return (Figures 3 and 4). Capital return due to changes in the marked-to-market valuation of securities was slightly negative (-0.12 percent), while it accounted for about one-third of the performance of the previous fiscal year.

---

[7] Returns are gross of fees. The investment management and custodial fees on the externally managed government bond portfolios average about 6 basis points per year. There are no external asset management fees associated with BIS deposits and MTIs. For the total portfolio, fees average about 2 basis points per year.

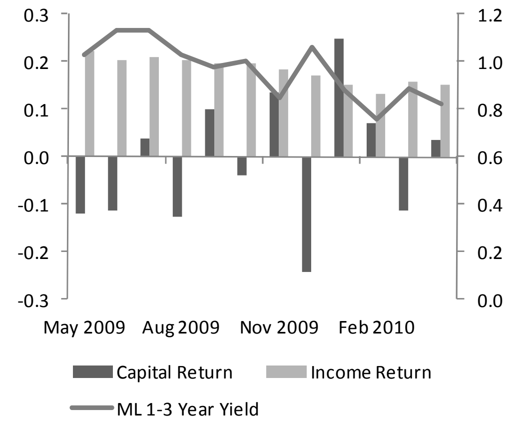
[8] Market developments during FY2010 are also reviewed in the *Annual Report of the Investment Account* (EBS/10/135, 7/2/2010).

Figure 2. FY 2010 Portfolio Returns
(In percent)



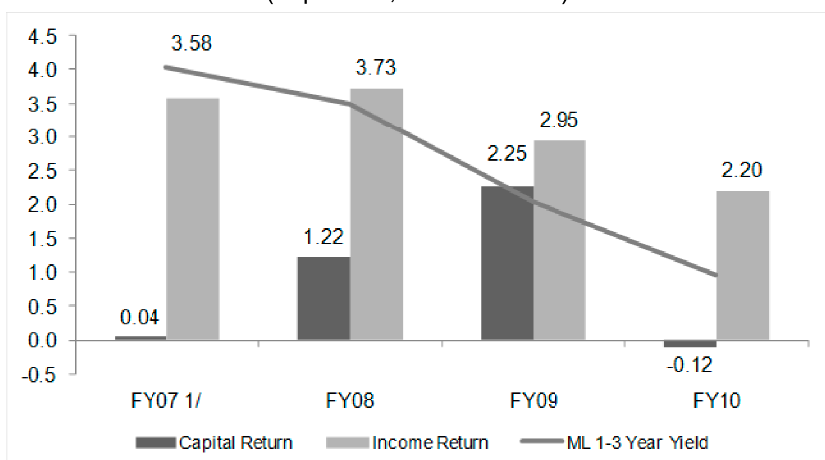
Source: State Street data.

Figure 3. Sources of Total Return (lhs)and ML 1–3 Year Average Yield (rhs)
(In percent, FY2010)



Source: State Street data.

Figure 4. Sources of Total Return (lhs) and
ML 1–3 Year Average Yield (rhs)
(In percent, FY2007-2010)



1/ Includes period of phased duration extension to the 1-3 year index.
Source: State Street data.

9. The bond portfolio, managed by external managers and comprising 40 percent of total assets, returned 2.51 percent. It outperformed the benchmark by 30 basis points.

10. The MTI portfolio returned 2.57 percent, also exceeding the 1–3 year benchmark. MTIs benefited from higher ex-ante yields, a modest narrowing of swap spreads, and an improvement of their pricing by the BIS in September and December 2009.[9]

11. SDR-denominated deposits, with an average maturity of one month as of end-April 2010, earned significantly less than in the previous fiscal year, 0.24 percent, compared with 2.00 percent in FY2009. BIS deposit rates remained exceptionally low during the fiscal year, as a reflection of the BIS' high credit rating and the impact of large liquidity injections by the central banks of the SDR component currencies.

Table 1. Investment Summary as of April 30, 2010

(In percent, annualized, unless otherwise noted)

	Valuation		Performance	
	Net asset value (in SDR millions)	Duration (in months)	FY 2010 (5/09–4/10)	Since Inception (4/00–4/10)
Bond Portfolio				
JPM	432	24	2.46	3.73
UBS	430	18	2.47	3.72
WB	1,806	23	2.53	3.78
Total	2,669	22	2.51	3.75
BIS MTI	2,666	22	2.57	4.58 1/
BIS Deposits	1,275	1	0.24	2.65 2/
Total	6,610	18	2.07	3.55 3/
Memorandum items:				
ML1-3		23	2.21	3.94
JPM1-3		22	2.29	3.89
6M SDR		6	0.61	2.78

Source: State Street.

1/ Since August 2006.

2/ Figures on return exclude the valuation effect of changes in the exchange rate between the euro and the SDR, related to a euro-denominated deposit of EUR 300 million, which matured on February 11, 2010. As the deposit was exactly matched by liabilities in euros, currency gains or losses associated with movements of the euro against the SDR were unrealized.

3/ Total cumulative performance includes return on Medium-Term Instruments issued by the BIS, up to mid-January 2002, and FFTW, whose contract was terminated in 2003.

[9] As a result of an improvement in credit markets, the BIS lowered in September 2009 its margin on MTIs from 42 to 32 basis points below relevant swap rates, and then further reduced its margin on dollar MTIs to 24.5 basis points in December. Pricing on yen-denominated MTIs remained unchanged. The MTI portfolio comprises 38 percent of total assets.

B. External Manager Performance

12. **All three external managers outperformed the 1–3 year benchmark index.** The two active managers, JP Morgan and UBS, improved their results compared with FY2009 and added 25 and 26 basis points to the index return, respectively. The World Bank, which does not take duration positions, exceeded the benchmark by 32 basis points with the help of an allocation to eligible non government securities (Table 2 and Box 2). JP Morgan and UBS have a mandate to actively manage the portfolio around the benchmark and their main decision is the choice of portfolio duration.[10] All managers may also attempt to add value by investing in eligible non-government securities, which implies taking on additional credit risk. On average, the allocation to spread products represented 3 to 4 months of duration for JP Morgan and UBS and about 5 months for the World Bank.

Table 2. External Managers Performance
(In percent)

	FY 2010 (5/09–4/10) 1/		Since Inception (4/00–4/10)	
	Return	Excess return	Annualized return	Excess return
JPM	2.46	0.25	3.73	0.01
UBS	2.47	0.26	3.72	-0.01
World Bank	2.53	0.32	3.78	0.08
Total	2.51	0.30	3.75	0.05

Sources: State Street data, staff calculations.

1/ All bond portfolios are currently managed against the ML 1–3 year government bond index. Prior to September 2006, the benchmark for JP Morgan and UBS was the 3-month LIBID index; prior to October 2006, the World Bank managed two separate portfolios against a combined 3-month LIBID and ML 0–1 year benchmark.

13. **Before fees, the active managers improved their returns relative to FY 2009 and implemented with varying degrees of success a few tactical allocation decisions.** Except in the case of the pound-sterling market, JP Morgan and UBS held opposite views with respect to the direction of interest rates, particularly in the second half of the period (Annex II). JP Morgan have been long of benchmark duration since the fall of 2009 and benefited from the decrease in yields. It also kept a small allocation to eligible spread products. UBS, however, suffered from a short duration stance implemented in September 2009, mainly in the euro and dollar portfolios, but gained from an allocation to Japanese inflation-linked bonds, eligible spread products, and a short duration in the U.S. market in

[10] Duration measures interest rate risk by approximating the sensitivity of a bond's value to changes in interest rates.

July 2009, when yields rose. Both managers allocated assets to dollar-denominated short-term certificates of deposits.[11]

14. **The portfolio managed by the World Bank benefited from the yield premium on eligible high-grade non-government bonds and a modest tightening of credit spreads.** The Bank manages the portfolio under a passive mandate, thus matching the duration of the 1-3 year index, but which also allows tactical allocations to eligible non-government bonds.

Table 3. Bond Portfolio Average Duration and Excess Returns 1/

	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
Deviations from Benchmark Duration (In months)												
JPM	2.5	0.6	1.9	1.3	0.2	1.5	1.5	0.3	1.9	1.9	0.1	1.6
UBS	1.3	1.3	0.2	0.3	-0.9	-1.6	-2.0	-3.1	-4.1	-3.3	-3.2	-4.4
WB	-0.2	-1.0	-0.2	0.0	-0.8	-1.0	-0.5	-0.8	0.0	0.0	-1.3	0.0
Monthly Excess Return (In percent)												
JPM	-0.06	0.08	0.01	0.01	0.02	0.05	0.00	0.02	0.06	0.06	-0.01	0.01
UBS	-0.07	0.11	0.17	0.02	0.04	0.01	0.02	0.11	-0.04	-0.11	0.04	-0.03
WB	0.08	0.06	0.05	0.02	0.02	0.02	0.01	0.01	0.03	0.02	0.01	-0.01
Memorandum items:												
ML 1-3 - End of Month Yields (In percent)												
	1.03	1.13	1.13	1.03	0.98	1.00	0.85	1.06	0.88	0.76	0.89	0.82

1/ Returns are expressed before management fees. The benchmark is the Merrill Lynch 1-3 year index.

Sources: State Street data, staff calculations.

IV. RISK CONTROLS AND COMPLIANCE

15. **Investments were kept within the risk limits of each mandate**. Regular rebalancing of the portfolio by managers ensured that the currency weights of their respective portfolios closely matched the SDR basket, thereby limiting exposure to currency risk (Annex IV). The duration of the bond portfolios was also kept within the agreed limits of +/- six months (one month for the World Bank) around the duration of the index on the SDR level and, in aggregate, stood at 22 months at end-April 2010, equal to that of the ML 1–3 year benchmark (Annex II). The composition of the portfolio also conformed to the credit and issuer limits of the investment guidelines.[12]

16. The next semi-annual report of investment performance, covering the period May 1, 2010–October 31, 2010, will be issued to the Executive Board in December 2010.

[11] At end-April 2010, UBS held 7.5 percent of the portfolio's net asset value in such instruments and JP Morgan about 3 percent.

[12] Exposure to European countries that have been affected by the sovereign debt crisis was minimal (at year-end, JP Morgan held a small position in an eligible Spanish agency bond).

Box 2. Additional Measures of Investment Performance[1]

In addition to return, two measures widely used to evaluate portfolio performance are tracking error and information ratio. Tracking error—the annualized standard deviation of the monthly excess returns relative to the benchmark index—is a measure of how much the performance of a portfolio has varied relative to the benchmark index over a given period. Managers closely replicating the risk profile of the benchmark will show low tracking errors. The information ratio—the ratio of excess return to excess risk incurred—measures the profitability of an investment strategy relative to the level of risk.[2]

As shown in the table below, each of the external managers exhibited very low tracking errors during the period when duration was shortened (January 2002 through August 2006). Given the short portfolio duration and its narrow deviation bands, managers had relatively little scope to add returns relative to their benchmark. On the other hand, information ratios also increased during this period, an indication that the small excess returns (before fees) did not come at the expense of added volatility.

Although it has been a relatively short while since moving back to the 1–3 year index (3 ½ years), the period since mid-2006 demonstrates the difficulty of private managers to add excess return. Both JP Morgan and UBS have carried out some notable tactical deviations from the benchmark's modified duration and asset allocation (Annex II), but the overall success of these strategies is uneven. The World Bank, which has a passive mandate and only pursues tactical allocation strategies to eligible non-government bonds (i.e., spread products) while replicating the benchmark's duration, has so far shown more positive results, on the basis of slightly better returns and a superior information ratio. By comparison, the MTI portfolio (not shown below) which also implements a positive carry strategy while keeping the duration in line with the benchmark has delivered a higher excess return over time, at the cost of a greater variability of monthly returns.

External Managers' Performance Metrics
(Annualized, in percent)

	Apr 2000–Dec 2001	Jan 2002–Aug 2006	Sep 2006–Apr 2010	Since Inception
Tracking error 1/				
JPM	0.41	0.16	0.24	0.24
UBS	0.24	0.12	0.40	0.27
World Bank	0.14	0.09	0.17	0.13
Information ratio 2/				
JPM	0.24	0.49	-0.49	0.04
UBS	-0.59	0.66	-0.13	-0.03
World Bank	0.12	0.65	0.79	0.60
Excess returns				
JPM	0.10	0.08	-0.12	0.01
UBS	-0.14	0.08	-0.05	-0.01
World Bank	0.02	0.06	0.13	0.08
Proportion of months with positive excess returns				
JPM	52	55	48	52
UBS	48	59	55	55
World Bank	57	55	68	60

Sources: State Street data, staff calculations.

1/ Tracking error is a measure of the risk profile of a portfolio relative to a benchmark index. It is the annualized standard deviation of the monthly excess returns.
2/ The information ratio measures the risk-reward profile of a portfolio by expressing the average monthly excess return divided by the tracking error.

[1] These measures are reported in the Trust Account report and not in the IA report, due to the longer performance record of the former.

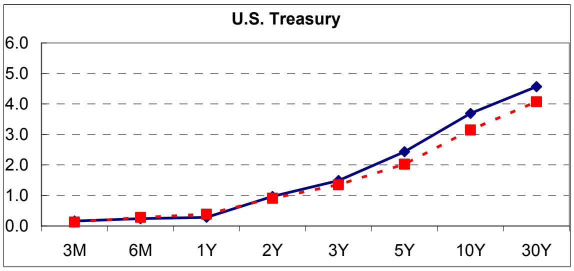
[2] See Box 1 for a full description of benchmarks used since April 2000.

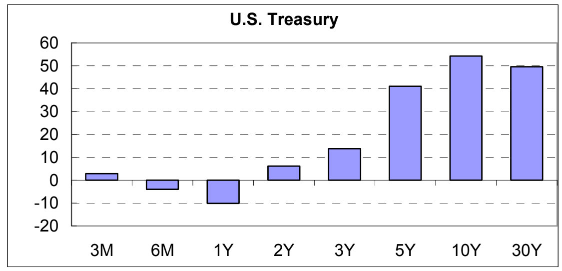
ANNEX I: CHANGES IN SDR YIELDS

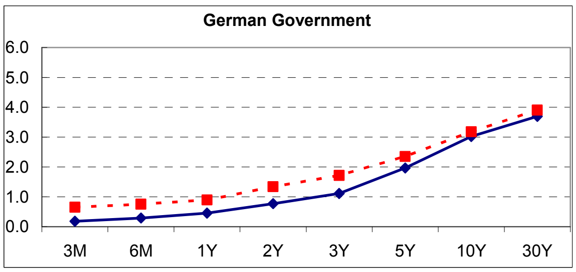
1. Yield curves at the start and at the end of the period (In percent)

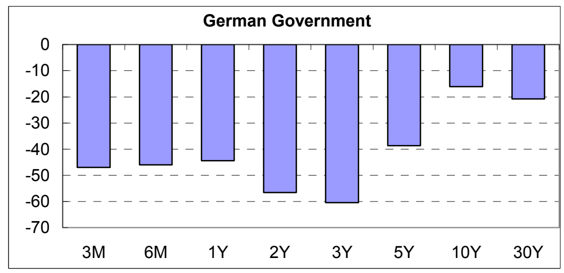
2. Yield Changes during the period (In basis points)

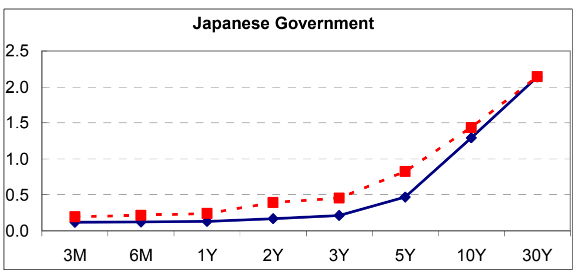
4/30/10 4/30/09

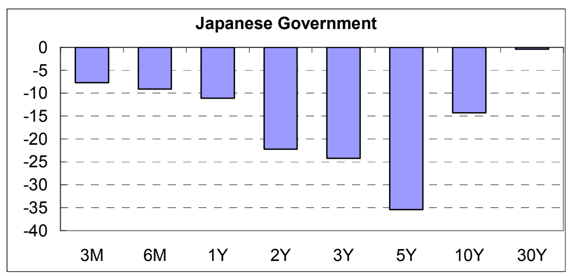


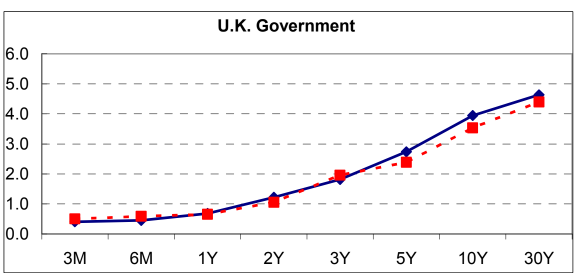


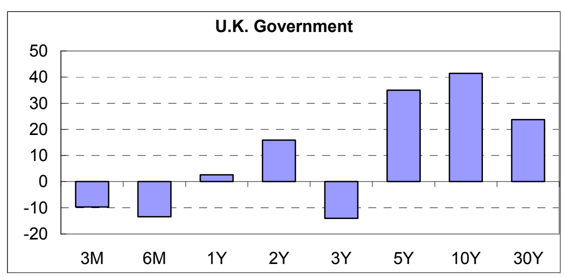


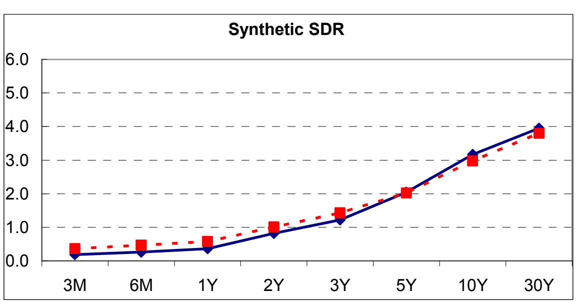


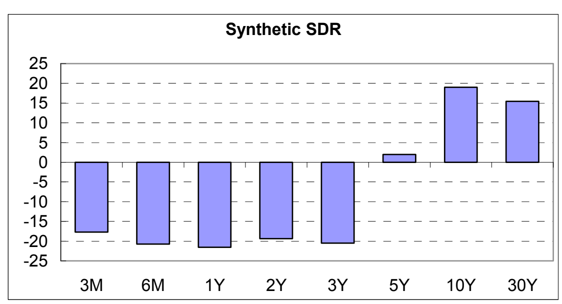






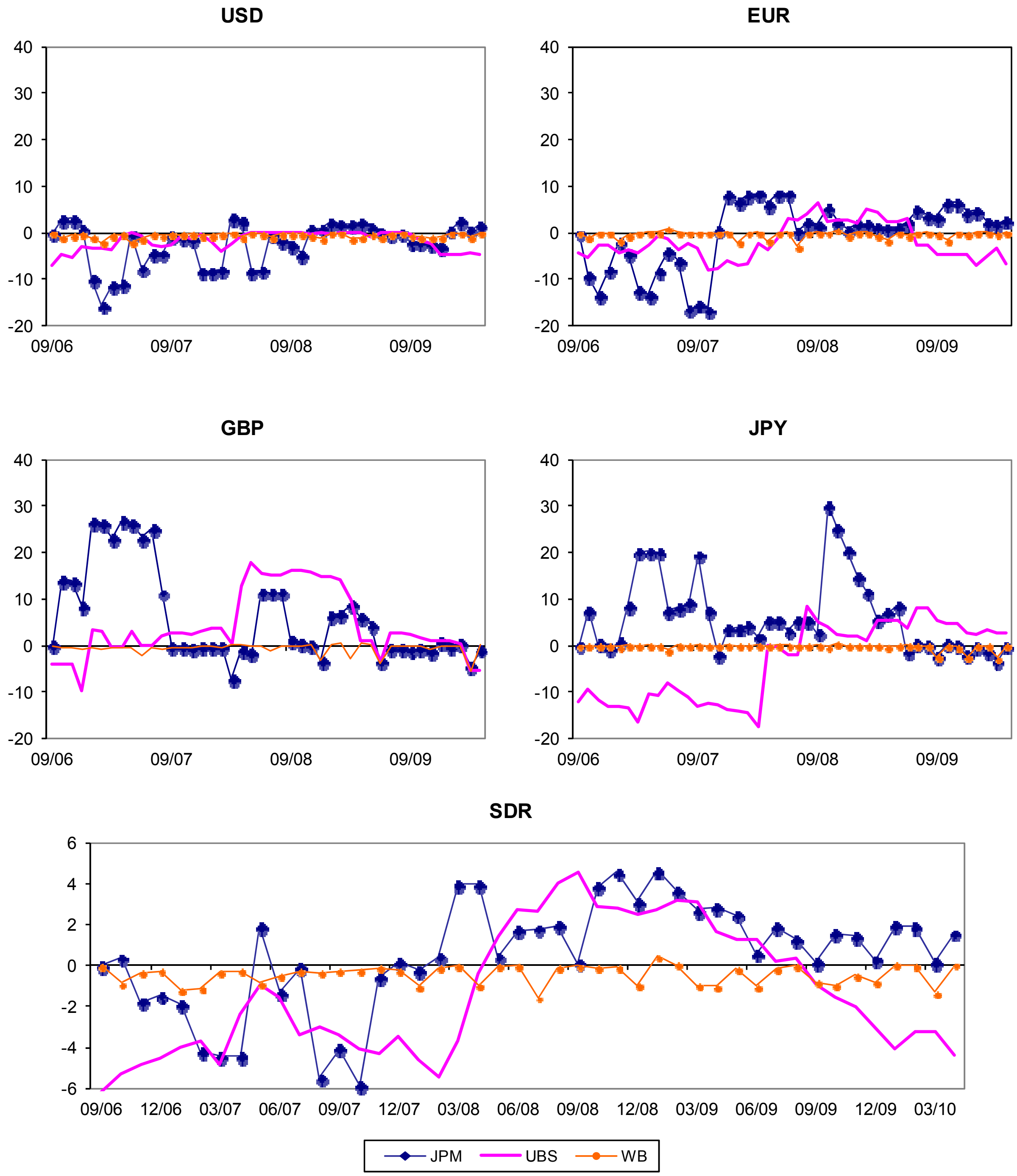






Source: Bloomberg

ANNEX II: MANAGERS DURATION DEVIATION FROM THE BENCHMARK
(In months of duration)



Sources: Managers monthly reports.

ANNEX III: PORTFOLIO PERFORMANCE AND COMPARATIVE RETURNS

(In percent, annualized, unless otherwise noted)

	FY 2009	FY 2010 Monthly Returns (Non-annualized) 1/												FY 2010	Since Inception 2/ 3/	
		May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10		Portfolio	Benchmark
Bond Portfolio																
JPM	5.42	-0.05	0.20	0.24	0.08	0.35	0.24	0.37	-0.07	0.49	0.29	-0.01	0.30	2.46	3.73	3.72
UBS	5.41	-0.06	0.24	0.40	0.09	0.37	0.20	0.39	0.02	0.39	0.12	0.04	0.26	2.47	3.72	3.72
WB	5.89	0.09	0.18	0.28	0.09	0.35	0.21	0.38	-0.08	0.46	0.25	0.02	0.28	2.53	3.78	3.70
Total	5.74	0.04	0.19	0.29	0.09	0.36	0.21	0.38	-0.07	0.45	0.23	0.02	0.28	2.51	3.75	3.70
BIS MTI	6.82	0.20	0.03	0.32	0.10	0.38	0.17	0.40	-0.13	0.54	0.27	0.09	0.17	2.57	4.58	4.36
BIS Deposits 4/	2.00	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.24	2.65	2.65
Total	5.26	0.10	0.09	0.25	0.08	0.30	0.16	0.32	-0.07	0.40	0.20	0.05	0.18	2.07	3.55	…
Memorandum items:																
ML1-3	5.62	0.01	0.12	0.23	0.07	0.33	0.19	0.38	-0.09	0.43	0.23	0.00	0.29	2.21	…	3.94
JPM1-3	5.74	0.00	0.12	0.25	0.07	0.35	0.18	0.38	-0.11	0.47	0.23	0.01	0.31	2.29	…	4.36
6M SDR	2.44	0.07	0.07	0.06	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.61	…	2.78

Source: State Street.

1/ Bond portfolio returns are gross of fees. Management and custodian fees average around 2 basis points of the total portfolio.
2/ Inception date of April 2000 for bonds and BIS deposits, and August 2006 for current MTI portfolio.
3/ Total return since inception includes return on Medium-Term Instruments issued by the BIS, up to mid-January 2002, and FFTW, whose contract was terminated in 2003.
4/ Figures on return exclude the valuation effect of changes in the exchange rate between the euro and the SDR, related to a euro-denominated deposit of EUR 300 million, which matured on February 11, 2010. As the deposit is exactly matched by liabilities in euros, currency gains or losses associated with movements of the euro against the SDR were unrealized.

ANNEX IV: TRUST ACCOUNTS—BOND PORTFOLIO EXPOSURE

(As of April 30, 2010, in percent)

Currency Exposure

	Benchmark	Portfolio
Euro	36.1	36.1
Japanese yen	12.9	12.9
Pound sterling	9.2	9.1
U.S. dollar	41.8	41.9
Total	100.0	100.0

Country Exposure

	Rating 1/	Portfolio
Austria	AAA	0.5
Finland	AAA	1.0
France	AAA	0.5
Germany	AAA	33.9
Japan	AA	12.8
Spain	AA	0.3
United Kingdom	AAA	6.0
United States	AAA	37.2
African Development Bar	AAA	0.5
Asian Development Bank	AAA	0.9
European Investment Bai	AAA	6.5
Total		100.0

Maturity Exposure

	Portfolio
Cash 2/	2.1
< One Year	6.9
1 to 3 Years	87.9
3 to 5 Years	2.4
5 to 10 Years	0.7
Total	100.0

1/ S&P long-term local currency sovereign rating.
2/ Includes residual cash balances and custodian's short-term investment funds.