

Table 1: Credit Score Analysis

Scoring:

Long-Term Credit Rating	Score
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
Not rated	11
BB	12
CCC	13
C	14
D	15

- **Value Weighted Average Credit Risk** - The value weighted average reflects to the credit quality of investments to the size of the deposit.
- **Time Weighted Average Credit Risk** – This reflects the credit quality of investments according to the maturity of the deposits. An ideal scenario would have a lower time weighted average credit score than for Value weighted credit score, this would then indicate that where a long term investment decision were taken a higher credit quality counterparty had been selected. The Council aims to achieve a score of 5 or lower, to reflect the Council’s overriding priority of security of monies invested
- **Average number of days to maturity** – As a general rule Council would aim to, over time, convert a greater average length of portfolio duration into a greater than average return.
- **Value Weighted Average V’s Average number of days to maturity** – Council should strive to take less credit risk when extending their investments for a greater duration.