

Ordinary Meeting

Meeting Date: Tuesday, 27 February, 2018

Location: Council Chambers, City Administrative Building, Bridge Road, Nowra

Attachments (Under Separate Cover)

Index

12. Reports

CL18.44 Investment Report - January 2018

Attachment 1 Shoalhaven Monthly Investment Report - January 2018.....2



Monthly Report

Shoalhaven City Council

January 2018



Market

International Markets

The Dow Jones, S&P500 and NASDAQ soared to new records, +5.88%, +5.73% and +7.40% in January, on an expanding US economy, growing corporate profits and enthusiasm over US tax cuts.

US 10-year yields soared +32bp to 2.72%, and continued to sell off into February - German bunds also traded +30bp wider, with Australia trading 19bp weaker. US unemployment remained steady at multi-decade lows of 4.1%, with Germany setting a new record low 3.6% unemployment. French unemployment rose to 9.7% (+0.2%).

Donald Trump levied a 30% tariff on imported solar panels; the State of the Union also hinted at a harder line on trade. The Trans-Pacific Partnership trade pact was revived to contain 11 remaining countries (ex-USA).

Janet Yellen's final meeting saw the Fed's benchmark interest rate unchanged at 1.25-1.50%. US core CPI was +1.8% (up +0.1%), but forecast to rise in justifying 50-75bp of rate hikes in 2018.

India forecast accelerating growth towards 7% in the FY18/19 fiscal year. A planned budget deficit of 3.3% GDP for fiscal 2019 reflects further social spending.

China's manufacturing PMI eased in January, falling to 51.3 (-0.3). As the government tackles polluting industries and high debt levels, there is growing consensus of slower 2018 growth.

The Eurozone grew +2.5% in 2017, a decade high. The end of Greek secession fears, and elections of pro-EU Administrations, provided renewed certainty for investment. Europe and Japan provided the growth surprises in 2017, along with return to growth in Brazil and Russia (+1.1% in Q2).

Domestic

The ASX200 fell slightly, losing -0.45%. The Small Ordinaries marginally underperformed with -0.54%.

Annual house price growth was 3.2% YoY to January (down 1% after prices fell -0.3% in January itself, according to CoreLogic). Mortgage approvals fell to 61,000 in December. Sydney had the biggest monthly and quarterly downturn, as unprecedented supply was completed.

Prices rose +0.6% in Q4, above the +1.9% p.a. average for 2017. Excluding oil, the trimmed mean (+0.4% QoQ / +1.8% YoY) provided no threat to monetary policy.

Unemployment rose to 5.5% in December, on a participation rate of 65.7% (+0.2%, and +0.9% over 2017). +34,700 new jobs was consistent with 2017's record year, with +15,100 full-time. Monthly hours worked fell -0.2%.

Retail trade soared +1.2%, and apartment approvals +11.7% (although house approvals fell -0.2%). The current account deficit expanded to -\$628m despite firmer commodity prices, taking the trend negative.

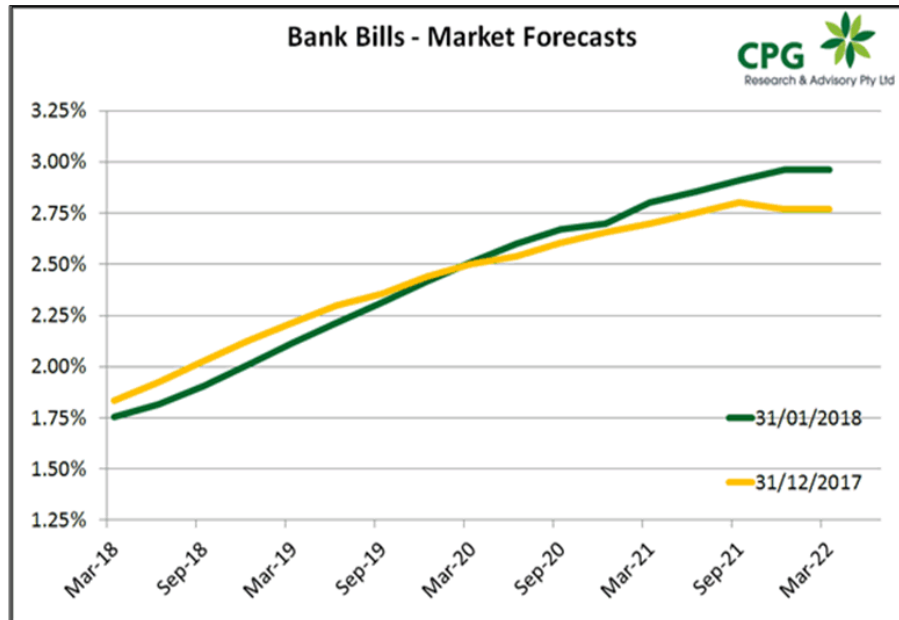
Other Markets

WTI oil soared to \$64.89/bbl (+7.40%). Gold was firmer at \$1,344 (+2.89%). The \$A continued to strengthen, gaining +3.50% to US80.73c. US Treasury Secretary Mnuchin condoned a weaker \$US.

Iron Ore finished flat at \$72.05 following earlier strong gains. Base metals were higher in January. Nickel (+10.61%), Tin (+10.08%) and Zinc (+8.50%) were higher. Copper and Aluminium eased -1% from multi-year highs.



As bond yields rose at the long end, futures suggested more aggressive policy, with an additional rate increase now factored in for the out years.



Credit Market

Markets were slightly firmer, with modest gains again setting post-GFC tights:

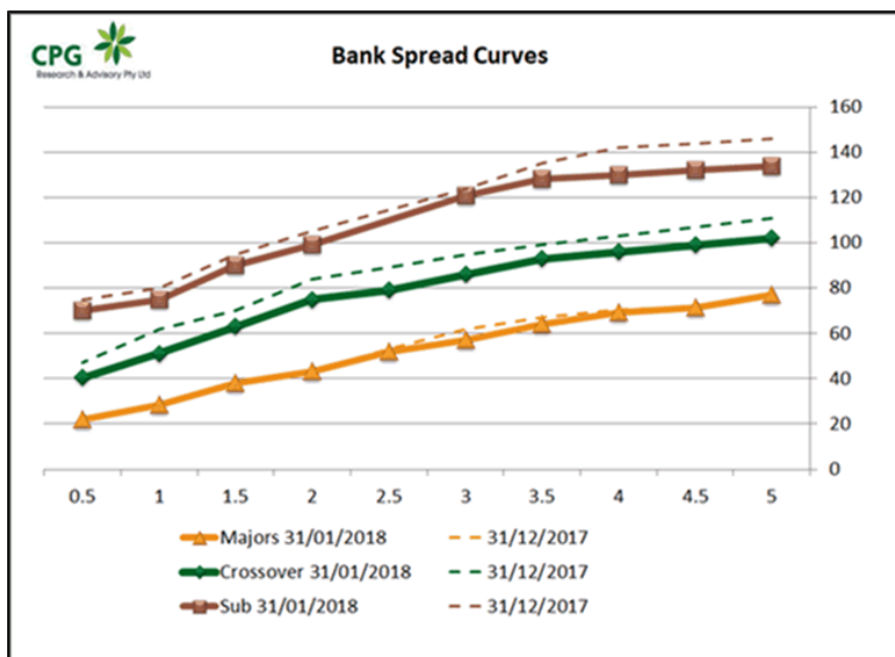
Credit Indices	31 Jan 18	31 Dec 17	31 Jan 17
iTraxx Australia 5 Yr CDS	57bp	58bp	93bp
iTraxx European 5 Yr CDS	44bp	45bp	74bp
CDX IG North American 5 Yr CDS	47bp	49bp	66bp
CDX HY North American 5 Yr CDS	301bp	307bp	350bp

Investment grade has been particularly strong over the past year, with high yield less so (but with higher income).

Bank FRNs were tighter across the board (term, rating, seniority), although major bank moves were small and representing steepening primarily in the middle durations.

Sub debt is expensive.

As stockmarkets fell after month end, we note that **CDS markets have been much more sensitive to the negative sentiment than physical bonds – *institutional investors appear to have “strong hands” for credit as a core allocation***, and the Westpac hybrid sold at the tight end of its indicated range mid-panic.

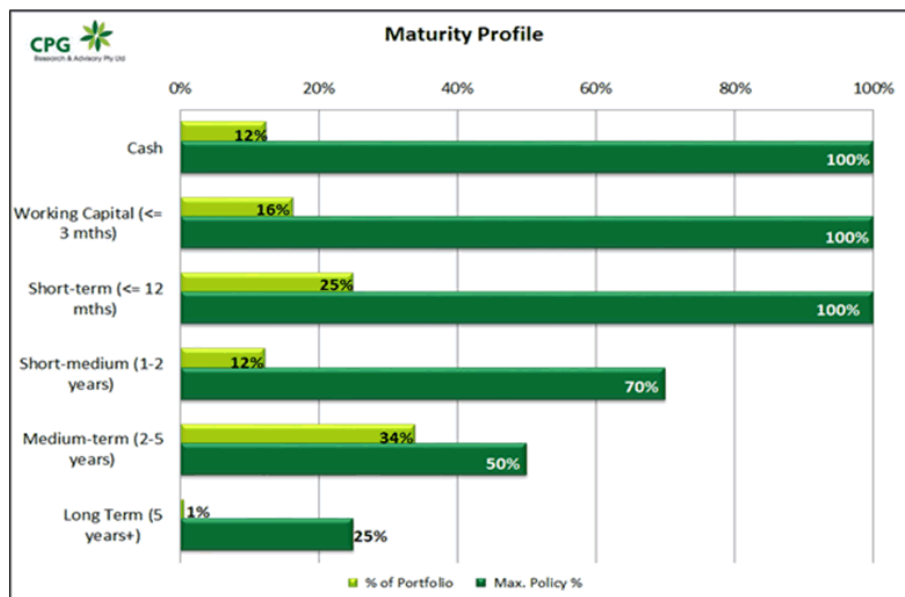




Council's Portfolio

The portfolio has strong liquidity, with 12% of investments available at-call and a further 16% of assets maturing within 3 months. Another 25% of assets mature within 3-12 months, leaving capacity to invest towards medium to longer durations.

Council has a further allocation to securities and Macquarie fund, for additional liquidity requirements and seeking trading gains.

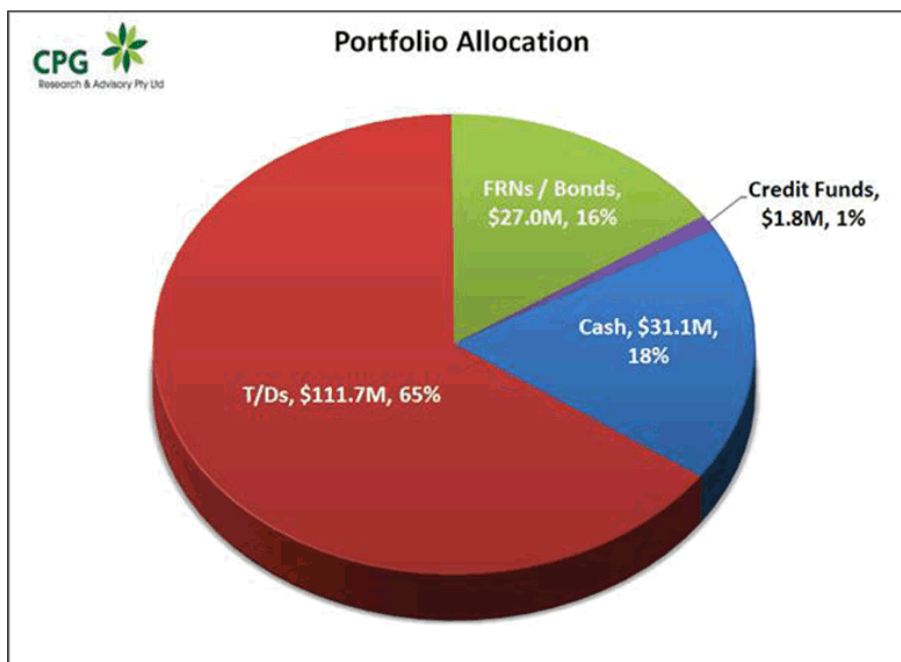


The portfolio is diversified across maturities, with around 34% of assets under medium term duration providing sufficient flexibility for further investment.

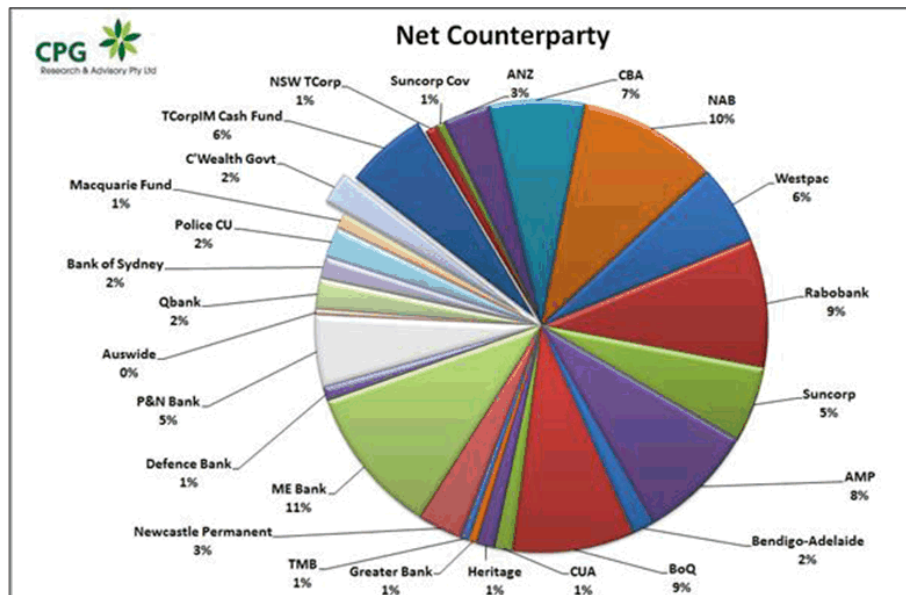
Downgrades of the most active banks made it more difficult to maintain higher rating (for new investments). There are now very few banks rated A or higher from all agencies.

Council complies with limits for BBB assets from other investors. However, with the portfolio expected to contract over FY18, this capacity will be used conservatively. At current allocation, shrinkage to around \$155m (from the current \$170m) would not result in capacity breaches.

Council's portfolio remains directed primarily to deposits, at 65% of the total assets, with the rest in liquid securities and cash as well as a small residual investment in a credit fund with Macquarie.



The investment portfolio is well diversified in complying assets across the entire credit spectrum; with no excessive concentrations.

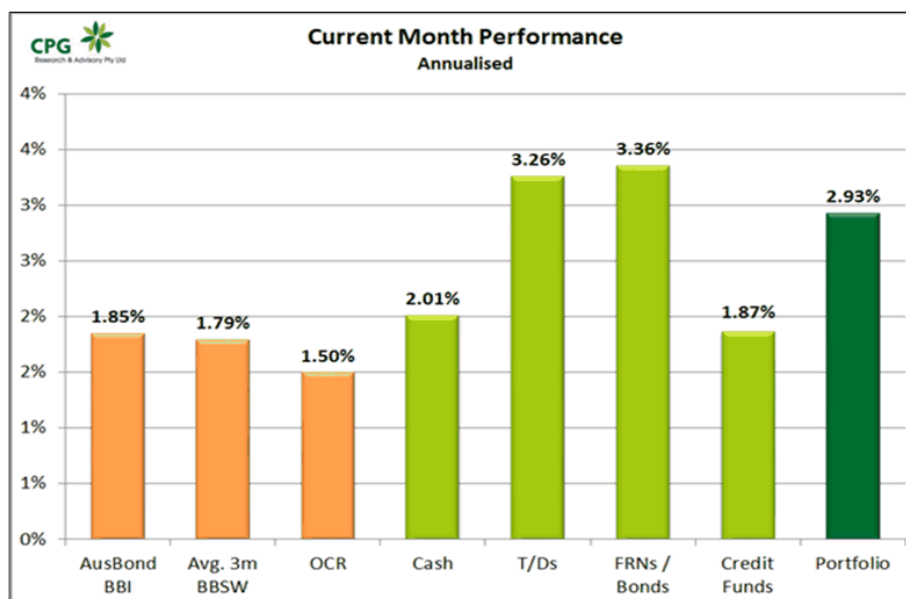




Returns - Accrual

Actual	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	0.13%	0.38%	0.75%	0.88%	1.50%	1.60%	1.75%	1.94%	2.09%
Avg. 3m BBSW	0.15%	0.44%	0.87%	1.01%	1.74%	1.84%	1.97%	2.15%	2.27%
AusBond Bank Bill Index	0.16%	0.43%	0.87%	1.01%	1.75%	1.89%	2.02%	2.19%	2.32%
Council Cash	0.17%	0.51%	1.03%	1.21%	2.16%	2.22%	2.38%	2.56%	2.63%
Council T/Ds	0.27%	0.81%	1.62%	1.90%	3.36%	3.49%	3.60%	3.69%	3.77%
Council FRNs / Bonds	0.28%	0.82%	1.71%	1.96%	3.22%	3.22%	3.32%	3.46%	2.76%
Council Credit Funds	0.16%	0.58%	1.66%	2.21%	4.64%	4.80%	3.39%	3.33%	4.06%
Council Total Portfolio	0.25%	0.73%	1.45%	1.70%	2.95%	3.16%	3.30%	3.44%	3.57%
Annualised	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.60%	1.75%	1.94%	2.09%
Avg. 3m BBSW	1.79%	1.76%	1.73%	1.73%	1.74%	1.84%	1.97%	2.15%	2.27%
AusBond Bank Bill Index	1.85%	1.73%	1.73%	1.73%	1.75%	1.89%	2.02%	2.19%	2.32%
Council Cash	2.01%	2.02%	2.05%	2.06%	2.16%	2.22%	2.38%	2.56%	2.63%
Council T/Ds	3.26%	3.26%	3.21%	3.25%	3.36%	3.49%	3.60%	3.69%	3.77%
Council FRNs / Bonds	3.36%	3.29%	3.42%	3.35%	3.22%	3.22%	3.32%	3.46%	2.76%
Council Credit Funds	1.87%	2.30%	3.32%	3.78%	4.64%	4.80%	3.39%	3.33%	4.06%
Council Total Portfolio	2.93%	2.91%	2.90%	2.90%	2.95%	3.16%	3.30%	3.44%	3.57%

The Investment portfolio returned a strong **2.93% p.a.** for the first month of 2018, exceeding the benchmark AusBond Bank Bill Index (1.85% p.a.) by **+108bp**. This month, the credit fund produced a +0.16% net, with the year at 4.64%.



Other than true cash, the longer dated investments all significantly outperformed. Deposits continue to support returns, with periodic contributions from realised capital gain on sales of existing FRNs. Credit had a relatively flat month, but the Macquarie fund still completed a year above 4.6% - continuing its strong multi-year performance.



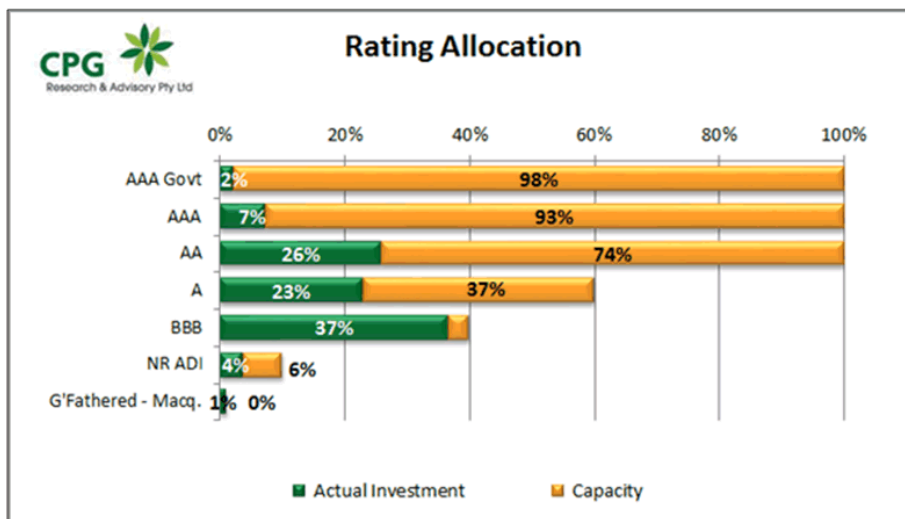
Credit Quality

We have tested the portfolio provided against Council's current investment policy and report the following:

Aggregate credit limits are in compliance:

Rating Category	Actual	Per C/Party	Aggregate	Rating Category	Actual Investment	Capacity
AAA Govt	2%	100%	100%	AAA Govt	2%	98%
AAA	7%	40%	100%	AAA	7%	93%
AA	26%	30%	100%	AA	26%	74%
A	23%	15%	60%	A	23%	37%
BBB	37%	10%	40%	BBB	37%	3%
NR ADI	4%	5%	10%	NR ADI	4%	6%
G'Fathered - Macq.	1%	1%	1%	G'Fathered - Macq.	1%	0%

Credit quality is mostly directed towards the higher rated ADIs, with capacity levels in investment grade BBB rated in accordance with Council, allowing flexibility for future investment opportunities.





Other Compliance

We have tested the portfolio provided against Council's current investment policy and report the following:

All counterparties comply **other than a small overweight position with ME Bank of ~\$1M which will be closed out by the current month's maturities.**

Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Actual	Capacity
TCorpIM Cash Fund	\$10.09M	\$0.00M	\$10.09M	AAA	40%	6%	\$58.55M
NSW TCorp	\$1.53M	\$0.00M	\$1.53M	AAA	40%	1%	\$67.11M
Suncorp Cov	\$1.00M	\$0.00M	\$1.00M	AAA	35%	1%	\$58.39M
ANZ	\$6.00M	\$0.25M	\$5.75M	AA-	30%	3%	\$45.73M
CBA	\$12.00M	\$0.25M	\$11.75M	AA-	30%	7%	\$39.73M
NAB	\$17.45M	\$0.25M	\$17.20M	AA-	30%	10%	\$34.28M
Westpac	\$10.00M	\$0.25M	\$9.75M	AA-	30%	6%	\$41.73M
Rabobank	\$16.00M	\$0.25M	\$15.75M	A+	15%	9%	\$9.99M
Suncorp	\$9.50M	\$0.25M	\$9.25M	A+	15%	5%	\$16.49M
AMP	\$14.69M	\$0.25M	\$14.44M	A	15%	8%	\$11.30M
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0%	\$25.74M
ING	\$0.00M	\$0.00M	\$0.00M	A	15%	0%	\$25.74M
Bendigo-Adelaide	\$3.00M	\$0.25M	\$2.75M	BBB+	10%	2%	\$14.41M
BoQ	\$15.00M	\$0.25M	\$14.75M	BBB+	10%	9%	\$2.41M
CUA	\$2.25M	\$0.00M	\$2.25M	BBB+	10%	1%	\$14.91M
Heritage	\$2.25M	\$0.00M	\$2.25M	BBB+	10%	1%	\$14.91M
Police Bank	\$0.00M	\$0.00M	\$0.00M	BBB+	10%	0%	\$17.16M
Greater Bank	\$1.00M	\$0.00M	\$1.00M	BBB+	10%	1%	\$16.16M
TMB	\$1.00M	\$0.00M	\$1.00M	BBB+	10%	1%	\$16.16M
Newcastle Permanent	\$5.50M	\$0.00M	\$5.50M	BBB	10%	3%	\$11.66M
ME Bank	\$18.50M	\$0.25M	\$18.25M	BBB	10%	11%	-\$1.09M
Defence Bank	\$2.00M	\$0.25M	\$1.75M	BBB	10%	1%	\$15.41M
Beyond Bank	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$17.16M
P&N Bank	\$9.00M	\$0.25M	\$8.75M	BBB	10%	5%	\$8.41M
Big Sky CU	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$17.16M
Auswide	\$1.00M	\$0.25M	\$0.75M	BBB-	10%	0%	\$16.41M
Qbank	\$4.00M	\$0.25M	\$3.75M	BBB-	10%	2%	\$13.41M
Bank of Sydney	\$3.00M	\$0.25M	\$2.75M	NR	5%	2%	\$5.83M
Police CU	\$4.00M	\$0.25M	\$3.75M	NR	5%	2%	\$4.83M
Macquarie Fund	\$1.85M	\$0.00M	\$1.85M	NR	1%	1%	\$0.00M
	\$171.60M		\$167.60M			98%	
C\Wealth Govt		\$4.0M	\$4.00M	AAA	100%	2%	
Total	\$171.60M		\$171.60M			100%	



Term Deposits

At month-end, deposits accounted for approximately 65% of the total investment portfolio. The weighted average duration of the deposit portfolio is approximately **1.6 years**, unchanged from previous month still much longer than the peer group average.

Maintaining a longer duration will provide protection to Council's income. The current average yield of **3.10% remains above any deposit up to 3 years in today's market**, around +110bp over bank bills. This is likely to be supported at above-market levels over the current financial year, given the 1.6 year duration.

Across the short-end of the curve, wholesale deposit margins were little changed as banks generally held their rates unchanged as bond yields soared .

At the longer end, spreads are in from ~+125bp to 90's but rates almost entirely static as banks have absorbed bond market moves. The 3-year deposit rate with BoQ at 3.10% and special 2 years from major banks like CBA and Westpac now exceeding BoQ at ~2.88% appear reasonable value given the inflation outlook. **But we are concerned that the RBA may be dragged into a tightening cycle by the US Fed.**

Relevant portfolio data follows:

Term Deposit Statistics

Percentage of total portfolio	65%
Weighted Average Yield	3.10%
Weighted Average Duration	1.6 yrs

Credit Quality of Deposits

AAA^	1%
AA	31%
A	19%
BBB	43%
Unrated ADI	6%
Total	100%

^ Calculation excludes the Financial Claims Scheme (FCS)

We refer to the detailed analysis in our January **Fixed Interest Analytics**.

While spread levels are relatively tight, we believe Council will benefit somewhat from new FRNs – and we are seeking new issues.



FRNs & Fixed Bonds

Major banks were little changed. Longer-dated securities show relatively flat returns with a new issue premium – but it is noteworthy that deposit margins have contracted towards FRNs since November. When the 2018 issuance programme begins, it will be seen how strong investor demand is in the new year.

CBA's latest FRN at +80bp in late January remains unchanged at month end, but NAB's latest issue from late 2017 at +80bp too is now marked +78bp.

For most of their life, there is little excess return in prospect from FRNs, although there is a small new issue premium. Tight spreads are consistent with broader indices making post-GFC tights, a decade after beginning to widen.

More important is their role in:

- Maintaining target returns in an environment of few A rated institutions; a rolling FRN strategy should at least keep up with medium-term deposits of lesser rating.
- Liquidity
- The potential for a rising interest rate environment

The curve is relatively flat, with the expectation of deposit-like returns. Anything maturing in the 2019 area is now sub-economic, and even the 2020s are only accruing in line with deposits of equivalent term.

Major bank spreads are now in the mid-70's on the secondary market, and are likely to issue around +80 for future issues. CBA's latest issue was at +80bp.

Council sold \$1m of Aug 2019 Suncorp during the month and had a realised capital gain of \$6,330. Council also participated in CBA's latest issue at +80bp.

We continue to recommend gradual sell down of FRN portfolio, considering specific new issues where the yield is satisfactory in combination with longer deposits.

We are working with Council to identify sale opportunities which would further assist in reducing the allocation to fossil fuel lenders.



ESG and Divestment

Council has introduced a “soft divestment” instruction which looks to identify, and preferentially direct investment away from, lenders to fossil fuels.

The highlighted list is as follows:

Fossil Fuel Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Gross	Invested in Fossils
ANZ	\$6.00M	\$0.25M	\$5.75M	AA-	30%	3%	Yes
CBA	\$12.00M	\$0.25M	\$11.75M	AA-	30%	7%	Yes
NAB	\$17.45M	\$0.25M	\$17.20M	AA-	30%	10%	Yes
Westpac	\$10.00M	\$0.25M	\$9.75M	AA-	30%	6%	Yes
AMP	\$14.69M	\$0.25M	\$14.44M	A	15%	9%	Yes*
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0.0%	Yes
ING	\$0.00M	\$0.00M	\$0.00M	Split A	15%	0%	Yes
TCorpIM Cash Fund	\$10.09M	\$0.00M	\$10.09M	AAA	40%	6%	Yes
	\$70.22M		\$68.97M			41%	
Total	\$171.60M		\$171.60M				

* Note also AMP Life, AMP Capital have investments in coal and gas companies

As at January 2018, the institutions totalled 41% of Council’s investment portfolio, including TCorpIM Cash Fund - down from 43% in December and from 50% at commencement of the divestment process.

Fossil Fuels Exposure Trend	
May 2017	50%
June 2017	48%
July 2017	48%
August 2017	44%
September 2017	43%
October 2017	42%
November 2017	44%
December 2017	43%
January 2018	41%



Fixed Interest Outlook

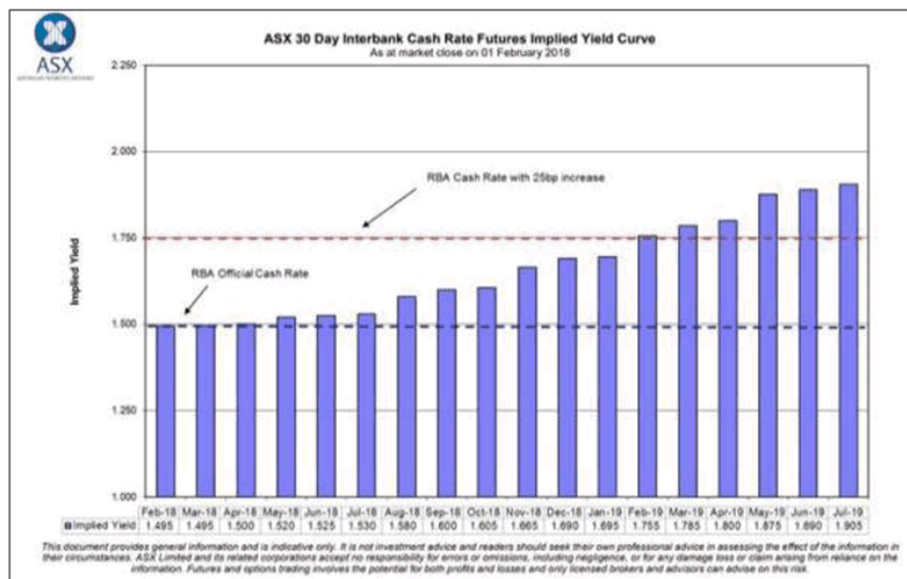
US bond yields soared +32bp, even accelerating as the mini-crash gained momentum. Investors never completely believed that the hostile US Congress would pass Pres Trump's substantial tax cuts. It was always anticipated that the filibuster could at least limit him to tax-neutral reforms. **They continued to sell off in February to new 4-year highs.**

Having passed them, anecdotally there is significant investment returning to the US – offshore retained earnings (which would be taxed) and the resultant need to redeploy it onshore. The competitive tax rate of 21% has also removed the incentive for offshoring (all other things being equal) – particularly for highly complex and automated production, which less affected by relative labour costs.

The Atlanta Fed briefly estimated a Q1 GDP reading above 5%, sending markets into panic.

Reports of a strengthening economy saw the US Federal Reserve revise up their 2018 growth forecasts at the December meeting. While not directly impacting Australia, an aggressive Fed with rates of 2-2.25% in 2018 would place considerable pressure on the RBA to respond despite another low +0.4% trimmed mean CPI that kept core inflation before the 2-3% target. Soaring employment is bringing a higher participation rate (as workers return to the workforce) but not wage inflation.

With bond weakness and respectable data, the futures market is now pondering a trajectory similar to the Fed with ~2 hikes in FY19 and potentially a first later in 2019:



Source: SFE / ASX



Portfolio Listing

Shoalhaven City Council as at 31/01/2018						
Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Bank of Sydney	NR	TD	\$3,000,000.00	194	2.60%	21-Feb-18
Members Equity	A-2	TD	\$2,000,000.00	182	2.55%	21-Feb-18
Members Equity	A-2	TD	\$1,000,000.00	367	2.62%	5-Mar-18
Members Equity	A-2	TD	\$2,000,000.00	201	2.55%	14-Mar-18
Members Equity	A-2	TD	\$2,000,000.00	215	2.55%	28-Mar-18
Members Equity	A-2	TD	\$2,000,000.00	217	2.55%	28-Mar-18
National Australia Bank	A-1+	TD	\$75,000.00	90	2.45%	5-Apr-18
Auswide Bank	A-3	TD	\$1,000,000.00	1096	3.15%	8-Apr-18
Members Equity	A-2	TD	\$2,000,000.00	223	2.52%	11-Apr-18
Members Equity	A-2	TD	\$3,000,000.00	237	2.57%	25-Apr-18
Defence Bank	NR	TD	\$2,000,000.00	365	2.75%	18-May-18
Qbank	A-3	TD	\$2,000,000.00	365	2.75%	18-May-18
Commonwealth Bank Australia	A-1+	TD	\$3,000,000.00	261	2.56%	23-May-18
Rabobank	A-1+	TD	\$2,000,000.00	1463	4.35%	6-Jun-18
Suncorp Metway Ltd Bank	A-1	TD	\$3,000,000.00	191	2.50%	20-Jun-18
Police Credit Union Ltd (SA)	NR	TD	\$2,000,000.00	372	2.90%	20-Jun-18
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	196	2.50%	25-Jun-18
ANZ	A-1+	TD	\$4,000,000.00	1462	4.15%	27-Jun-18
National Australia Bank	A-1+	TD	\$4,000,000.00	273	2.59%	27-Jun-18
National Australia Bank	A-1+	TD	\$4,000,000.00	286	2.58%	27-Jun-18
National Australia Bank	A-1+	TD	\$81,146.23	357	2.52%	29-Jun-18
Suncorp Metway Ltd Bank	A-1	TD	\$2,000,000.00	252	2.50%	25-Jul-18
Qbank	A-3	TD	\$1,000,000.00	364	2.68%	16-Aug-18
Rabobank	A-1+	TD	\$2,000,000.00	1461	4.10%	21-Aug-18
Commonwealth Bank Australia	A-1+	TD	\$3,000,000.00	281	2.50%	29-Aug-18
Bank of Qld	A-2	TD	\$2,000,000.00	1462	4.10%	3-Sep-18
State Insurance Regulatory Authority	A-1+	TD	\$1,026,000.00	365	2.59%	4-Oct-18
State Insurance Regulatory Authority	A-1+	TD	\$500,000.00	273	2.45%	10-Oct-18
Bendigo Bank	A-2	TD	\$2,000,000.00	560	2.80%	28-Nov-18
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	730	2.76%	26-Apr-19
Bank of Qld	A-2	TD	\$2,000,000.00	1827	4.75%	1-May-19
Newcastle Permanent Building Society	A-2	TD	\$2,000,000.00	1091	3.20%	22-May-19
Members Equity Bank	A-2	TD	\$2,000,000.00	1827	4.66%	28-May-19
Police Credit Union Ltd (SA)	NR	TD	\$2,000,000.00	1827	4.75%	30-May-19
Rabobank	A-1+	TD	\$2,000,000.00	1826	4.52%	19-Jun-19
National Australia Bank	A-1+	TD	\$2,000,000.00	1822	4.11%	29-Aug-19
Rabobank	A-1+	TD	\$2,000,000.00	1826	4.10%	2-Sep-19
Rabobank	A-1+	TD	\$2,000,000.00	1462	3.30%	2-Sep-19
Commonwealth Bank Australia	A-1+	TD	\$2,000,000.00	1094	2.77%	11-Jun-20
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1459	3.50%	18-Dec-20
Rabobank	A-1+	TD	\$2,000,000.00	1464	3.00%	16-Jun-21
Bank of Qld	A-2	TD	\$2,000,000.00	1821	3.85%	15-Dec-21
Bank of Qld	A-2	TD	\$5,000,000.00	1827	3.80%	21-Feb-22
Police and Nurses Bank	A-2	TD	\$5,000,000.00	1825	3.74%	22-Feb-22
Westpac Bank	A-1+	TD	\$6,000,000.00	1826	3.00%	2-Mar-22
Bank of Qld	A-2	TD	\$2,000,000.00	1826	3.80%	22-Mar-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	3.00%	24-Aug-22
Westpac Bank	A-1+	TD	\$2,000,000.00	1826	2.78%	24-Aug-22
Rabobank	A-1+	TD	\$2,000,000.00	1826	3.39%	13-Sep-22
Police and Nurses Bank	A-2	TD	\$2,000,000.00	1836	3.51%	28-Sep-22
Total Term Deposits			\$111,682,146.23			



Shoalhaven City Council as at 31/01/2018						
Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
Heritage Bank	A-3	FRN	\$1,000,000.00	1096	2.85%	7-May-18
Newcastle Permanent Building Society	A-2	FRN	\$1,000,000.00	1095	3.32%	22-Mar-19
Greater Bank Limited	A-2	FRN	\$1,000,000.00	1095	3.36%	7-Jun-19
Teachers Mutual Bank Limited	A-3	FRN	\$1,000,000.00	1095	3.09%	28-Oct-19
Credit Union Australia	A-2	FRN	\$2,250,000.00	1096	3.05%	20-Mar-20
Members Equity Bank	A-2	FRN	\$1,000,000.00	1096	2.95%	6-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$500,000.00	1064	3.05%	7-Apr-20
Newcastle Permanent Building Society	A-2	FRN	\$2,000,000.00	1827	3.06%	7-Apr-20
Heritage Bank	A-3	FRN	\$1,250,000.00	1096	3.00%	4-May-20
Bank of Qld	A-2	FRN	\$1,000,000.00	1827	2.82%	18-Aug-20
Suncorp Metway Ltd Bank	A-1	FRN	\$2,000,000.00	1827	2.95%	20-Oct-20
Bank of Qld	A-2	FRN	\$1,000,000.00	1461	2.86%	26-Oct-20
Members Equity Bank	A-2	FRN	\$1,500,000.00	1096	2.96%	9-Nov-20
Qbank	A-3	FRN	\$1,000,000.00	1096	3.26%	6-Dec-20
Rabobank	A-1+	FRN	\$2,000,000.00	1826	3.25%	4-Mar-21
National Australia Bank	A-1+	FRN	\$1,000,000.00	1826	2.88%	12-May-21
Bendigo Bank	A-2	FRN	\$1,000,000.00	1826	3.17%	18-May-21
Suncorp Metway Ltd Bank	A-1	FRN	\$1,000,000.00	1826	2.90%	22-Jun-21
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1826	2.92%	12-Jul-21
ANZ	A-1+	FRN	\$1,000,000.00	1826	2.85%	16-Aug-21
ANZ	A-1+	FRN	\$1,000,000.00	1826	2.76%	7-Mar-22
Suncorp Metway Ltd Bank	A-1	FRN	\$500,000.00	1826	2.69%	16-Aug-22
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1916	2.55%	25-Apr-23
Total Senior Securities			\$27,000,000.00			
Shoalhaven City Council as at 31/01/2018						
Grandfathered	ST Rating	Security Type	Current Valuation			Maturity Date
Macquarie Global Income Opportunities	NR	MF	\$1,849,767.39			T+3
TCorplm Cash Fund	AAAm	MF	\$10,086,160.28			T+0
			\$11,935,927.67			
Product	ST Rating	Security Type	Current Valuation			Maturity Date
AMP At Call	A-1	Cash	\$4,899,720.05			At-Call
AMP Notice Account	A-1	Cash	\$9,791,085.83			31 Days
NAB Transaction Account	A-1+	Cash	\$6,289,954.33			At-Call
			\$20,980,760.21			
Total Investment Portfolio			\$171,598,834.11			



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