

## Ordinary Meeting

**Meeting Date:** Tuesday, 24 April, 2018

**Location:** St Georges Basin Community Centre, St Georges Basin

## Addendum Attachments (Under Separate Cover)

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# Monthly Report

## Shoalhaven City Council

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March 2018

CL18.100 - Attachment 1



## Market

### International Markets

Fears of a worldwide trade war saw stockmarkets retest Feb 8-9<sup>th</sup> lows, as Pres Trump levied \$US60bn of trade barriers on Chinese imports (citing intellectual property theft and other abuses). However, reports of deferrals, exemptions for “allies,” and other signs suggest that measures are partly symbolic. American steel prices almost doubled since January 2016, due to large global production cuts – particularly by China. Alleged dumping is largely historical.

China retaliated with its own tariffs. However, Chinese Premier Li pledged to maintain trade negotiations and ease access for US businesses.

The Dow Jones, S&P500 and NASDAQ ended -3.59%, -2.54% and -2.79% lower respectively in March. The MSCI World ex-AUS lost -2.26% and the MSCI Emerging Markets Index lost -1.87% (in local currencies). Tech stocks suffered, led by Facebook’s election scandal and negative news from Tesla.

US 10-year yields fell -13bp to 2.74%; the Fed ignored noise to raise rates +25bp, nearly upgrading guidance to 4x25bp for 2018. Core CPI (at +1.8%) showed no acceleration, but wages grew +4.5%.

Initial jobless claims in the US rose to 229k (+19k) in March. US Non-farm payrolls added +313k jobs, the highest since July 2016. New jobless claims set a 45-year low with unemployment steady at 4.1% on higher participation of 63%; long-term unemployment of 0.86% was the lowest measured.

Q4 GDP grew at 2.9% p.a. ahead of tax cuts. US consumer prices rose +2.2% to February (vs +2.1% to January). EU unemployment was flat at 8.6% on higher participation. YoY CPI eased to 1.1%.

### Domestic

The ASX200 finished -3.77% lower on US leads. Australian 10-year bonds gained as yields fell -22bp to 2.59%. Inflationary expectations in Australia increased to 3.7% (+0.1%) in March. Private Sector Credit grew 0.4% (+0.1%) in February and 4.9% year-on-year.

Q4 GDP disappointed with +0.4% on a decline in investment, vs +0.6% in Q3. Retail sales gained just +0.1%. Q4’s balance of trade turned slightly negative, with the overall current account deficit -\$14bn (-27% worse). Net foreign debt is back over \$1tr. Trade recovered to +\$1bn in January.

Australian new home sales were -0.72% lower in February. But construction PMI jumped to 56.0 in February (from 54.3 in January). Building approvals recovered +17%, regaining last month’s losses, but trends are flat. Indicators were lower in Q4 for Manufacturing (-0.5%) and Wholesale (-1.2%). Wages jumped +1% to +4.3% YoY.

Unemployment was 5.6% (+0.1%) in February, apparently bottoming in November on a participation rate of 65.7% (+0.1% in Feb, and a full point higher on the year).

### Other Markets

WTI oil rebounded to \$64.94/bbl (+5.35%) and Gold finished slightly higher at \$1,323 (+0.56%).

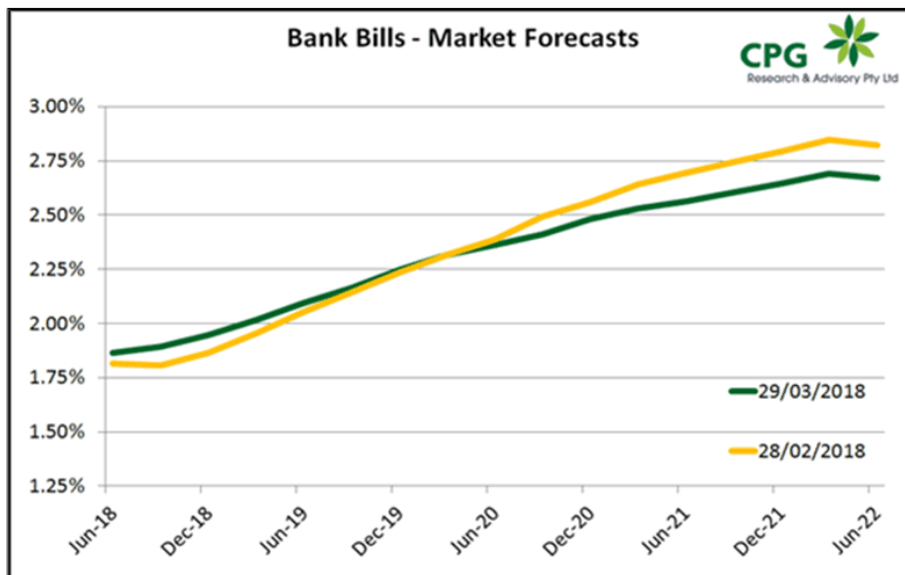
The \$A was 1.63% weaker at US76.65c.

Iron Ore plummeted -16.8%, finishing at \$64.89/t. Fortescue Metals cut iron ore volume forecasts for 2018, citing slower Chinese construction and recent trade war fears.

Base metals were generally weaker in March as Tin (-3.06%), Nickel (-4.02%) Zinc (-4.77%), Copper (-3.87%) and Aluminium (-7.48%) lost ground.



Bill futures started to factor in a possible rate hike by RBA, but longer term rates rallied on stock market and trade fears.



#### Credit Market

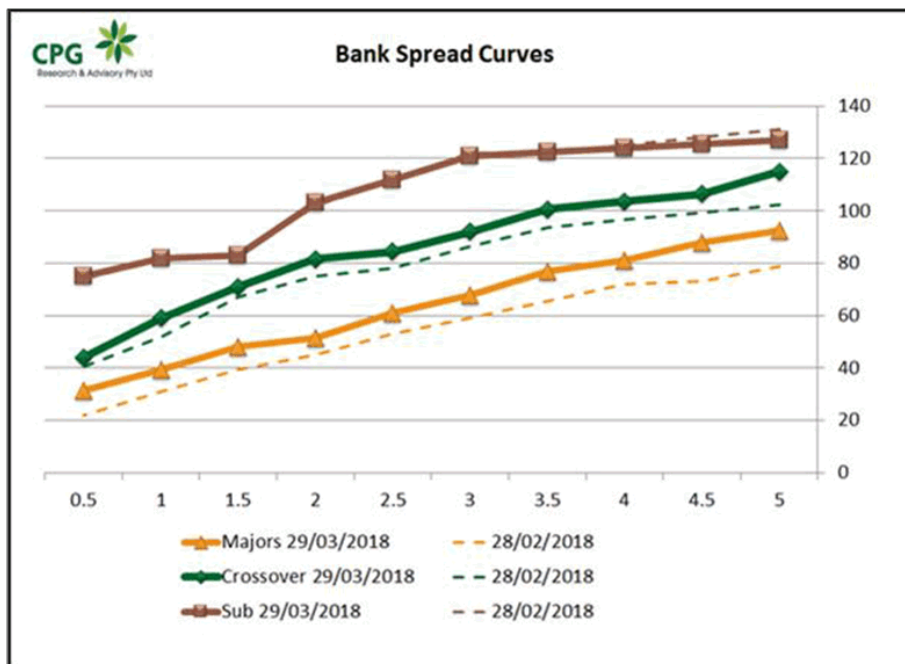
Global credit was weaker on trade war anxiety between the two largest economies in March. Australia underperformed:

Credit Indices	31 Mar 18	28 Feb 18	31 Mar 17
iTraxx Australia 5 Yr CDS	70bp	59bp	84bp
iTraxx European 5 Yr CDS	60bp	52bp	74bp
CDX IG North American 5 Yr CDS	66bp	56bp	66bp
CDX HY North American 5 Yr CDS	360bp	334bp	338bp

Bank FRNs marginally widened across the board, including major banks, for as much as 15bps. Coupled with steeper yield curves, that has significantly increased target returns over a holding period.

Deposit margins were mixed in March – rates again moved less than bond yields. At the short end, this tended to **compress** margins further while they expanded at the longer end.

Basel III sub debt traded stronger, despite negative sentiment in markets overall. Pricing shown may be “stale”.



High yield bond spreads widened as well although not materially, from +347bp at end of February to +372bp (BoA Merrill Lynch HY Index, option-adjusted).

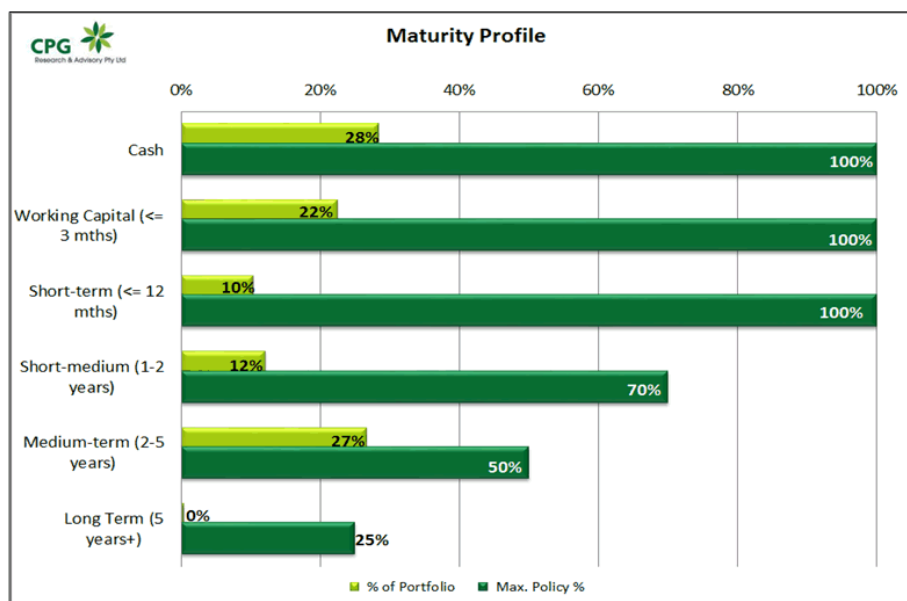
With FRN spreads wider in March (and steepening), we support directing new investments to FRNs more extensively.



## Council's Portfolio

The portfolio has again built very high liquidity, with 28% of investments available at-call and a further 22% of assets maturing within 3 months. Another 10% of assets mature within 3-12 months, providing flexibility to invest towards medium to longer durations. We seek to deploy the funds over coming weeks.

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

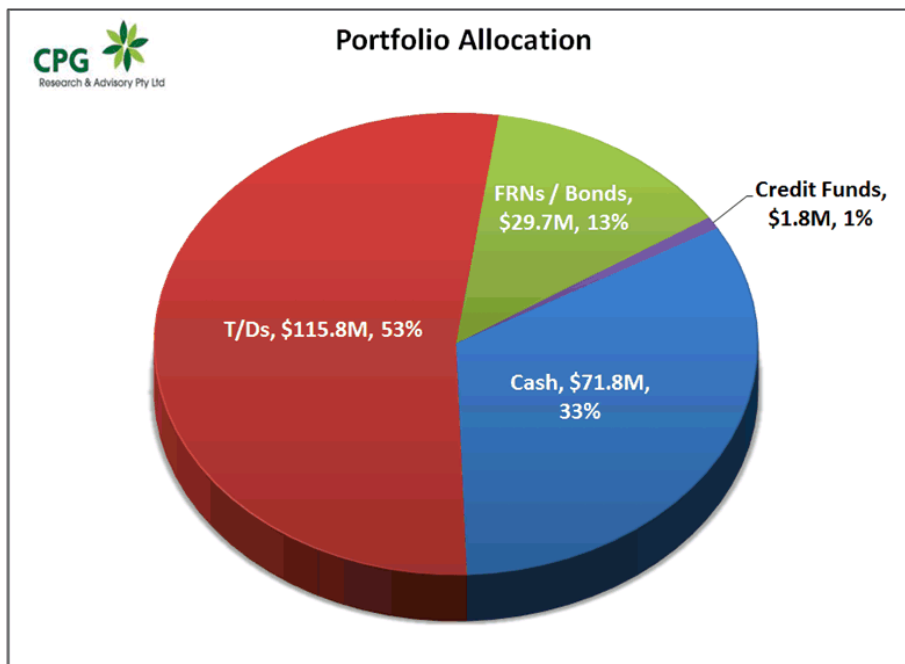


The portfolio is diversified across maturities, with allocations to all terms, utilising capacity.

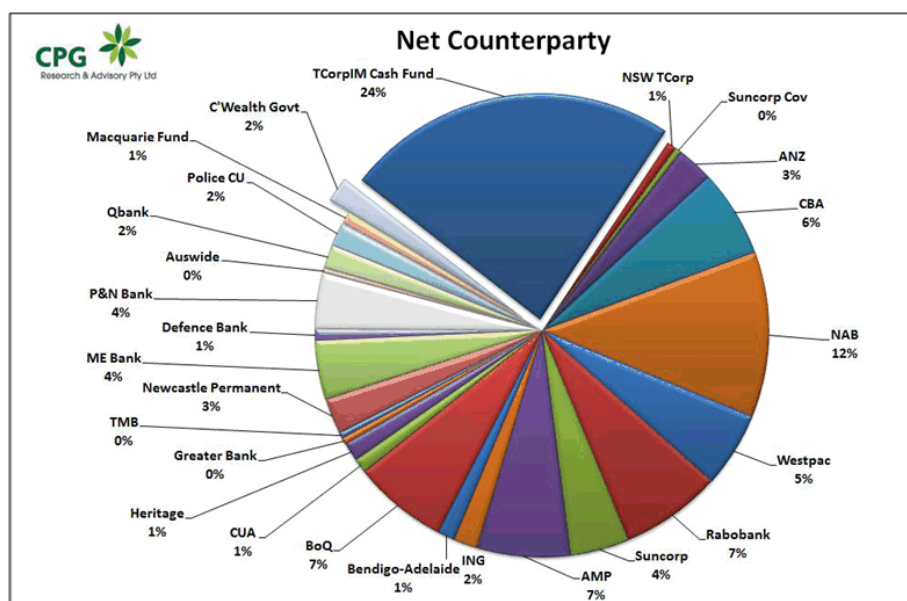
Council is well placed to make maximum use of maturity profile and policy capacity in BBB rated. Surplus Cash to be deployed opportunistically and the portfolio looks partially invested with working capital towards higher levels (now overweight in TCorpIM Cash).

**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's portfolio remains directed to deposits, at 53% of the total assets, with Cash following at a high 33% and liquid credit, including 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 TCorpIM cash dominant followed by NAB.

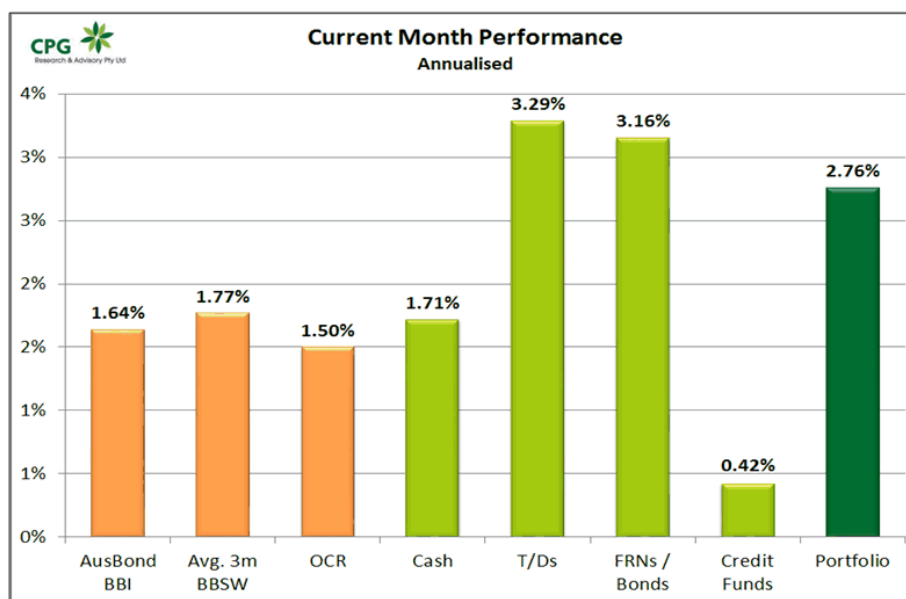




## Returns - Accrual

Actual	1 month	3 months	6 months	FYTD	1 year	2 years	3 years	4 years	5 years
Official Cash Rate	0.13%	0.37%	0.75%	1.12%	1.50%	1.55%	1.71%	1.90%	2.04%
Avg. 3m BBSW	0.15%	0.44%	0.87%	1.30%	1.74%	1.80%	1.94%	2.11%	2.23%
AusBond Bank Bill Index	0.14%	0.43%	0.85%	1.29%	1.73%	1.83%	1.97%	2.16%	2.28%
Council Cash	0.14%	0.46%	0.99%	1.50%	2.06%	2.15%	2.31%	2.52%	2.59%
Council T/Ds	0.28%	0.79%	1.61%	2.43%	3.31%	3.44%	3.56%	3.67%	3.73%
Council FRNs / Bonds	0.26%	0.78%	1.58%	2.47%	3.24%	3.18%	3.28%	3.51%	2.86%
Council Credit Funds	0.04%	-0.10%	1.00%	1.94%	3.44%	4.53%	3.00%	3.06%	3.74%
Council Total Portfolio	0.23%	0.70%	1.43%	2.15%	2.90%	3.09%	3.24%	3.40%	3.52%
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%	1.55%	1.71%	1.90%	2.04%
Avg. 3m BBSW	1.77%	1.78%	1.75%	1.74%	1.74%	1.80%	1.94%	2.11%	2.23%
AusBond Bank Bill Index	1.64%	1.75%	1.72%	1.72%	1.73%	1.83%	1.97%	2.16%	2.28%
Council Cash	1.71%	1.88%	2.00%	2.01%	2.06%	2.15%	2.31%	2.52%	2.59%
Council T/Ds	3.29%	3.26%	3.25%	3.25%	3.31%	3.44%	3.56%	3.67%	3.73%
Council FRNs / Bonds	3.16%	3.21%	3.19%	3.30%	3.24%	3.18%	3.28%	3.51%	2.86%
Council Credit Funds	0.42%	-0.42%	2.01%	2.60%	3.44%	4.53%	3.00%	3.06%	3.74%
Council Total Portfolio	2.76%	2.85%	2.89%	2.88%	2.90%	3.09%	3.24%	3.40%	3.52%

The Investment portfolio returned a strong **2.76% p.a.** for the month of March 2018, exceeding the benchmark AusBond Bank Bill Index (1.64% p.a.) by **+112bp**. This included a substantial cash drag, but enables new investment at higher margins after recent weakness. The credit fund was slightly positive in a month where peers tended to report negative returns.



The longer dated investments continued their outperformance. Deposits at Council's levels enhance returns, with periodic contributions from realised capital gain on sales of existing FRNs.



## Credit Quality

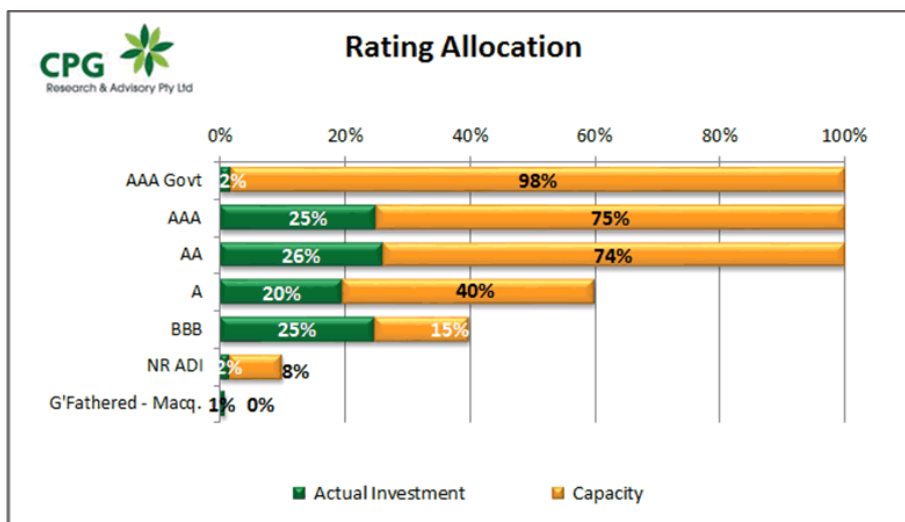
We have tested the portfolio provided against Council's current investment policy and report the following:

**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	25%	40%	100%	AAA	25%	75%
AA	26%	30%	100%	AA	26%	74%
A	20%	15%	60%	A	20%	40%
BBB	25%	10%	40%	BBB	25%	15%
NR ADI	2%	5%	10%	NR ADI	2%	8%
G'Fathered - Macq.	1%	1%	1%	G'Fathered - Macq.	1%	0%

This would continue to hold if Council spent 14% of the portfolio without realising any BBB assets (noting a BBB maturity in early April).

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.*

Counterparties	Exposure \$M	FCS	Net	Rating	Policy Limit	Actual	Capacity
TCorpIM Cash Fund	\$52.12M	\$0.00M	\$52.12M	AAA	40%	24%	\$35.52M
NSW TCorp	\$1.53M	\$0.00M	\$1.53M	AAA	40%	1%	\$86.12M
Suncorp Cov	\$1.00M	\$0.00M	\$1.00M	AAA	36%	0%	\$77.39M
ANZ	\$6.00M	\$0.25M	\$5.75M	AA-	30%	3%	\$59.98M
CBA	\$14.00M	\$0.25M	\$13.75M	AA-	30%	6%	\$51.98M
NAB	\$26.18M	\$0.25M	\$25.93M	AA-	30%	12%	\$39.81M
Westpac	\$12.00M	\$0.25M	\$11.75M	AA-	30%	5%	\$53.98M
Rabobank	\$16.00M	\$0.25M	\$15.75M	A+	15%	7%	\$17.12M
Suncorp	\$9.50M	\$0.25M	\$9.25M	A+	15%	4%	\$23.62M
AMP	\$14.74M	\$0.25M	\$14.49M	A	15%	7%	\$18.38M
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0%	\$32.87M
ING	\$4.00M	\$0.25M	\$3.75M	A	15%	2%	\$29.12M
Bendigo-Adelaide	\$3.00M	\$0.25M	\$2.75M	BBB+	10%	1%	\$19.16M
BoQ	\$15.00M	\$0.25M	\$14.75M	BBB+	10%	7%	\$7.16M
CUA	\$2.25M	\$0.00M	\$2.25M	BBB+	10%	1%	\$19.66M
Heritage	\$2.95M	\$0.00M	\$2.95M	BBB+	10%	1%	\$18.96M
Police Bank	\$0.00M	\$0.00M	\$0.00M	BBB+	10%	0%	\$21.91M
Greater Bank	\$1.00M	\$0.00M	\$1.00M	BBB+	10%	0%	\$20.91M
TMB	\$1.00M	\$0.00M	\$1.00M	BBB+	10%	0%	\$20.91M
Newcastle Permanent	\$5.50M	\$0.00M	\$5.50M	BBB	10%	3%	\$16.41M
ME Bank	\$9.50M	\$0.25M	\$9.25M	BBB	10%	4%	\$12.66M
Defence Bank	\$2.00M	\$0.25M	\$1.75M	BBB	10%	1%	\$20.16M
Beyond Bank	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$21.91M
P&N Bank	\$9.00M	\$0.25M	\$8.75M	BBB	10%	4%	\$13.16M
Big Sky CU	\$0.00M	\$0.00M	\$0.00M	BBB	10%	0%	\$21.91M
Auswide	\$1.00M	\$0.25M	\$0.75M	BBB-	10%	0%	\$21.16M
Qbank	\$4.00M	\$0.25M	\$3.75M	BBB-	10%	2%	\$18.16M
Bank of Sydney	\$0.00M	\$0.00M	\$0.00M	NR	5%	0%	\$10.96M
Police CU	\$4.00M	\$0.25M	\$3.75M	NR	5%	2%	\$7.21M
Macquarie Fund	\$1.84M	\$0.00M	\$1.84M	NR	1%	1%	\$0.00M
	\$219.11M		\$215.11M			98%	
C'Vealth Govt		\$4.0M	\$4.00M	AAA	100%	2%	
Total	\$219.11M		\$219.11M			100%	



## Term Deposits

**At month-end, deposits accounted for approximately 53% of the total investment portfolio.** The weighted average duration of the deposit portfolio is approximately **1.5 years**, down 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 **3.19% remains above any deposit up to 3 years in today's market**, around +119bp over benchmark. This is likely to be supported at above-market levels over the current financial year, given the 1.5 year duration.

**Wholesale deposit margins were further squeezed as swap rates increased sharply beyond 2 months. Spreads were wider at the longer end, as swap rates fell and deposit rates were little changed – again, 4 years is the point of better value.** The 4-year deposit rate with BoQ at 3.50% remains the best rate across ADIs.

It is increasingly difficult for RBA to keep rates unchanged as the US moves towards a rate target of perhaps 3%. A base case is a Q3-Q4 rate increase in line with current market pricing. The RBA may already be firming up guidance, moving towards tightening bias.

**While spread levels are not very cheap, we believe Council will benefit from new FRNs relative to other prospective investments – and 2018 has seen a diverse range of issuers.**

Relevant portfolio data follows:

### Term Deposit Statistics

Percentage of total portfolio	53%
Weighted Average Yield	3.19%
Weighted Average Duration	1.5 yrs

### Credit Quality of Deposits

AAA^	1%
AA	40%
A	22%
BBB	34%
Unrated ADI	3%
<b>Total</b>	<b>100%</b>

^ Calculation excludes the Financial Claims Scheme (FCS)

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



## Credit: FRNs & Fixed Bonds

Bank FRNs marginally widened across the board, including major banks, by as much as 15bps.

CBA's latest FRN at +80bp in late January, NAB's latest issue from late 2017 at +80bp and Westpac's March 2023 FRN issued at +83bp, are now marked at +93bp and are slightly below par.

**The curve is steeper, with the expectation of well above deposit-like returns going forward.**

**Major bank spreads are out from the 70's to mid-90 area on the secondary market, and are likely to issue around ~95 for future issues.**

Feedback from markets is that the disproportionate reaction to stockmarket panic during March was partly one-off in nature. Investors repatriating money to the US to take advantage of new tax rules (passed in the December reforms) were selling their most liquid securities, and this did weigh heavily on major banks.

We also note the latest Bendigo-Adelaide at +105bp in January, traded out to +115bp – a level that appears fair but widened no more than major banks. **This suggests ongoing strong demand for lower grade credit from the investment community**, and no specific impact from negative sentiment in the stock market onto the smaller institutions. It was broad-based.

Ideally, we suggest a new A rated FRN would be the most suitable balance between liquidity, return, risk and ratings. **However, with available BBB capacity Council can also consider additional FRNs as they arise.** Early 2018 has seen issuance from BBB rated ADIs and we expect that to continue in coming months.

In credit funds, **Macquarie was slightly above flat in the month – in a month where much of the Income Fund peer group showed moderate losses.** Over the medium term, it sits near the median of the peers.

Macquarie's focus on tighter risk control appeared to hurt in February, but helped in March.

The yield to maturity has **increased from 2.8% to 3.2%** in recent months, but cash levels have also increased to 17%. The manager is positioned near their most defensive at 95% investment grade, and has been for much of YTD 2018.

We continue to recommend investors retain their holdings, and welcome the higher running yield – some of this increase reflects a one-off spike in 90day BBSW rather than actions by the manager. There is scope for the fund to further increase its running yield if the manager feels more comfortable about the outlook and deploys its above-average cash balance.



## 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	\$14.00M	\$0.25M	\$13.75M	AA-	30%	6%	Yes
NAB	\$26.18M	\$0.25M	\$25.93M	AA-	30%	12%	Yes
Westpac	\$12.00M	\$0.25M	\$11.75M	AA-	30%	5%	Yes
AMP	\$14.74M	\$0.25M	\$14.49M	A	15%	7%	Yes*
Macquarie	\$0.00M	\$0.00M	\$0.00M	A	15%	0.0%	Yes
ING	\$4.00M	\$0.25M	\$3.75M	Split A	15%	2%	Yes
TCorplm Cash Fund	\$52.12M	\$0.00M	\$52.12M	AAA	40%	24%	Yes
	\$129.04M		\$127.54M			59%	
Total	\$219.11M		\$219.11M				

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

As at March 2018, the institutions totalled 59% of Council’s investment portfolio, including TCorplm Cash Fund. The short-term allocation of new inflows to Cash accounting for the increase– up from 45% in February 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%
February 2018	45%
March 2018	59%

Deploying the TCorplm cash entirely would see the allocation fall to as low as 35%, although of course it would be difficult to entirely avoid the larger banks.



## Fixed Interest Outlook

February saw panic over the potential for an overheating economy. Bond yields had risen sharply, to the point where they alarmed the stockmarket. Even during the correction, yields tracked sideways rather than seeing a common “flight to safety.”

March saw an entirely different panic. Pres Trump escalated previous threats against China and other trade counterparties, levying significant new tariffs and other penalties. With some retaliation, the fear that this could hurt the economy sent shares tumbling again. Credit spreads were wider on investor fears. But the early estimates suggesting excessively fast Q1 growth have been significantly pared back, allowing bones to gain. US yields closed 13bp lower at 2.74%.

Australian 10-year also traded strongly, aided by rather weak GDP data and the apparent bottoming out of the unemployment rate in November - closing 21bp lower to 2.60%.

Australian bonds continue to trade inside US yields:



Divergence of policy continues, with the US Federal Reserve increasing rates by 25bp in March but the RBA on hold at the March and April meetings. There are hints of a firming in their guidance. CPI expectations for end of 2018 are now just over 2%, rather than just under. Governor Lowe talked about difficult recruiting skilled workers. He would not welcome a higher \$A, but describes it as in a trading range (one less reason for easier policy).

**However, the RBA did not move to formal tightening bias yet.**



## Portfolio Listing

Shoalhaven City Council as at 31/03/2018						
Authorised Deposit-Taking Institution (ADI)	ST Rating	Security Type	Principal/ Current MF Value	Term	Interest Rate	Maturity Date
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
National Australia Bank	A-1+	TD	\$2,000,000.00	63	2.50%	3-May-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
National Australia Bank	A-1+	TD	\$2,000,000.00	85	2.45%	24-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
National Australia Bank	A-1+	TD	\$3,000,000.00	153	2.46%	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
National Australia Bank	A-1+	TD	\$3,000,000.00	231	2.47%	26-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	363	2.63%	27-Feb-19
National Australia Bank	A-1+	TD	\$101,269.00	365	2.50%	28-Feb-19
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
ING	A-1	TD	\$2,000,000.00	728	2.87%	12-Feb-20
ING	A-1	TD	\$2,000,000.00	728	2.85%	26-Feb-20
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
<b>Total Term Deposits</b>			<b>\$115,783,415.23</b>			



Shoalhaven City Council as at 31/03/2018						
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
Heritage Bank	A-3	FRN	\$700,000.00	1096	3.26%	29-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
Westpac Bank	A-1+	FRN	\$2,000,000.00	1826	2.68%	6-Mar-23
Commonwealth Bank Australia	A-1+	FRN	\$1,000,000.00	1916	2.55%	25-Apr-23
<b>Total Senior Securities</b>			<b>\$29,700,000.00</b>			
Shoalhaven City Council as at 31/03/2018						
Grandfathered	ST Rating	Security Type	Current Valuation			Maturity Date
Macquarie Global Income Opportunities	NR	MF	\$1,844,943.47			T+3
TCorplm Cash Fund	AAAm	MF	\$52,122,947.82			T+0
			\$53,967,891.29			
Product	ST Rating	Security Type	Current Valuation			Maturity Date
AMP At Call	A-1	Cash	\$4,915,028.35			At-Call
AMP Notice Account	A-1	Cash	\$9,825,142.69			31 Days
NAB Transaction Account	A-1+	Cash	\$4,917,676.17			At-Call
			\$19,657,847.21			
<b>Total Investment Portfolio</b>			<b>\$219,109,153.73</b>			



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