7.3 INVESTMENT REPORT AS AT 31 JANUARY 2025

Attachments: **1. Investment Statistics as at 31 January 2025**

RECOMMENDATION:

That Council NOTES the Investment Statistics for the month ended 31 January 2025 as detailed in Attachment 1.

PURPOSE OF REPORT:

To advise Council of the nature and value of the City's Investments as at 31 January 2025 and the interest amounts earned YTD.

DELEGATION:

Regulation 34 (4) of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare a statement of financial activity each month, which is to be presented to Council within two months after the end of the relevant month.

BACKGROUND:

The City's surplus funds are invested in bank term deposits for various terms to facilitate maximum investment returns in accordance with the City's Investment Policy (No. 1.2.4).

Details of the investments are included in **Attachment 1** and outline the following information:

- Investment performance and policy compliance charts;
- Investment portfolio data;
- Investment interest earnings; and
- Current investment holdings.

DETAILS:

Summary of Key Investment Decisions in this Reporting Period

Total funds invested in the month of January 2025 were $13.0m with $11.9m of funds maturing during the period.

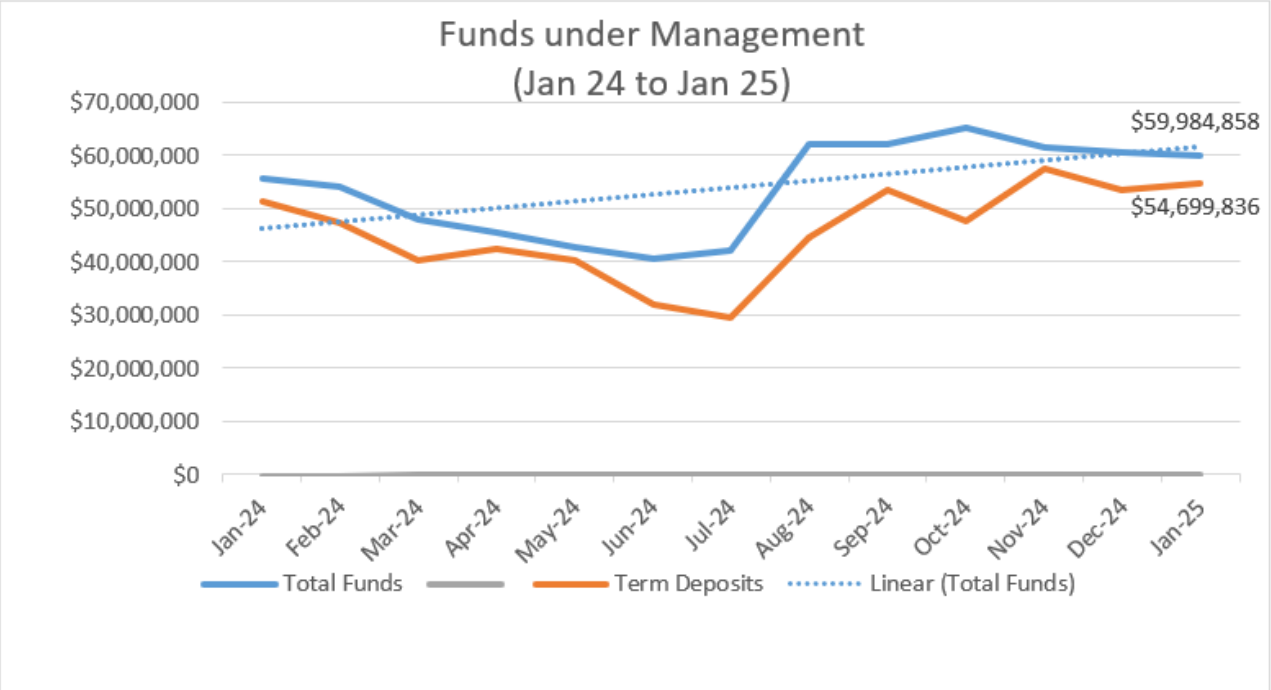
Investment Status

The City's investment portfolio is diversified across several accredited financial institutions.

As at 31 January 2025, the total funds held in the City's operating accounts (including on call) was $59,984,858 compared to $55,758,911 for the period ended 31 January 2024. All funds are interest bearing as at 31 January 2025.

The total term deposit investments for the period ended 31 January 2025 were $54,699,836 compared to $51,236,954 for the period ended 31 January 2024.

The following chart shows funds under management from January 2024 to January 2025:



Interest Status

Total accrued interest earned on investments as at 31 January 2025 is:

Total Accrued Interest Earned on Investment	Budget Annual	Budget YTD	Actual YTD	% of YTD Budget	FY23/24 Actual
Municipal	860,000	779,662	843,207	108.15%	1,385,886
Reserve	800,000	636,662	680,802	106.93%	887,673
Subtotal	**1,660,000**	**1,416,324**	**1,524,009**	**107.60%**	**2,273,559**
Leederville Gardens Inc. Surplus Trust*	0	0	112,528	N/A	193,472
Total	**1,660,000**	**1,416,324**	**1,636,536**	**115.55%**	**2,467,031**

**Interest estimates for Leederville Gardens Inc. Surplus Trust were not included in the 2024/25 Budget as actual interest earned is restricted.*

The City has a weighted average interest rate of 4.89% for current investments compared to the Reserve Bank 90 day accepted bill rate for January 2025 of 4.33%.

Sustainable Investments

The City's investment policy requires that in the first instance, the City considers rate of return of the fund. All things being equal, the City then prioritises funds with no current record of funding fossil fuels. The City can increase the number of non-fossil fuel investments but will potentially result in a lower rate of return.

Administration utilises a platform called 'Yield Hub' to ascertain the level of exposure banks have in fossil fuel activities and to determine daily interest rates published by banks.

The investment guidelines which is the supplementary document to the Council Investment Policy sets the maximum exposure limits to financial institutions at 90% as reflected in the below table. The majority of financial institutions lie within A-2 and A-1+ categories.

Short Term Rating (Standard & Poor's) or Equivalent	Direct Investments Maximum %with any one institution		Maximum % of Total Portfolio	
	Guideline	Current position	Guideline	Current position
A-1+	30%	35.5%	90%	60.1%
A-1	25%	0%	90%	0%
A-2	20%	14.9%	90%	39.9%

Administration will continuously explore options to ascertain if a balanced investment strategy can be developed where investments in divested banks can be increased with a minimal opportunity cost of loss in interest rate returns for instances when banks not divested in fossil fuel activities offer a higher rate of return.

CONSULTATION/ADVERTISING:

Nil.

LEGAL/POLICY:

Section 19(2)(b) of the *Local Government (Financial Management) Regulations 1996* requires that a local government establish and document procedures to enable the identification of the nature and location of all investments.

RISK MANAGEMENT IMPLICATIONS

Low: Administration has developed effective controls to ensure funds are invested in accordance with the City's Investment Policy. This report enhances transparency and accountability for the City's investments.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's Strategic Community Plan 2023-2032:

Innovative and Accountable

Our resources and assets are planned and managed in an efficient and sustainable manner.
Our community is aware of what we are doing and how we are meeting our goals.
Our community is satisfied with the service we provide.
We are open and accountable to an engaged community.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any specific sustainability outcomes of the City's Sustainable Environment Strategy 2019-2024, however focussing on non-fossil fuel investments contributes to a sustainable environment.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes of the City's Public Health Plan 2020-2025.

FINANCIAL/BUDGET IMPLICATIONS:

The financial implications of this report are as noted in the details section of the report. Administration is satisfied that appropriate and responsible measures are in place to protect the City's financial assets.

CITY OF VINCENT
CURRENT INVESTMENT HOLDING
AS AT 31 JANUARY 2025

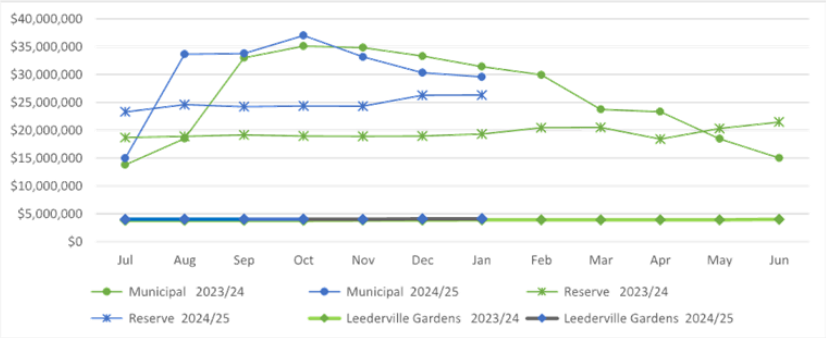
Funds	Institution	Investment Date	Maturity Date	Interest Rate	Principal $
OPERATING ACCOUNTS					
Municipal	Commonwealth Bank of Australia	Ongoing		4.10%	2,172,597
Municipal	Commonwealth Bank of Australia	Ongoing		4.25%	2,395,034
Reserve	Commonwealth Bank of Australia	Ongoing		4.10%	717,392
Total Operating Funds					**5,285,024**
TERM DEPOSITS					
Leederville Gardens Inc Surplus Trust	National Australia Bank	22/08/2024	22/08/2025	4.95%	2,167,750
Leederville Gardens Inc Surplus Trust	AMP Bank	18/12/2024	17/12/2025	5.10%	935,347
Leederville Gardens Inc Surplus Trust	AMP Bank	24/01/2025	23/01/2026	4.95%	996,738
Municipal	Commonwealth Bank of Australia	30/09/2024	3/02/2025	4.83%	3,000,000
Municipal	Commonwealth Bank of Australia	30/09/2024	3/03/2025	4.80%	4,000,000
Municipal	National Australia Bank	30/09/2024	1/04/2025	5.00%	2,000,000
Municipal	Beyond Bank	7/11/2024	7/04/2025	5.05%	3,000,000
Municipal	Commonwealth Bank of Australia	9/05/2024	9/05/2025	4.99%	3,000,000
Municipal	Beyond Bank	7/11/2024	10/05/2025	5.10%	3,000,000
Municipal	AMP Bank	22/08/2024	10/06/2025	5.02%	4,000,000
Municipal	Bendigo and Adelaide Bank	24/01/2025	23/07/2025	4.90%	3,000,000
Municipal	AMP Bank	24/01/2025	23/01/2026	4.95%	3,000,000
Reserve	Commonwealth Bank of Australia	22/08/2024	20/02/2025	4.74%	2,000,000
Reserve	Bank of Queensland	30/04/2024	29/04/2025	5.10%	2,000,000
Reserve	National Australia Bank	30/04/2024	29/04/2025	5.20%	2,600,000
Reserve	G&C Mutual	9/05/2024	9/05/2025	5.35%	1,000,000
Reserve	Judo Bank	24/01/2025	23/07/2025	4.95%	3,000,000
Reserve	Commonwealth Bank of Australia	22/08/2024	22/08/2025	4.75%	4,000,000
Reserve	National Australia Bank	22/08/2024	22/08/2025	4.95%	1,000,000
Reserve	National Australia Bank	7/11/2024	7/11/2025	5.00%	4,000,000
Reserve	National Australia Bank	24/01/2025	23/01/2026	4.85%	3,000,000
Total Term Deposits					**54,699,836**
Total Funds available					**59,984,858**

CITY OF VINCENT
INVESTMENT PORTFOLIO
AS AT 31 JANUARY 2025

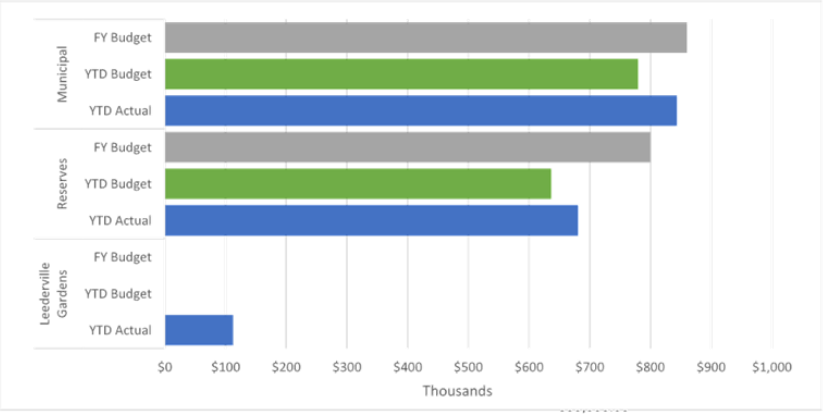
	Municipal	Reserve	Leederville Gardens Inc Surplus Trust	Total	Total
	$	$	$	$	%
BY INVESTMENT HOLDINGS					
Municipal Account	2,172,597	717,392	0	2,889,989	4.8%
Online Saver	2,395,034	0	0	2,395,034	4.0%
Term Deposits	25,000,000	25,600,000	4,099,836	54,699,836	91.2%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**
BY INSTITUTION					
Bank of Queensland	0	2,000,000	0	2,000,000	3.3%
Bendigo and Adelaide Bank	0	3,000,000	0	3,000,000	5.0%
Commonwealth Bank of Australia	14,567,632	6,717,392	0	21,285,024	35.5%
Beyond Bank	6,000,000	0	0	6,000,000	10.0%
National Australia Bank	2,000,000	10,600,000	2,167,750	14,767,750	24.6%
AMP Bank	7,000,000	0	1,932,086	8,932,086	14.9%
Judo Bank	0	3,000,000	0	3,000,000	5.0%
G&C Mutual	0	1,000,000	0	1,000,000	1.7%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**
BY CREDIT RATINGS (SHORT-TERM ISSUE)					
A-1+	16,567,632	17,317,392	2,167,750	36,052,774	60.1%
A-2	13,000,000	9,000,000	1,932,086	23,932,086	39.9%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**
BY TERMS					
0-30 days	4,567,632	717,392	0	5,285,024	8.8%
91-180 days	10,000,000	6,000,000	0	16,000,000	26.7%
181-270 days	5,000,000	2,000,000	0	7,000,000	11.7%
271-365 days	10,000,000	17,600,000	4,099,836	31,699,836	52.8%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**
BY MATURITY					
0-30 days	7,567,632	2,717,392	0	10,285,024	17.2%
31-90 days	9,000,000	4,600,000	0	13,600,000	22.7%
91-180 days	10,000,000	7,000,000	0	17,000,000	28.3%
181-270 days	0	5,000,000	2,167,750	7,167,750	12.0%
271-365 days	3,000,000	7,000,000	1,932,086	11,932,086	19.9%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**
BY FOSSIL FUEL EXPOSURE					
Fossil Fuel Investments	16,567,632	17,317,392	2,167,750	36,052,774	60.1%
Non Fossil Fuel Investments	13,000,000	9,000,000	1,932,086	23,932,086	39.9%
	29,567,632	**26,317,392**	**4,099,836**	**59,984,860**	**100.0%**

CITY OF VINCENT
INVESTMENT PERFORMANCE
AS AT 31 JANUARY 2025

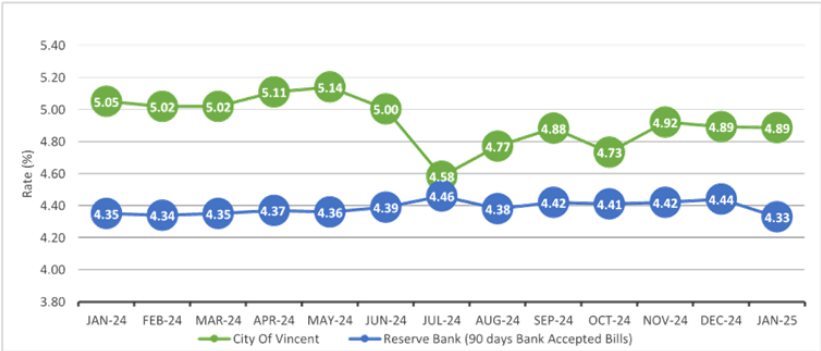
FUNDS INVESTED (TERM DEPOSITS ONLY)



INTEREST EARNINGS

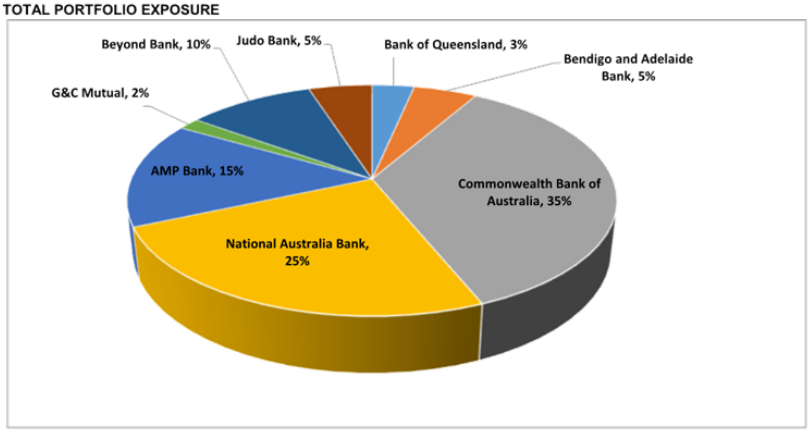


INTEREST RATE COMPARISON



CITY OF VINCENT
INVESTMENT POLICY COMPLIANCE
AS AT 31 JANUARY 2025

TOTAL PORTFOLIO EXPOSURE



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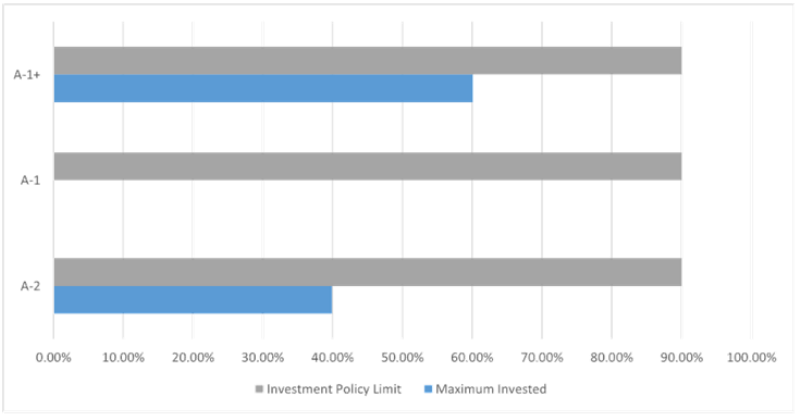
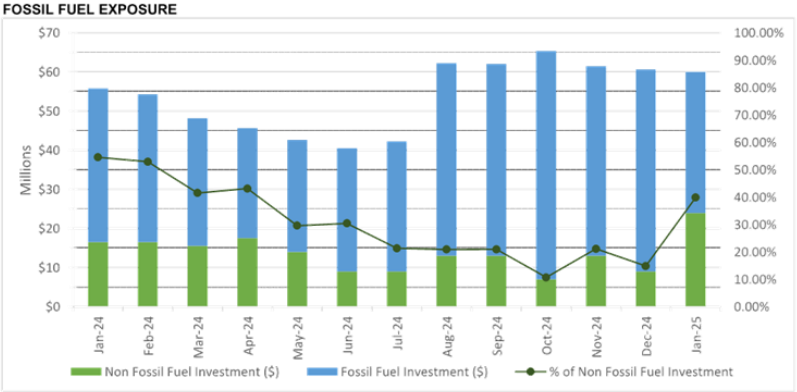
FOSSIL FUEL EXPOSURE