7.3 INVESTMENT REPORT AS AT 30 SEPTEMBER 2025

Attachments: **1. Investment Report as at 30 September 2025**

RECOMMENDATION:

That Council NOTES the Investment Statistics for the month ended 30 September 2025 as detailed in Attachment 1.

PURPOSE OF REPORT:

To advise Council of the nature and value of the City's Investments as at 30 September 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 September 2025 were $20 million while no funds matured during the same period.

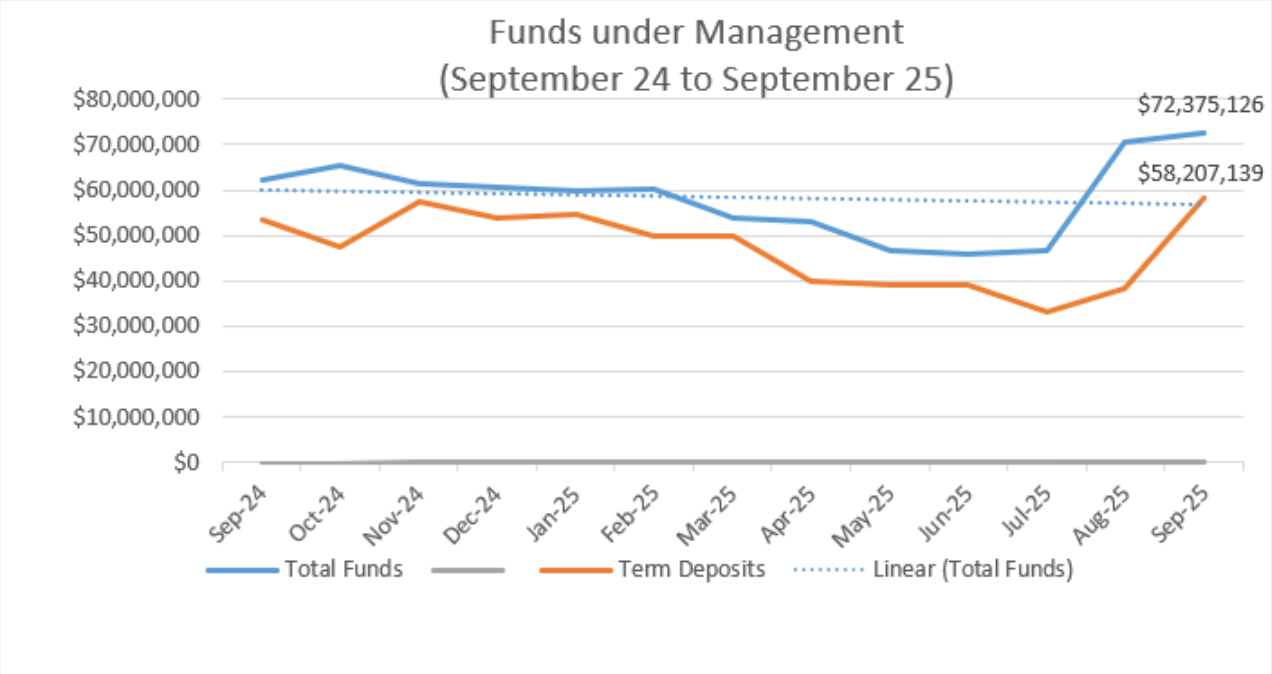
Investment Status

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

As at 30 September 2025, the total funds held in the City's operating accounts (including on call) was $72,375,125 compared to $62,011,724 for the period ended 30 September 2024. All funds are interest bearing as at 30 September 2025.

The total term deposit investments for the period ended 30 September 2025 were $58,207,139 compared to $53,606,168 for the period ended 30 September 2024.

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



Interest Status

Total accrued interest earned on investments as at 30 September 2025 is:

Total Accrued Interest Earned on Investment	Budget Annual	Budget YTD	Actual YTD	% of YTD Budget	FY24/25 Actual
Municipal	860,000	181,460	260,562	143.59%	1,269,032
Reserve	800,000	230,000	301,459	131.07%	1,200,000
Subtotal	**1,660,000**	**411,460**	**562,021**	**136.59%**	**2,469,032**
Leederville Gardens Inc. Surplus Trust*	0	0	49,844	N/A	197,586
Total	**1,660,000**	**411,460**	**611,865**	**148.71%**	**2,666,618**

**Interest estimates for Leederville Gardens Inc. Surplus Trust were not included in the 2025/26 Budget as actual interest earned is restricted.*

The City has a weighted average interest rate of 4.19% for current investments compared to the Reserve Bank 90 day accepted bill rate for September 2025 of 3.58%.

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%	23.9%	90%	43.4%
A-1	25%	0%	90%	0%
A-2	20%	16.6%	90%	56.6%

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 30 SEPTEMBER 2025

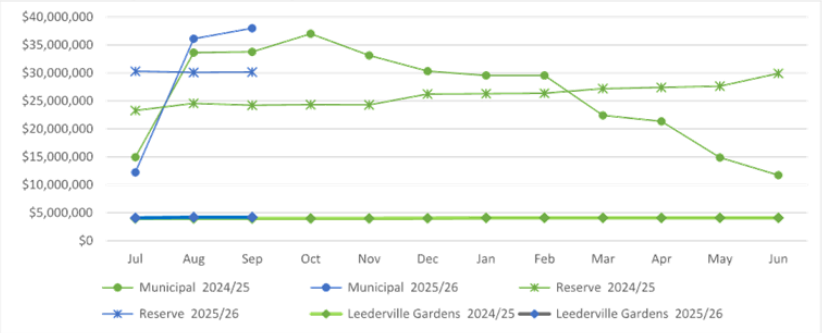
Funds	Institution	Investment Date	Maturity Date	Interest Rate	Principal $
OPERATING ACCOUNTS					
Municipal	Commonwealth Bank of Australia	Ongoing		3.35%	9,536,389
Municipal	Commonwealth Bank of Australia	Ongoing		3.40%	2,472,320
Reserve	Commonwealth Bank of Australia	Ongoing		3.35%	2,159,277
Total Operating Funds					**14,167,986**
TERM DEPOSITS					
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
Leederville Gardens Inc Surplus Trust	National Australia Bank	22/08/2025	21/08/2026	4.05%	2,275,054
Municipal	Judo Bank	27/05/2025	26/11/2025	4.25%	1,000,000
Municipal	AMP Bank	24/01/2025	23/01/2026	4.95%	3,000,000
Municipal	Beyond Bank	20/08/2025	18/02/2026	4.25%	4,000,000
Municipal	Judo Bank	19/03/2025	17/03/2026	4.65%	2,000,000
Municipal	MyState Bank	27/06/2025	26/06/2026	4.25%	4,000,000
Municipal	Unity Bank	11/09/2025	10/09/2026	4.20%	2,000,000
Municipal	Unity Bank	11/09/2025	11/09/2026	4.20%	2,000,000
Municipal	Beyond Bank	11/09/2025	10/09/2026	4.25%	4,000,000
Municipal	Beyond Bank	11/09/2025	11/09/2026	4.25%	4,000,000
Reserve	National Australia Bank	7/11/2024	7/11/2025	5.00%	4,000,000
Reserve	Bank of Queensland	27/05/2025	26/11/2025	4.25%	2,000,000
Reserve	Bank of Queensland	27/05/2025	26/11/2025	4.25%	3,000,000
Reserve	National Australia Bank	24/01/2025	23/01/2026	4.85%	3,000,000
Reserve	AMP Bank	19/08/2025	18/02/2026	4.25%	3,000,000
Reserve	Bendigo and Adelaide Bank	19/08/2025	18/02/2026	4.10%	3,000,000
Reserve	Judo Bank	19/03/2025	17/03/2026	4.65%	2,000,000
Reserve	National Australia Bank	11/09/2025	11/09/2026	4.15%	8,000,000
Total Term Deposits					**58,207,139**
Total Funds available					**72,375,125**

CITY OF VINCENT
INVESTMENT PORTFOLIO
AS AT 30 SEPTEMBER 2025

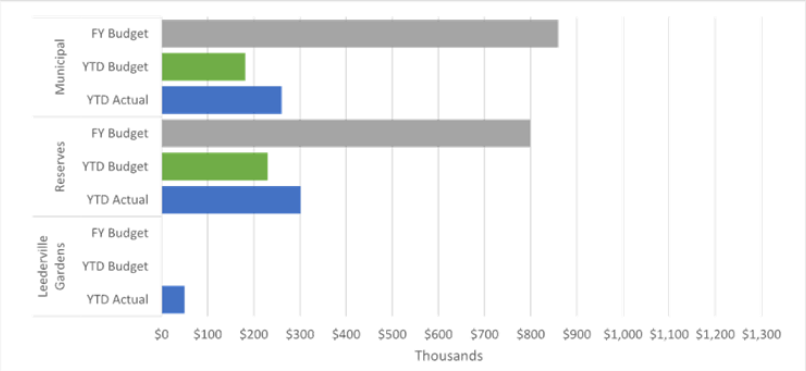
	Municipal	Reserve	Leederville Gardens Inc Surplus Trust	Total	Total
	$	$	$	$	%
BY INVESTMENT HOLDINGS					
Municipal Account	9,536,389	2,159,277	0	11,695,666	16.2%
Online Saver	2,472,320	0	0	2,472,320	3.4%
Term Deposits	26,000,000	28,000,000	4,207,139	58,207,139	80.4%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**
BY INSTITUTION					
Bank of Queensland	0	5,000,000	0	5,000,000	6.9%
Bendigo and Adelaide Bank	0	3,000,000	0	3,000,000	4.1%
Commonwealth Bank of Australia	12,008,709	2,159,277	0	14,167,986	19.6%
Beyond Bank	12,000,000	0	0	12,000,000	16.6%
National Australia Bank	0	15,000,000	2,275,054	17,275,054	23.9%
MyState Bank	4,000,000	0	0	4,000,000	5.5%
AMP Bank	3,000,000	3,000,000	1,932,085	7,932,085	11.0%
Judo Bank	3,000,000	2,000,000	0	5,000,000	6.9%
Unity Bank	4,000,000	0	0	4,000,000	5.5%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**
BY CREDIT RATINGS (SHORT-TERM ISSUE)					
A-1+	12,008,709	17,159,277	2,275,054	31,443,040	43.4%
A-2	26,000,000	13,000,000	1,932,085	40,932,085	56.6%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**
BY TERMS					
0-30 days	12,008,709	2,159,277	0	14,167,986	19.6%
181-270 days	5,000,000	11,000,000	0	16,000,000	22.1%
271-365 days	21,000,000	17,000,000	4,207,139	42,207,139	58.3%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**
BY MATURITY					
0-30 days	12,008,709	2,159,277	0	14,167,986	19.6%
31-90 days	1,000,000	9,000,000	935,347	10,935,347	15.1%
91-180 days	9,000,000	11,000,000	996,738	20,996,738	29.0%
181-270 days	4,000,000	0	0	4,000,000	5.5%
271-365 days	12,000,000	8,000,000	2,275,054	22,275,054	30.8%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**
BY FOSSIL FUEL EXPOSURE					
Fossil Fuel Investments	12,008,709	20,159,277	2,275,054	34,443,040	47.6%
Non Fossil Fuel Investments	26,000,000	10,000,000	1,932,085	37,932,085	52.4%
	38,008,709	**30,159,277**	**4,207,139**	**72,375,125**	**100.0%**

CITY OF VINCENT
INVESTMENT PERFORMANCE
AS AT 30 SEPTEMBER 2025

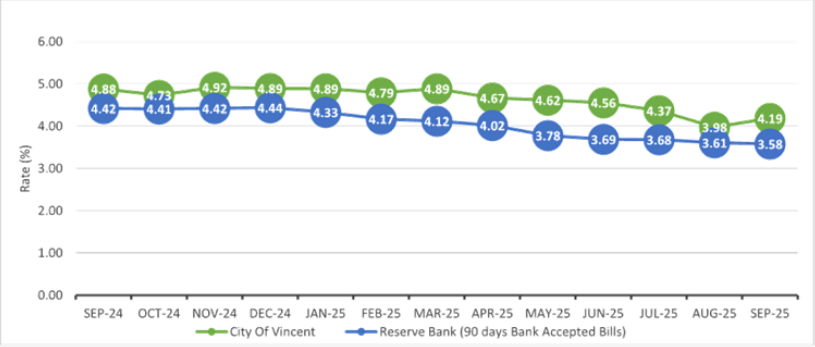
FUNDS INVESTED (TERM DEPOSITS ONLY)



INTEREST EARNINGS

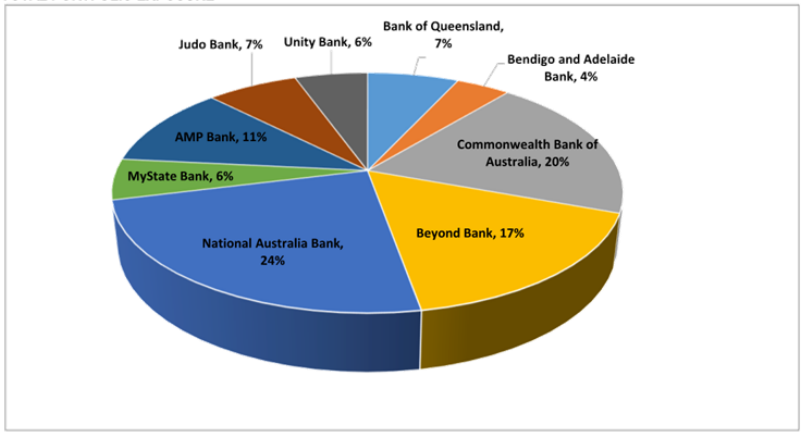


INTEREST RATE COMPARISON



CITY OF VINCENT
INVESTMENT POLICY COMPLIANCE
AS AT 30 SEPTEMBER 2025

TOTAL PORTFOLIO EXPOSURE



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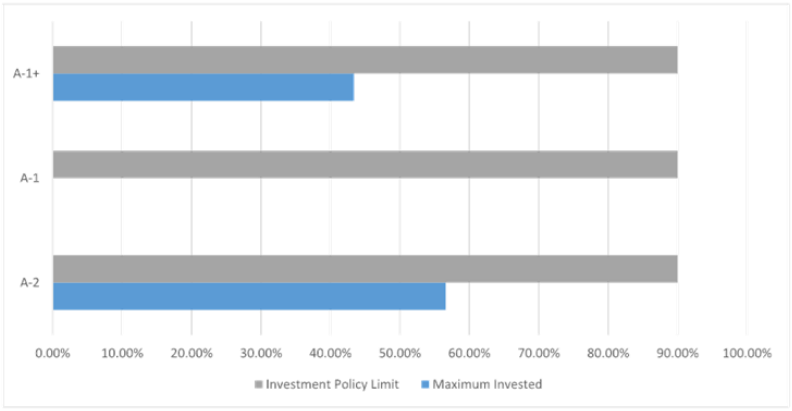
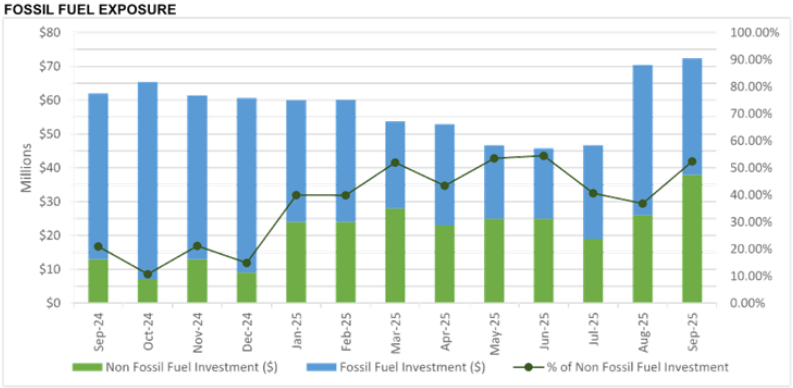
FOSSIL FUEL EXPOSURE