7.3 INVESTMENT REPORT AS AT 31 AUGUST 2026

Attachments: **1. Investment Report as at 31 August 2026**

RECOMMENDATION:

That Council NOTES the Investment Statistics for the month ended 31 August 2026 as detailed in Attachment 1.

PURPOSE OF REPORT:

To advise Council of the nature and value of the City's Investments as at 31 August 2026 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

During August 2026, term deposits totalling $2.3 million matured. New and reinvested placements totalled $17.4 million, comprising $15.0 million of newly invested municipal funds and the reinvestment of $2.4 million of Leederville Gardens Inc.Trust funds on maturity.

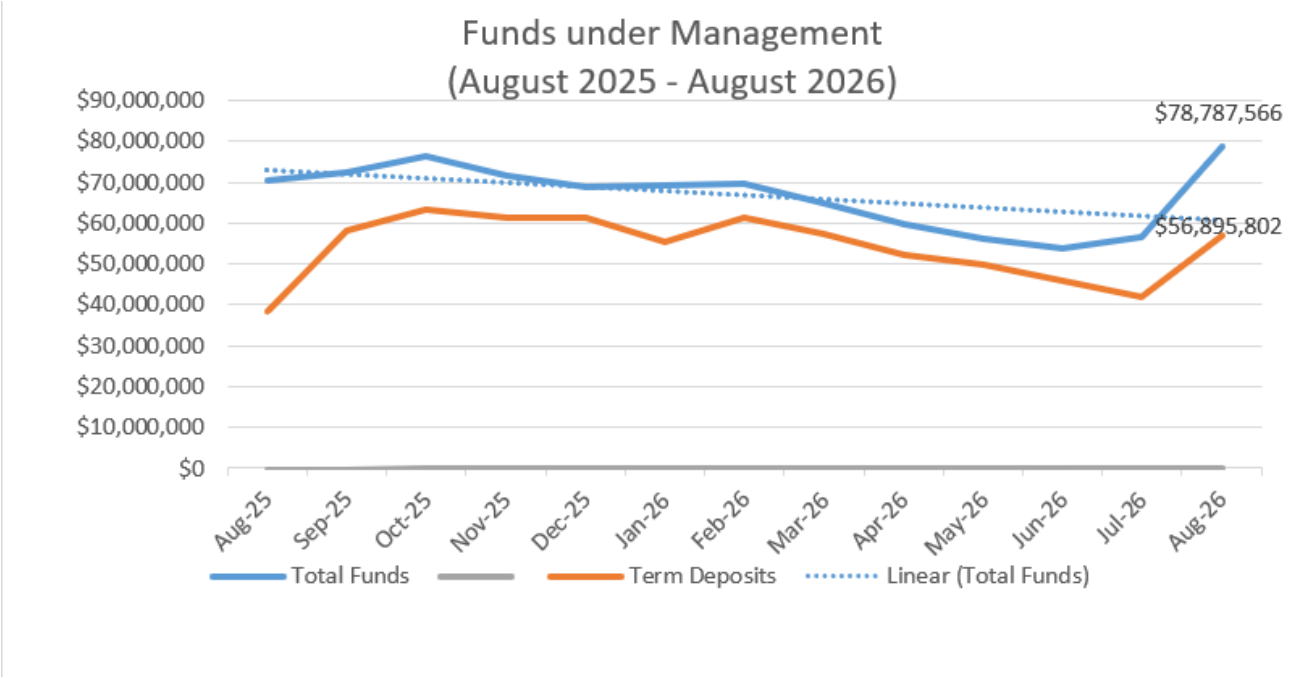
Investment Status

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

As at 31 August 2026, the total funds under management held by the City (including at-call funds of $21,891,764) were $78,787,566 compared to $70,424,553 for the period ended 31 August 2025. All funds were interest-bearing as at 31 August 2026.

The total funds invested in term deposits for the period ended 31 August 2026 were $56,895,802 compared to $38,207,139 for the period ended 31 August 2025.

The following chart shows funds under management from August 2025 to August 2026:



Interest Status

Total accrued interest earned on investments as at 31 August 2026 is:

Total Accrued Interest Earned on Investment	Budget Adopted	Budget YTD	Actual YTD	% of YTD Budget	FY25/26 Actual
Municipal	1,200,000	174,120	189,520	108.84%	1,436,220
Reserve	1,260,000	182,826	229,847	125.72%	1,100,000
Subtotal	**2,460,000**	**356,946**	**419,367**	**117.49%**	**2,536,220**
Leederville Gardens Inc. Surplus Trust*	0	0	31,532	N/A	186,713
Total	**2,460,000**	**356,946**	**450,899**	**126.32%**	**2,722,933**

**Interest estimates for Leederville Gardens Inc. Surplus Trust were not included in the 2026/27 Budget as actual interest earned is restricted.*

The City has a weighted average interest rate of 4.54% for all funds under management compared to the Reserve Bank 6 month accepted bill rate for August 2026 of 4.83%.

The City's weighted average rate reflects investments entered into over varying maturities throughout the year and at call cash funds. The Reserve Bank six-month accepted bill rate represents a point-in-time market benchmark rather than the average yield achieved across the City's investment portfolio.

Sustainable Investments

The City's Investment Policy requires investment decisions to primarily consider capital preservation, liquidity, risk-adjusted returns and diversification. Environmental considerations may also be considered where these are consistent with the prudent management of public funds.

Administration utilises Yield Hub and other publicly available information sources to assist in assessing environmental considerations when making investment decisions.

As at 31 August 2026, 61.3% of the City's total funds under management including at call funds, were invested with financial institutions identified as having fossil fuel exposure, with the remaining 38.7% invested with institutions that do not currently have a recorded exposure.

Term Deposits

A summary of all term deposits by rating category exposure is included in the table below. All at call funds held with CBA are excluded as they are not subject to these investment threshold requirements as per the City's Investment policy.

Long Term Rating (Standard & Poor's) or Equivalent	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
AAA	A-1+	50%	0%	100%	0%
AA+ to AA-		50%	46.3%	90%	46.3%
A+ to A-	A-1	30%	0%	80%	0%
BBB+	A-2	20%	15.8%	70%	53.7%

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. All investment exposures remain within the limits prescribed by the City's Investment Policy.

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 2022-2032*:

Innovative and Accountable

We embrace good ideas or innovative approaches to our work to get better outcomes for Vincent and our community.

Our decision-making process is consistent and transparent, and decisions are aligned to our strategic direction

We deliver our services, projects and programs in the most inclusive, efficient, effective and sustainable way possible

We engage with our community so they are involved in what we are doing and how we are meeting our goals.

SUSTAINABILITY IMPLICATIONS:

The City's Investment Policy allows environmental considerations to be incorporated into investment decision-making where they are consistent with the primary objectives of capital preservation, liquidity, diversification and risk-adjusted return.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2026-2031.*

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 FUNDS UNDER MANAGEMENT
AS AT 31 AUGUST 2026

Funds	Institution	Investment Date	Maturity Date	Interest Rate	Principal $
OPERATING ACCOUNTS					
Municipal	Commonwealth Bank of Australia	Ongoing		4.10%	14,561,612
Municipal	Commonwealth Bank of Australia	Ongoing		3.95%	572,113
Reserve	Commonwealth Bank of Australia	Ongoing		4.10%	6,758,039
Total Operating Funds					**21,891,764**
TERM DEPOSITS					
Leederville Gardens Inc Surplus Trust	AMP Bank	17/12/2025	17/12/2026	4.25%	982,919
Leederville Gardens Inc Surplus Trust	AMP Bank	23/01/2026	22/01/2027	4.40%	1,045,942
Leederville Gardens Inc Surplus Trust	National Australia Bank	21/08/2026	20/08/2027	5.25%	2,366,941
Municipal	Unity Bank	11/09/2025	10/09/2026	4.20%	2,000,000
Municipal	Beyond Bank	11/09/2025	11/09/2026	4.25%	4,000,000
Municipal	National Australia Bank	7/08/2026	12/01/2027	5.15%	10,000,000
Municipal	Bendigo and Adelaide Bank	7/08/2026	5/03/2027	5.20%	5,000,000
Reserve	Beyond Bank	11/09/2025	10/09/2026	4.25%	4,000,000
Reserve	National Australia Bank	11/09/2025	11/09/2026	4.15%	8,000,000
Reserve	Unity Bank	11/09/2025	11/09/2026	4.20%	2,000,000
Reserve	National Australia Bank	27/02/2026	2/11/2026	4.70%	3,000,000
Reserve	National Australia Bank	27/02/2026	2/11/2026	4.70%	3,000,000
Reserve	MyState Bank	27/02/2026	1/12/2026	4.85%	5,000,000
Reserve	Unity Bank	27/02/2026	26/02/2027	4.90%	5,000,000
Reserve	MyState Bank	6/05/2026	6/05/2027	5.50%	1,500,000
Total Term Deposits					**56,895,802**
Total Funds available					**78,787,566**

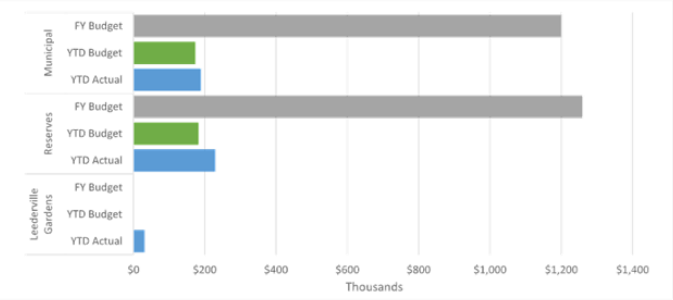
CITY OF VINCENT
INVESTMENT PORTFOLIO
AS AT 31 AUGUST 2026

CASH & INVESTMENT HOLDINGS	Municipal	Reserve	Leederville Gardens Inc Surplus Trust	Total	Total
	$	$	$	$	%
BY INVESTMENT HOLDINGS					
Municipal Account	14,561,612	6,758,039	0	21,319,651	27.1%
Online Saver	572,113	0	0	572,113	0.7%
Term Deposits	21,000,000	31,500,000	4,395,802	56,895,802	72.2%
	36,133,725	**38,258,039**	**4,395,802**	**78,787,566**	**100.0%**
BY FOSSIL FUEL EXPOSURE					
Fossil Fuel Investments	25,133,725	20,758,039	2,366,941	48,258,705	61.3%
Non Fossil Fuel Investments	11,000,000	17,500,000	2,028,861	30,528,861	38.7%
	36,133,725	**38,258,039**	**4,395,802**	**78,787,566**	**100.0%**

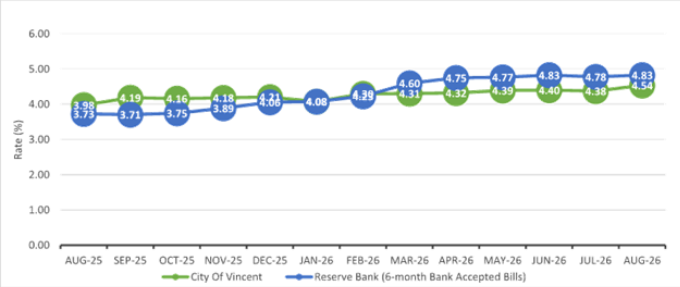
TERM DEPOSITS INVESTMENTS	Municipal	Reserve	Leederville Gardens Inc Surplus Trust	Total	Total
	$	$	$	$	%
BY INSTITUTION					
Bendigo and Adelaide Bank	5,000,000	0	0	5,000,000	8.8%
Beyond Bank	4,000,000	4,000,000	0	8,000,000	14.1%
National Australia Bank	10,000,000	14,000,000	2,366,941	26,366,941	46.3%
AMP Bank	0	0	2,028,861	2,028,861	3.6%
Unity Bank	2,000,000	7,000,000	0	9,000,000	15.8%
MyState Bank	0	6,500,000	0	6,500,000	11.4%
	21,000,000	**31,500,000**	**4,395,802**	**56,895,802**	**100.0%**
BY CREDIT RATINGS (LONG-TERM ISSUE)					
AA-	10,000,000	14,000,000	2,366,941	26,366,941	46.3%
BBB+	11,000,000	17,500,000	2,028,861	30,528,861	53.7%
	21,000,000	**31,500,000**	**4,395,802**	**56,895,802**	**100.0%**
BY TERMS					
91-180 days	10,000,000	0	0	10,000,000	17.6%
181-270 days	5,000,000	6,000,000	0	11,000,000	19.3%
271-365 days	6,000,000	25,500,000	4,395,802	35,895,802	63.1%
	21,000,000	**31,500,000**	**4,395,802**	**56,895,802**	**100.0%**
BY MATURITY					
0-30 days	6,000,000	14,000,000	0	20,000,000	35.2%
31-90 days	0	6,000,000	0	6,000,000	10.5%
91-180 days	10,000,000	10,000,000	2,028,861	22,028,861	38.7%
181-270 days	5,000,000	1,500,000	0	6,500,000	11.4%
271-365 days	0	0	2,366,941	2,366,941	4.2%
	21,000,000	**31,500,000**	**4,395,802**	**56,895,802**	**100.0%**

CITY OF VINCENT
CASH & INVESTMENT PERFORMANCE
AS AT 31 AUGUST 2026

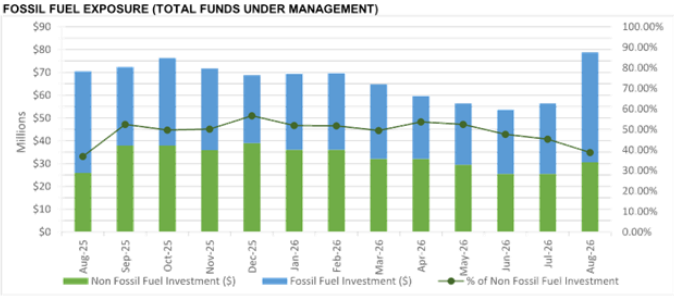
INTEREST EARNINGS (TOTAL FUNDS UNDER MANAGEMENT)



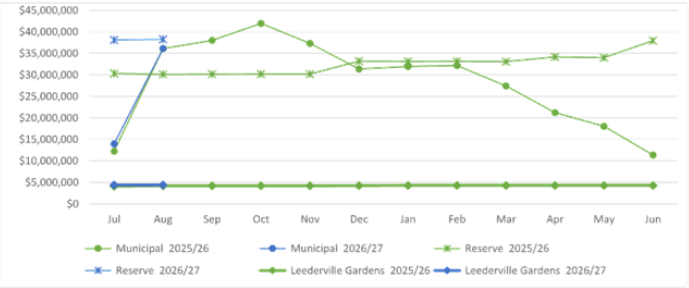
INTEREST RATE COMPARISON (TOTAL FUNDS UNDER MANAGEMENT)



FOSSIL FUEL EXPOSURE (TOTAL FUNDS UNDER MANAGEMENT)

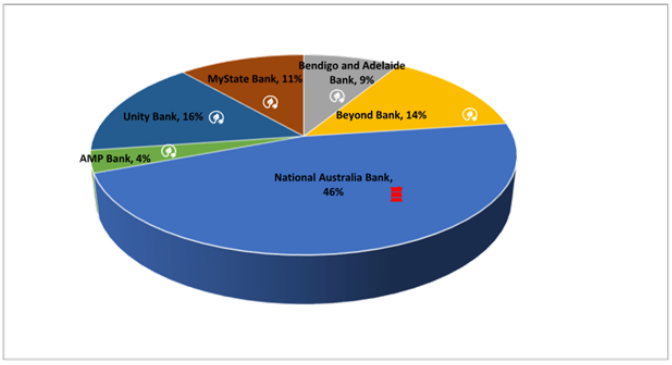
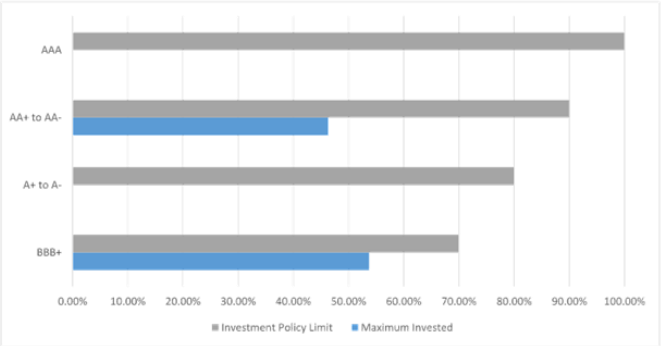


TOTAL FUNDS UNDER INVESTMENT



CITY OF VINCENT
INVESTMENT POLICY COMPLIANCE
AS AT 31 AUGUST 2026

TOTAL PORTFOLIO EXPOSURE (TERM DEPOSITS ONLY)



TOTAL CREDIT EXPOSURE (TERM DEPOSITS ONLY)