11.3 INVESTMENT REPORT AS AT 30 JUNE 2026

Attachments: **1. Investment Report as at 30 June 2026**

RECOMMENDATION:

That Council NOTES the Investment Statistics for the month ended 30 June 2026 as detailed in Attachment 1.

PURPOSE OF REPORT:

To advise Council of the nature and value of the City's Investments as at 30 June 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

No new investments were undertaken during June 2026. During the month, term deposits totalling $4.0 million matured and were retained in operating accounts pending future cash flow requirements.

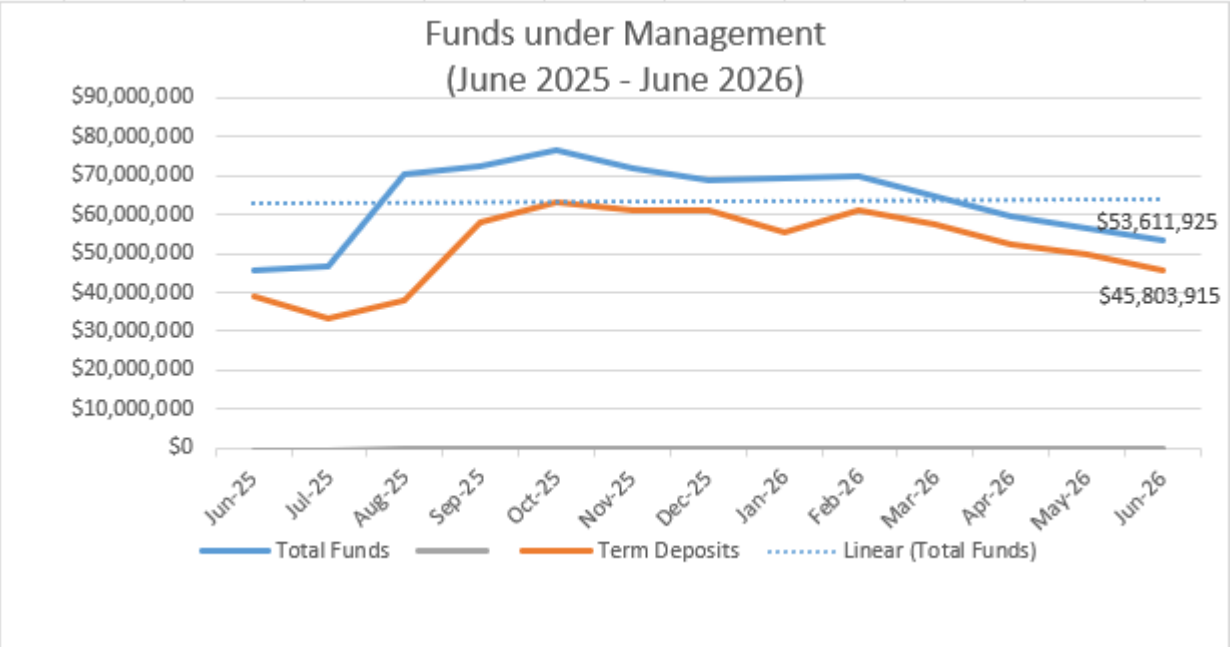
Investment Status

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

As at 30 June 2026, the total funds held in the City's operating accounts (including on call) was $53,611,925 compared to $45,759,406 for the period ended 30 June 2025. All funds are interest bearing as at 30 June 2026.

The total funds invested in term deposit for the period ended 30 June 2026 were $45,803,915 compared to $39,099,836 for the period ended 30 June 2025.

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



Interest Status

Total accrued interest earned on investments as at 30 June 2026 is:

Total Accrued Interest Earned on Investment	Budget Revised	Budget YTD	Actual YTD	% of YTD Budget	FY24/25 Actual
Municipal	1,000,000	1,000,000	1,436,220	143.62%	1,269,032
Reserve	1,100,000	1,100,000	1,100,000	100.00%	1,200,000
Subtotal	**2,100,000**	**2,100,000**	**2,536,220**	**120.77%**	**2,469,032**
Leederville Gardens Inc. Surplus Trust*	0	0	186,713	N/A	197,586
Total	**2,100,000**	**2,100,000**	**2,722,933**	**129.66%**	**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 4.40% for current investments compared to the Reserve Bank 6 month accepted bill rate for June 2026 of 4.83%.

The City's weighted average rate reflects investments entered into over varying maturities throughout the year. 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 30 June 2026, 52.4% of the City's investment portfolio was invested with financial institutions identified as having fossil fuel exposure, with the remaining 47.6% invested with institutions that do not currently have a recorded exposure.

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%	30.4%	90%	52.4%
A+ to A-	A-1	30%	0%	80%	0%
BBB+	A-2	20%	16.8%	70%	47.6%

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 INVESTMENT HOLDING
AS AT 30 JUNE 2026

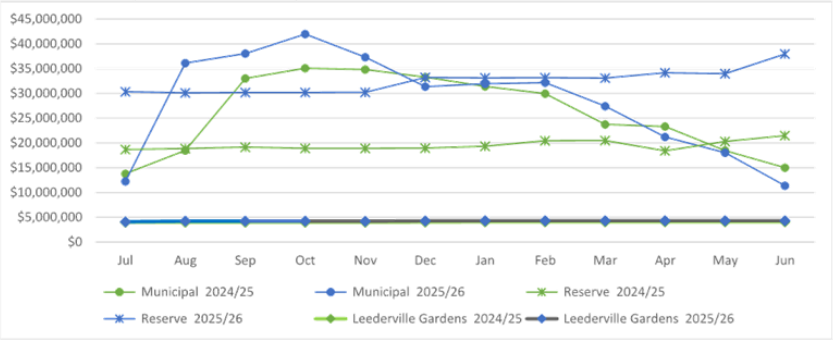
Funds	Institution	Investment Date	Maturity Date	Interest Rate	Principal $
OPERATING ACCOUNTS					
Municipal	Commonwealth Bank of Australia	Ongoing		4.10%	298,624
Municipal	Commonwealth Bank of Australia	Ongoing		3.95%	560,369
Reserve	Commonwealth Bank of Australia	Ongoing		4.10%	6,949,017
Total Operating Funds					**7,808,010**
TERM DEPOSITS					
Leederville Gardens Inc Surplus Trust	National Australia Bank	22/08/2025	21/08/2026	4.05%	2,275,054
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
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	27/02/2026	2/11/2026	4.70%	3,000,000
Municipal	MyState Bank	6/05/2026	6/05/2027	5.50%	1,500,000
Reserve	Commonwealth Bank of Australia	26/11/2025	24/07/2026	4.25%	4,000,000
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	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
Total Term Deposits					**45,803,915**
Total Funds available					**53,611,925**

CITY OF VINCENT
INVESTMENT PORTFOLIO
AS AT 30 JUNE 2026

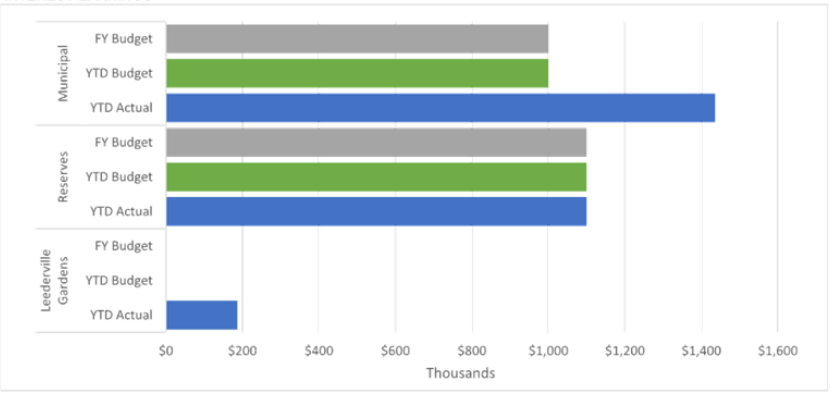
	Municipal	Reserve	Leederville Gardens Inc Surplus Trust	Total	Total
	$	$	$	$	%
BY INVESTMENT HOLDINGS					
Municipal Account	298,624	6,949,017	0	7,247,641	13.5%
Online Saver	560,369	0	0	560,369	1.0%
Term Deposits	10,500,000	31,000,000	4,303,915	45,803,915	85.5%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**
BY INSTITUTION					
Commonwealth Bank of Australia	858,993	10,949,017	0	11,808,010	22.0%
Beyond Bank	4,000,000	4,000,000	0	8,000,000	14.9%
National Australia Bank	3,000,000	11,000,000	2,275,054	16,275,054	30.4%
AMP Bank	0	0	2,028,861	2,028,861	3.8%
Unity Bank	2,000,000	7,000,000	0	9,000,000	16.8%
MyState Bank	1,500,000	5,000,000	0	6,500,000	12.1%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**
BY CREDIT RATINGS (LONG-TERM ISSUE)					
AA-	3,858,993	21,949,017	2,275,054	28,083,064	52.4%
BBB+	7,500,000	16,000,000	2,028,861	25,528,861	47.6%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**
BY TERMS					
0-30 days	858,993	6,949,017	0	7,808,010	14.6%
181-270 days	3,000,000	7,000,000	0	10,000,000	18.7%
271-365 days	7,500,000	24,000,000	4,303,915	35,803,915	66.7%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**
BY MATURITY					
0-30 days	858,993	10,949,017	0	11,808,010	22.0%
31-90 days	6,000,000	14,000,000	2,275,054	22,275,054	41.6%
91-180 days	3,000,000	8,000,000	982,919	11,982,919	22.4%
181-270 days	0	5,000,000	1,045,942	6,045,942	11.3%
271-365 days	1,500,000	0	0	1,500,000	2.8%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**
BY FOSSIL FUEL EXPOSURE					
Fossil Fuel Investments	3,858,993	21,949,017	2,275,054	28,083,064	52.4%
Non Fossil Fuel Investments	7,500,000	16,000,000	2,028,861	25,528,861	47.6%
	11,358,993	**37,949,017**	**4,303,915**	**53,611,925**	**100.0%**

CITY OF VINCENT
INVESTMENT PERFORMANCE
AS AT 30 JUNE 2026

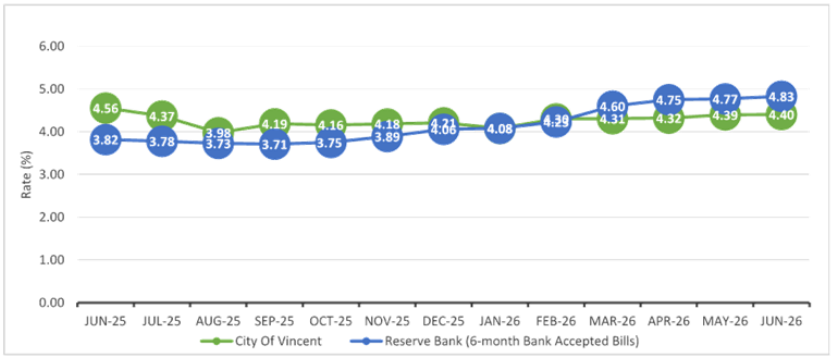
FUNDS INVESTED (TERM DEPOSITS ONLY)



INTEREST EARNINGS

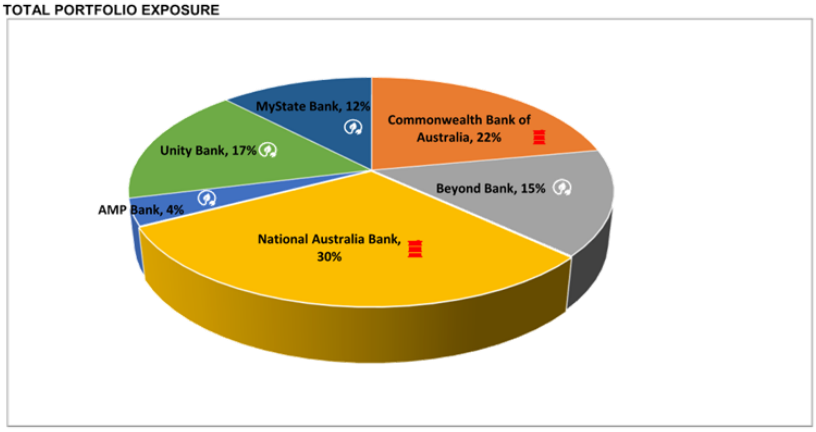


INTEREST RATE COMPARISON

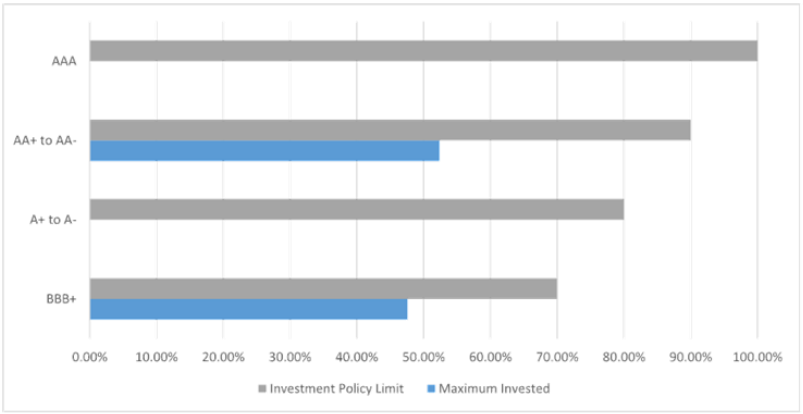
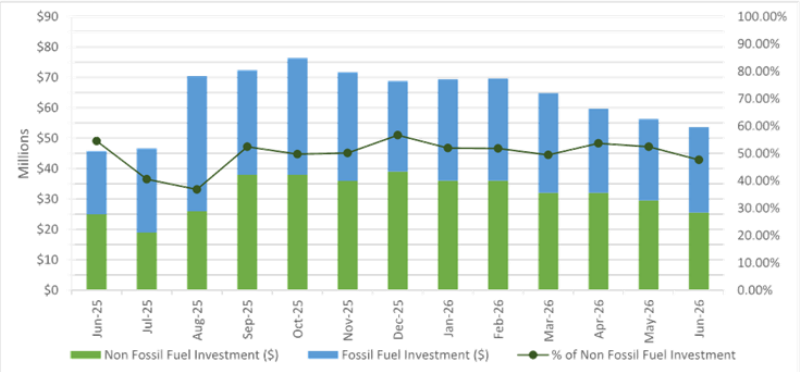


CITY OF VINCENT
INVESTMENT POLICY COMPLIANCE
AS AT 30 JUNE 2026

TOTAL PORTFOLIO EXPOSURE



TOTAL CREDIT EXPOSURE



FOSSIL FUEL EXPOSURE