



**COFFS HARBOUR CITY COUNCIL**

**SUPPLEMENTARY AGENDA  
(CORPORATE BUSINESS)**



**COUNCIL CHAMBERS  
COUNCIL ADMINISTRATION BUILDING  
COFF AND CASTLE STREETS, COFFS HARBOUR**

**27 AUGUST 2009**

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## COFFS HARBOUR CITY COUNCIL

### SUPPLEMENTARY AGENDA (CORPORATE BUSINESS)

27 AUGUST 2009

Mayor and Councillors

#### CORPORATE BUSINESS DEPARTMENT REPORTS

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#### C49 BANK BALANCES AND INVESTMENTS FOR JULY 2009

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##### **Purpose:**

To list Council's Bank Balances and Investments as at 31 July 2009.

##### **Description of Item:**

A copy of the state of Bank Balances and Investments as at 31 July 2009 is attached.

It should be noted that Council is now required to account for investments in accordance with the Australian International Financial Reporting Standards. As such the ledger balances at the end of each month reflect market value movements which would be inclusive of accrued interest.

Interest when paid, say quarterly, would result in reductions in the market value of the investments.

The Investment Report reflects the above requirements and reflects the interest earned (or accrued) on each investment, based on the acquisition price.

A monthly economic commentary which examines economic & financial markets data for July 2009 is attached, which has been provided by CPG Research & Advisory Pty Ltd (Council's investment portfolio advisors).

##### **Sustainability Assessment:**

- **Environment**

There are no perceived current or future environmental impacts.

Cont'd

## C49 Bank Balances and Investments for July 2009 ...(Cont'd)

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- **Social**

There are no perceived current or future social impacts.

- **Economic**

Council's investments are held according to the requirements stated within Council's investments policy and the returns are acceptable in relation thereto.

It is also noted that after deducting, from the total bank and investment balances of \$160,308,128, the estimated restricted General, Trust, Water & Sewerage cash and investments for July 2009, the Unrestricted Cash is \$221,431. This is an estimate pending finalisation of the revotes from 2008/09 to 2009/10 and the completion of the 2008/09 Annual Financial Reports. Further details are provided as a note on the attachment.

**Recommendation:**

1. **That the bank balances and investments totalling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and sixty million, three hundred and eight thousand, one hundred and twenty eight dollars (\$160,308,128) as at 31 July 2009 be noted.**
2. **That the general fund unrestricted cash & investments totaling two hundred and twenty one thousand, four hundred and thirty one dollars (\$221,431) as at 31 July 2009 be noted.**

**Craig Milburn  
Director  
Corporate Business**

## Attachments:



## ECONOMIC & MARKET COMMENTARY AUGUST 2009

### **"Market Forecast: Fine until at least the end of the week."**

The seemingly titanic battle between market optimists and pessimists continued this month with another uptick in support for a nascent, sustainable recovery outweighing more cautious investors who believe that the recent outbreak of market euphoria has overshadowed deeper, more fundamental economic challenges yet to surface.

With de-leveraging of global household, corporate and bank balance sheets set to continue through 2010 (and likely well beyond), unemployment yet to peak and the eventual end of Government-pumped stimulus packages (through financial market exhaustion rather than political will), the strength of the current equities rebound is both curious and thought provoking.

Legacy European airlines, for example, are not convinced the worst is behind us with British Airways, Lufthansa and Air France raising USD\$2.4B in extra capital through bond issues in recent weeks<sup>1</sup>. Whether the additional liquidity is enough to see airlines through the downturn is still the subject of debate by sector analysts.

The airline issues have been joined by a wave of rights and bond issues from corporates and banks the world over who are either repairing damaged balance sheets, squirreling away cash for more difficult time times to come, or both.

However, it's a brave person who steps in front of a train and hopes it will stop. Notwithstanding more sober assessments of economic fundamentals, the market is voting strongly with its feet and the trickle of cash to equities has become a flood. The S&P/ASX 200 Index has risen some 37% since this current rally commenced in March 2009.

Given the relative strength of the takeoff in the midst of mixed macro fundamentals and market sentiment, it is interesting to consider how successfully active equity managers have been harvesting recent gains when compared with index returns.

As outlined in Figure 1, and in a universe of more than 250 funds, the median active manager underperformed the index by more than 0.50% over the six months. To be fair, active manager strategies can (and should) bear fruit over time prompting the never ending question of 'how long will investors be forced to wait' syndrome. This admittedly spot result may prove inconclusive but raw statistics suggest more than 50% of active fund managers are not delivering to expectations and need to justify their 'active' fee. If nothing else, this also suggests how difficult it is to discern when a green shoot actually gains a foothold and becomes a tree or withers and dies.

The upswing in sentiment, if believable and sustainable, also has equity strategists actively re-positioning portfolio sector exposures. Preferred equity sectors, according to some market commentators, appear to be favouring global financials, energy and telcos while financials, media and REIT's are surfacing as early cycle sector plays in Australia. The astonishing rebound in 'forward-looking' sector performance for Information Technology, Industrial and Consumer Discretionary in the four months to July 2009 is starkly illustrated in Figure 2.

Time alone will tell whether investor optimism is running ahead of economic reality. News today that US consumer spending for July fell an adjusted 0.1% while savings rates fell to 4.2% of disposable income from 6.2% may yet be a harbinger of tougher times ahead.

<sup>1</sup> Aviation Week & Space Technology, July 27, 2009, p.29

**Figure 1**

<b>Australian Active Equity Managers</b>	<b>6 mths to Jul 09</b>
Median	22.55
Lower Quartile	20.01
S&P/ASX 200 TR	23.06
No. of Funds	255

Source: Morningstar

**Figure 2**

<b>Australian Equity Sectors</b>	<b>18 mths to Feb 09</b>	<b>4 mths to Jul 09</b>
<b>S&amp;P/ASX 200 TR</b>	<b>-42.63</b>	<b>28.96</b>
S&P/ASX 200 Energy TR	-11.65	26.92
S&P/ASX 200 Materials TR	-35.64	33.71
S&P/ASX 200 Industrials TR	-63.40	45.41
S&P/ASX 200 Cons Discretionary TR	-60.69	45.86
S&P/ASX 200 Consumer Staples TR	-21.56	18.07
S&P/ASX 200 Health Care TR	-0.70	-7.71
S&P/ASX 200 Fincl Ex A-REIT TR	-48.11	37.72
S&P/ASX 200 Info Tech TR	-29.37	40.86
S&P/ASX 200 Telecom Svcs TR	-16.84	5.62
S&P/ASX 200 Utilities TR	-41.46	14.66
S&P/ASX 200 A-REIT TR	-69.07	17.91

Source: Morningstar

### International Market

Global equities fell at the beginning of the month on anticipation of poor second-quarter earnings as well as the worse than expected unemployment figure in the US. However, as investor sentiment improved based on speculation that the worst of the global recession was over, this sparked a rally in global equities, particularly after welcoming forecasts projected by the International Monetary Fund (IMF).

Equity markets in the US surged, with the S&P 500 and Dow Jones Industrial Average gaining +7.4% and +8.6% respectively. European stocks also gained significantly, with Germany's DAX adding +10.9%, UK's FTSE 100 +8.5% and France's CAC +9.1%. Asian equities followed with Japan's Nikkei Index and Hong Kong's Hang Seng surging +4.0% and +11.9% respectively. The MSCI World Index, a broad measure of global shares, rallied +8.4% for the month.

During July, the poor economic news was largely offset by the positive outlook on the global economy:

- ▶ The US unemployment rate rose from 9.4% to 9.5% in June, the highest since August 1983;
- ▶ According to the Commerce Department, US gross domestic product (GDP) shrank at a better-than-forecast 1% annual pace in the June quarter after a 6.4% drop the prior three months. Retail sales increased 0.6% in June, the best gain since January;
- ▶ US consumer spending, which accounts for about 70% of the economy, fell at a 1.2% pace in the June quarter following a 0.6% increase in the prior quarter;
- ▶ Purchases of new homes in the US climbed 11% in June, the biggest gain in eight years, supporting evidence that the deepest housing slump since the Great Depression was starting to stabilise;
- ▶ The IMF revised its forecast for the global economy, projecting it will expand 2.5% in 2010, compared with its projection of 1.9% in April. The IMF estimated a contraction of 1.4% this year, worse than April's forecast of 1.3%;
- ▶ In addition, the IMF projected that US GDP will shrink 2.6% this year before expanding 0.8% in 2010, compared to April's forecast when they expected US GDP to stall next year. At the same time, China's growth is forecast to accelerate to 8.5% next year, a percentage point

more than expected in April, after slowing to 7.5% this year.

### Domestic Market

The Reserve Bank of Australia (RBA) kept interest rates unchanged at 3.00% for a third consecutive month in its July meeting. The result was expected amid signs the lowest borrowing costs in 49 years and government spending were helping the economy avoid the global recession. Retail sales increased 1% in May, twice as much as economists estimated, largely attributed by spending at department stores and restaurants.

The RBA's decision was also helped by the release of the latest quarterly inflation figure. The annual consumer price index (CPI) rate fell below the RBA's 2-3% target range for the first time since the September quarter of 2007. According to the Australian Bureau of Statistics (ABS), petrol prices and the cost of medical services helped push the CPI inflation up 0.5% for the June quarter, compared with a 0.1% gain in the March quarter. On an annual pace, CPI rose 1.5% from a year earlier, less than the 2.5% annual pace during the March quarter.

Despite inflation being below the RBA's target range and unemployment steadily rising (from 5.7% to 5.8% in June - its highest level in six years), with the recent rebound in financial markets, most analysts are anticipating rates to remain relatively flat in the immediate term. While the low inflation figure may leave the door open for more interest rate cuts should the RBA consider it necessary, with equity and credit markets rallying over the June quarter, the futures market are actually pricing in interest rate rises which would bring the official cash rate up to 4.00% by June 2010.

Meanwhile, the domestic equity market continued to rebound strongly, with the S&P / ASX 200 Accumulation Index surging +7.3% in July, to be up +13.1% for the past three months.

### Other

With interest rates on hold at 3.00% and RBA governor Glen Stevens suggesting that rates may begin to rise without waiting for unemployment to peak, the Australian dollar (AUD) continued its appreciation against the US dollar. The AUD appreciated 2 cents in July to US83 cents, its highest point since the start of the financial crisis in September 2008.

**KEY FINANCIAL MARKET DATA – AS AT 31 JULY 2009 (UNLESS SPECIFIED)****Interest Rate Markets**

Index Performance	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
UBS Aust. Bank Bill Index	0.27%	0.79%	1.61%	5.05%	6.27%	6.33%
UBS Aust. All Maturities Composite	0.31%	-1.02%	-2.12%	9.22%	7.38%	6.03%

Key Rates	Jul-09	Jun-09	Jul-08
Australian Cash Rate	3.00%	3.00%	7.25%
90 day BBSW	3.20%	3.19%	7.76%
3 Yr Commonwealth Bonds	4.79%	4.56%	6.15%
10 Yr Commonwealth Bonds	5.60%	5.52%	6.23%
iTraxx Australia 5 Yr CDS	142bp	201bp	129bp
US Fed Funds Rate	0-0.25%	0-0.25%	2.00%
CDX North American 5 Yr CDS	111bp	131bp	132bp

**Equity Markets**

Domestic	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
S&P/ASX 200 Accumulation Index	7.31%	13.13%	23.06%	-10.20%	-12.94%	-0.96%
A-REIT 200 Accumulation Index	2.42%	11.20%	-1.20%	-37.78%	-37.13%	-22.73%

International	1 month	3 months	6 months	1 year	2 year p.a.	3 year p.a.
US: S&P 500 \$US	7.41%	13.14%	19.57%	-22.09%	-17.63%	-8.21%
US: NASDAQ \$US	7.82%	15.21%	34.01%	-14.92%	-11.85%	-1.83%
MSCI World Index in \$US	8.37%	16.99%	24.55%	-23.56%	-18.32%	-7.67%
MSCI World Index in \$AUD	6.19%	2.64%	-3.17%	-12.54%	-17.20%	-10.24%
FTSE £	8.45%	8.59%	11.05%	-14.85%	-14.88%	-8.05%
MSCI Emerging Markets \$US	10.87%	27.36%	59.39%	-18.99%	-12.91%	3.75%

Data	Current Period		Previous Period	
<i>Employment Data</i>				
Employment Growth	June	-4800	May	-1200
Unemployment Rate	June	5.8%	May	5.7%
Participation Rate	June	65.54%	May	65.40%
<i>Lending Finance</i>				
Housing Finance	May	3.00%	Apr	2.90%
Personal Finance	May	-0.90%	Apr	-0.10%
Commercial Finance	May	0.40%	Apr	-0.10%
Lease Finance	May	-2.90%	Apr	-3.30%
<i>Other</i>				
Balance on goods and services	May	448m	Apr	1,369m
Retail Sales s.a.	May	1.00%	Apr	0.30%
Building Approvals	May	1.30%	Apr	2.20%

<b>Median Fund Manager Returns (Morningstar)</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>2 year p.a.</b>	<b>3 year p.a.</b>
Australian Equity Large Cap	7.39	12.91	22.84	-8.51	-12.50	-1.11
Australian Equity Small Cap	8.05	18.12	32.88	-11.07	-18.38	-1.94
Global Equity Large Cap	5.57	4.42	-1.64	-13.30	-16.78	-9.19
Global Equity Small Cap	5.07	5.66	3.18	-15.34	-18.19	-8.05
Australian Fixed Income	0.44	0.70	1.01	5.22	5.46	5.21
Global Fixed Income	1.43	2.41	2.96	5.75	5.17	4.58
Australian Listed Property	2.25	11.04	0.86	-34.55	-36.37	-22.63
Conservative <sup>1</sup>	1.60	3.13	3.01	0.13	-0.22	2.04
Moderate <sup>2</sup>	2.47	4.27	4.78	-1.36	-3.63	0.88
Balanced <sup>3</sup>	3.73	5.84	6.74	-5.63	-8.03	-1.09
Growth <sup>4</sup>	4.61	7.32	8.71	-8.06	-11.97	-2.96
Aggressive <sup>5</sup>	5.91	9.74	13.09	-13.14	-15.44	-4.49

<sup>1</sup> Growth Assets 0% - 20%

<sup>2</sup> Growth Assets 20% - 40%

<sup>3</sup> Growth Assets 40% - 60%

<sup>4</sup> Growth Assets 60% - 80%

<sup>5</sup> Growth Assets 80% - 100%

#### **Disclaimer**

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**BANK BALANCES AND INVESTMENTS AS AT 31/7/09**  
**COFFEY HARBOUR CITY COUNCIL**  
**STATEMENT OF BANK BALANCES AS AT 31/7/09**

Fund/Account	Balance at 1/7/09		Payments to 31/7/09		Balance at 31/7/09	
GENERAL FUND	4,314,644	20,421,842	2,159,056		2,155,588	
TRUST FUNDS	1,533,333	1,500,000	222,000		1,278,000	
TOTAL OF ALL BANK ACCOUNTS	5,853,944	21,921,842	2,381,056		3,433,588	

**INVESTMENTS REPORT - 31/7/09**  
**PRINCIPAL BALANCES/INTEREST EARNED**

Fund/Account	Credit Rating at Issue Date	Acquisition Date	Legal Maturity	Market Value as at 1/7/09		Market Value as at 31/7/09		Financial Year to Date Movement in Market Value		Income Earned Net of Fees - July 2009	Income Earned Financial Yr to Date	Capital Price Valuation Date	Annualised Monthly Return (Managed Funds) / Current Return (Funds) / Current variance to benchmark rate	Risk of capital not being returned	
				\$	\$	\$	\$	Increase/Decrease in Capital Value	Interest/ Distributions/ Reinvested						Acquisitions/ (Redemptions)
<b>OVERNIGHT FUNDS:</b>															
<b>Cash - Fair Value movements through profit &amp; loss</b>															
Westpac-Overnight	AA			5,923,944	10,721	2,821,032	10,721	(3,513,603)	-	10,721	31/07/2009	10,721	31/07/2009	2.75	-0.25
T-Corp (at call)	AAA	15/06/2009		2,600,000	3,759	1,500,759	3,759	(1,000,000)	-	3,759	31/07/2009	3,759	31/07/2009	2.85	-0.05
Members Equity Bank (at call)	BBB	16/06/2009		2,000,000	6,894	2,924,274	6,894	(2,000,000)	-	6,894	31/07/2009	6,894	31/07/2009	4.00	1.00
ANZ High Yield	AA	17/06/2009		4,000,000	15,600	4,015,600	15,600	-	2,597	15,600	31/07/2009	15,600	31/07/2009	3.19	0.19
Totals				15,923,944	46,112	9,244,665	46,112	(6,513,603)	2,597	46,112	31/07/2009	46,112	31/07/2009	3.19	0.19
<b>BENCHMARK RATE - 11 AM INDICATIVE CASH RATE</b>															
<b>OTHER FUNDS:</b>															
<b>Enhanced Cash Funds - Fair Value movements through profit &amp; loss</b>															
Abendorn (previously Deutsche)	A	Various	Not Applicable	1,461,259	21,208	1,482,467	21,208	-	-	21,208	31/07/2009	21,208	31/07/2009	18.49	16.32
LGFB Fixed Out Performance	AA	11/12/2007	Not Applicable	12,985,039	38,771	13,024,810	38,771	-	-	38,771	31/07/2009	38,771	31/07/2009	3.07	0.09
ING Enhanced	A	Various	Not Applicable	3,884,713	16,400	3,901,113	16,400	-	-	16,400	31/07/2009	16,400	31/07/2009	4.98	1.61
Totals				18,331,011	77,379	18,508,490	77,379	-	-	77,379	31/07/2009	77,379	31/07/2009	4.98	1.61
<b>Enhanced Income Funds - Fair Value movements through profit &amp; loss</b>															
Micquans Inc. Plus	A	Various	Not Applicable	19,818,012	351,425	19,868,417	351,425	-	-	351,425	31/07/2009	351,425	31/07/2009	23.26	20.08
Totals				19,818,012	351,425	19,868,417	351,425	-	-	351,425	31/07/2009	351,425	31/07/2009	23.26	20.08
<b>Capital Protected Wholesale Fund - Fair Value movements through profit &amp; loss</b>															
Largouch FIUJ	AAA	27/09/2008		1,500,000	(38,029)	1,461,971	(38,029)	-	-	(38,029)	31/07/2009	(38,029)	31/07/2009	2.00	-1.17
Totals				1,500,000	(38,029)	1,461,971	(38,029)	-	-	(38,029)	31/07/2009	(38,029)	31/07/2009	2.00	-1.17
<b>BENCHMARK RATE - UBS BANK BILL INDEX</b>															
<b>Term Deposits - Fair Value movements through profit &amp; loss</b>															
Westpac	AA	22/07/2008		2,000,000	14,523	2,014,523	14,523	-	-	14,523	31/07/2009	14,523	31/07/2009	6.65	6.35
Westpac	AA	22/07/2008		3,000,000	3,242,449	3,006,892	21,912	-	-	21,912	31/07/2009	21,912	31/07/2009	6.60	6.40
Bank of Queensland	BBB+	23/07/2008		2,000,000	2,167,388	2,003,028	15,220	-	-	15,220	31/07/2009	15,220	31/07/2009	6.96	6.78
Bank of Queensland	BBB+	16/10/2008		3,000,000	3,169,444	3,006,692	18,218	-	-	18,218	31/07/2009	18,218	31/07/2009	7.16	6.98
Heritage Building Society	BBB	23/08/2009		1,000,000	1,000,018	3,622	3,622	-	-	3,622	31/07/2009	3,622	31/07/2009	4.80	3.58
Micquans Bank	A	25/06/2009		1,000,000	1,000,596	3,895	3,895	-	-	3,895	31/07/2009	3,895	31/07/2009	4.35	3.10
Wise Day	BBB-	17/07/2009		1,000,000	1,000,000	1,597	1,597	-	-	1,597	31/07/2009	1,597	31/07/2009	6.30	2.10
Neville Permanent - Trust Funds	BBB+	22/07/2008		600,000	600,000	467	467	-	-	467	31/07/2009	467	31/07/2009	4.83	1.69
Ellice Trust Bank - Trust Funds	BBB	22/07/2008		800,000	800,000	812	812	-	-	812	31/07/2009	812	31/07/2009	4.83	1.43
City Loan Offset	AA	28/01/09		4,618,169	130,865	4,749,034	130,865	-	-	130,865	31/07/2009	130,865	31/07/2009	6.85	3.18
Totals				21,321,064	25,729,650	21,321,064	25,729,650	-	-	25,729,650	31/07/2009	25,729,650	31/07/2009	6.85	3.18

INVESTMENTS REPORT - 3/17/09  
 PRINCIPAL BALANCES/INTEREST EARNED

FUND/ISSUING BANK TERM DEPOSIT - Fair Value measurements through profit & loss	Credit Rating at Issue Date	Credit Rating at 3/17/09	Acquisition Date	Legal Maturity	Acquisition Price	Market Value as at 4/7/09			Monthly Movement in Market Value			Financial Year-to-Date Movement in Market Value			Income Earned of Fees - July 2009	Income Earned Financial Yr to Date	Capital Gain/Loss at Valuation Date	Annualized Monthly Return (Managed Funds) / Current Coupon - Return to Capital	Risk of Capital not being returned
						Market Value as at 4/7/09	Increase/Decrease in Capital Value	Interest Distributions Reinvested	Acquisitions (Redemptions)	Fees Deducted	Market Value as at 3/17/09	Increase/Decrease in Capital Value	Interest Distributions Reinvested	Acquisitions (Redemptions)					
BBB+	BBB+	BBB+	2/16/2016	2/16/2016	3,022,333	3,022,333	11,024	-	-	11,024	-	-	-	11,024	11,024	3,022,333	4.32	1.12	Low
BBB+	BBB+	BBB+	2/16/2016	2/16/2016	3,024,201	3,024,201	11,069	-	-	11,069	-	-	-	11,069	11,069	3,024,201	4.33	1.13	Low
BBB+	BBB+	BBB+	2/16/2016	2/16/2016	6,046,534	6,046,534	22,063	-	-	22,063	-	-	-	22,063	22,063	6,046,534			
AAA	AAA	AAA	1/16/2016	1/16/2016	452,040	452,040	2,685	-	-	2,685	-	-	-	2,685	2,685	452,040	4.72	1.02	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,023,170	1,023,170	6,050	-	-	6,050	-	-	-	6,050	6,050	1,023,170	4.19	0.94	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	81,355	81,355	6,050	-	-	6,050	-	-	-	6,050	6,050	81,355			
AAA	AAA	AAA	1/16/2016	1/16/2016	1,000,000	1,000,000	3,370	-	-	3,370	-	-	-	3,370	3,370	1,000,000	3.60	0.40	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	2,000,000	2,000,000	1,000	-	-	1,000	-	-	-	1,000	1,000	2,000,000	6.31	2.11	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	985,081	985,081	9,197	-	-	9,197	-	-	-	9,197	9,197	985,081	3.49	0.20	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,837,720	1,837,720	17,990	-	-	17,990	-	-	-	17,990	17,990	1,837,720	6.60	2.30	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	2,628	-	-	2,628	-	-	-	2,628	2,628	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low
AAA	AAA	AAA	1/16/2016	1/16/2016	1,822,161	1,822,161	4,253	-	-	4,253	-	-	-	4,253	4,253	1,822,161	3.48	0.16	Low



Investment	Credit Rating at Issue Date	Credit Rating at 3/17/09	Acquisition Date	Legal Maturity	Acquisition Price	Market Value as at 1/7/09	Monthly Movement in Market Value			Financial Year to Date Movement in Market Value			Income Earned from Pass - July 2009	Income Earned from Financial Yr to Date	Capital Gain/Loss	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of Capital Loss to Benchmark not returned	
							Increase/(Decrease) in Capital Value	Interest/Distributions Received	Acquisitions/(Redemptions)	Fees Deducted	Increase/(Decrease) in Capital Value	Interest/Distributions Received						Acquisitions/(Redemptions)
CDDE/Collateralised Debt Obligations Available for Sale Accounting - movements through equity	AAA	AAA	28/03/2006	21/06/2013	500,000	150,658	40,500	1,870	-	40,500	1,870	-	42,370	42,370	31/07/2009	4.40	1.20	High
Sub Total					500,000	150,658	40,500	1,870	-	40,500	1,870	-	42,370	42,370				
AAA					500,000	150,658	40,500	1,870	-	40,500	1,870	-	42,370	42,370				
AA					500,000	65,694	-	-	-	-	-	-	-	-	31/12/2008	0.00	-3.20	High
AAA					500,055	104,000	-	-	-	-	-	-	-	-	31/12/2008	0.00	3.20	High
AA-					300,000	403	5,724	1,423	-	5,724	1,423	-	7,147	7,147	31/07/2009	4.68	1.46	High
AA					591,219	6,979	10,600	2,566	-	10,600	2,566	-	13,066	13,066	31/07/2009	6.04	1.84	High
AA					305,323	210,013	3,300	1,211	-	3,300	1,211	-	4,511	4,511	31/07/2009	4.78	1.69	High
AA					500,000	58,417	(7,259)	1,899	-	53,158	1,899	-	(6,441)	(6,441)	31/07/2009	4.28	1.06	High
AA					487,456	124,458	14,650	1,893	-	141,308	1,893	-	16,493	16,493	31/07/2009	4.28	1.03	High
AAA					500,000	157,744	45,350	(423)	-	202,671	(423)	-	44,927	44,927	31/07/2009	4.68	0.86	High
AA					50,258	9,071	-	-	-	9,071	-	-	-	-	31/12/2008	0.00	-3.20	High
AAA					600,304	330,717	-	-	-	330,717	-	-	-	-	31/12/2008	0.00	3.20	High
AAA					2,000,000	1,000,000	-	-	-	1,000,000	-	-	-	-	31/12/2008	0.00	-3.20	High
AAA					659,656	100,000	-	-	-	100,000	-	-	-	-	31/12/2008	0.00	-3.20	High
AA					1,406,422	15,382	24,600	5,887	-	46,639	5,887	-	30,487	30,487	31/07/2009	6.04	1.84	High
AA					2,069,490	1,485,912	22,650	8,278	-	1,485,912	8,278	-	30,606	30,606	31/07/2009	4.78	1.65	High
AA					594,185	296,221	(3,809)	2,019	-	224,559	2,019	-	(1,781)	(1,781)	31/07/2009	4.78	1.65	High
AAA					2,017,180	363,084	(70,200)	7,225	-	290,089	7,225	-	(63,973)	(63,973)	31/07/2009	4.28	1.05	High
AA					892,130	248,132	29,300	3,612	-	292,045	3,612	-	32,912	32,912	31/07/2009	4.28	1.05	High
AA					454,050	841,550	36,540	5,237	-	378,281	5,237	-	41,777	41,777	31/07/2009	4.28	1.29	High
AA					50,389	9,071	-	-	-	9,071	-	-	-	-	31/12/2008	0.00	3.20	High
AA					14,654,108	4,087,190	110,289	41,657	-	4,214,019	41,657	-	161,948	161,948				
Sub Total					15,164,108	4,277,797	150,789	43,526	-	4,507,916	43,526	-	184,315	184,315				
Total																		

**INVESTMENTS REPORT - 31/7/09**  
**PRINCIPAL BALANCES/INTEREST EARNED**

Credit Rating at Issue Date	Acquisition Date	Legal Maturity	Acquisition Price	Monthly Movement in Market Value			Financial Year to Date Movement in Market Value			Capital Valuation Date	Annualised Return (Money/Fund)	Risk of Capital not being returned
				Market Value as at 31/7/09	Increase/Decrease in Capital Value	Interest Dividends/Reinvested	Acquisitions/(Redemptions)	Fees Deducted	Market Value as at 31/7/09			
AA	22/04/2008	22/04/2013	2,000,000	2,019,359	3,280	7,413	3,660	7,413	10,973	31/07/2009	4.8	Low
AA	23/07/2008	24/06/2011	4,014,200	4,017,409	8,300	14,525	8,300	14,525	23,313	31/07/2009	4.8	Low
AA	22/02/2008	23/05/2011	938,110	885,260	(41,402)	41,402	1,005,000	41,402	41,402	31/07/2009	6.26	Low
AA+	18/03/2009	24/03/2010	1,514,610	1,553,000	28,162	28,162	1,540,500	28,162	28,162	31/07/2009	6.26	Low
Tot			2,452,720	2,319,268	(70,584)	70,584	2,485,500	70,584	70,584		3.10	
<b>BENCHMARK RATE - 90 DAY BBSW</b>												
Securities No Longer Held (excluding Managed Funds)												
GRAND TOTAL (before fees)												
Less Portfolio Fees (Advice & Salary)												
<b>GRAND TOTAL</b>												

Transferrable Certificates of Deposit  
 ANZ  
 CBA  
 Total  
 Bond Council Bonds  
 ANZ  
 ABN AMRO  
 A\*  
 Tot

124,307  
 1,379,900  
 1,379,900  
 1,128,160  
 1,128,160

124,307  
 \$ 160,308,128  
 \$ 45,518,601  
 \$ 74,785,016  
 \$ 130,300,947  
 \$ 40,027,511  
 \$ 1,613,285  
 \$ 38,272,796  
 \$ 221,431

Estimated Unrestricted Cash - June 2009 Investment Report  
 Estimated Surplus Impact on Finalisation of the 2007/08 Annual Financial Reports  
 Add: Estimated 09/09 Revenue Reverts to 09/10  
 Less: Estimated Budget Deficit  
 Estimated Unrestricted - Cash July 2009 Investment Report

Notes:  
 1. The "Estimated Unrestricted Cash - June 2009 Investment Report" of \$664,670 was derived as follows:  
 Estimated Unrestricted Cash \$ 1,000,000  
 Estimated Surplus Impact on Finalisation of 2007/08 financial position \$ (1,025,118)  
 Estimated Deficit 2008/09 \$ 854,670

2. The above figures include an estimated reduction in the 2009/09 deficit from \$1,025,118 to \$275,118 at 30 June 2008 after reverts and finalisation of the 2007/08 financial reports.

3. An unrestricted cash balance of \$21,431 at 31 July 2009, if achieved, compares to a surplus of \$1,609,689 at 30 June 2008 after reverts and finalisation of the 2007/08 financial reports.

I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.

Responsible Accounting Officer