



Ordinary Meeting of Council

28 March 2018

**UNDER SEPARATE COVER
ATTACHMENTS**

ITEM 12.8

**QUEANBEYAN-PALERANG REGIONAL COUNCIL
ORDINARY MEETING OF COUNCIL**

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QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

28 MARCH 2018

ITEM 12.8 INVESTMENT REPORT - FEBRUARY 2018

ATTACHMENT 1 INVESTMENT REPORT - FEBRUARY 2018 - ATTACHMENT 1 -
28 MARCH 2018

Attachment 1

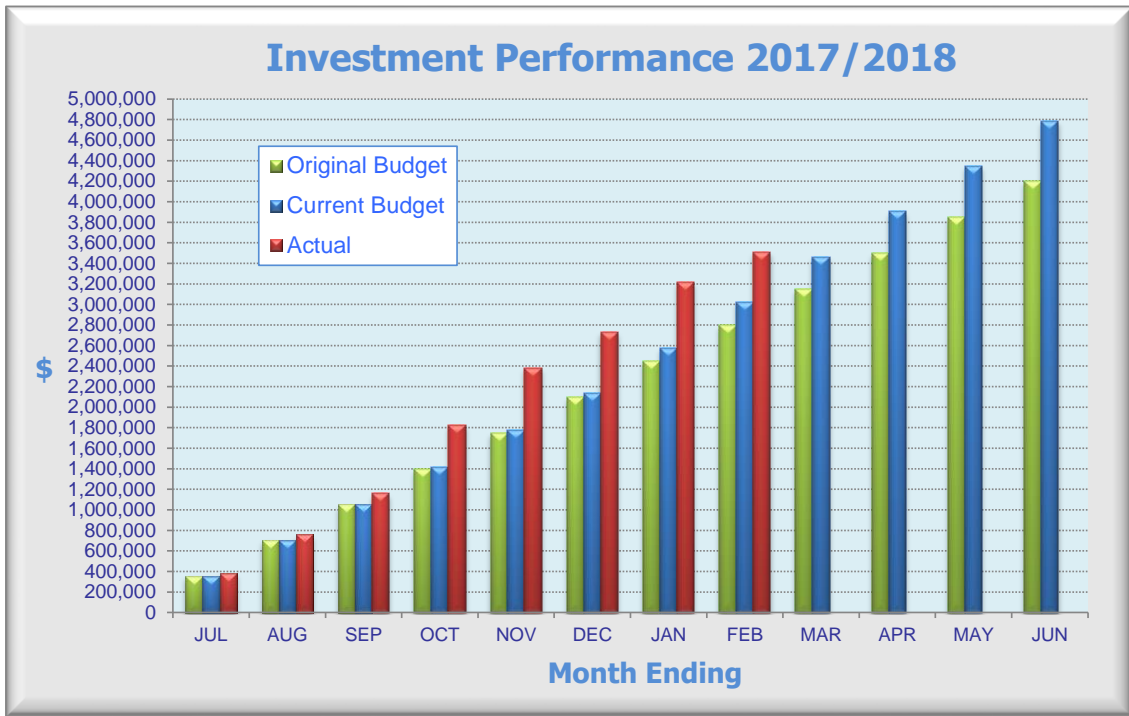
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Investment Report – February 2018

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Graph 1 – Actual return against budget



Graph 2 - Investment portfolio performance against the benchmark AusBond Bank Bill Index (BBI)

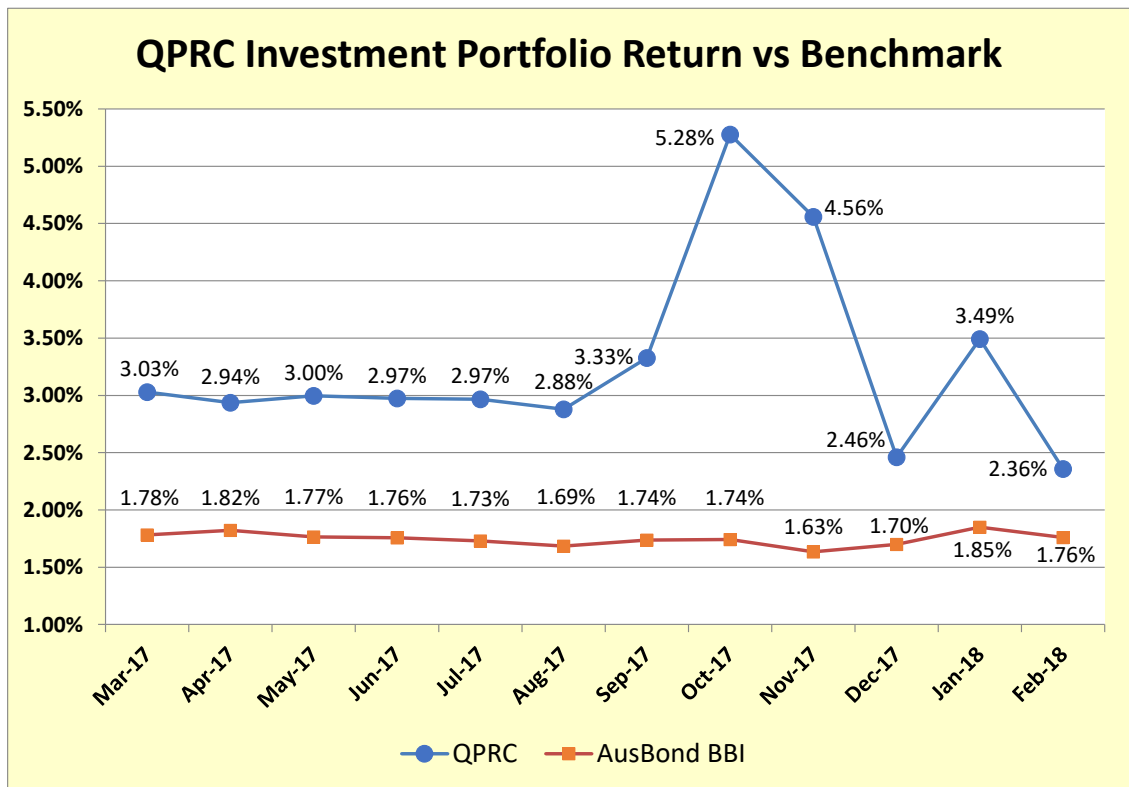


Table 1 - Cash and cash equivalent investments

Table 1									
Purchase Date	Maturity Date	Full Term	Institution	Credit Rating	Principal Amount \$	Return on Investments			
						Month		Year to Date	
						Return \$	Yield p.a %	Return Accrued/Paid \$	Yield p.a %
Cash Deposit Accounts									
			Westpac - General	AA-	615,220	30		8,504	
			NAB - General	AA-	828,907	2,001	1.50	21,642.32	1.50
			NAB - Main	AA-	450,725	512	1.50	16,998.87	1.50
			NAB - High Interest	AA-	8,142,736.48	12,243	1.80	92,736.48	1.80
			CBA Cash Management	AA-	595,450.82	253	1.65	1,761.82	1.65
			ANZ Premium Business	AA-	335,578.69	506	1.90	63,397	1.90
			Bendigo-Adelaide Bank	BBB+	16,657.43	42	1.50	208	1.50
			AMP Bank	A	832,306.56	1,447	2.05	13,636	2.05
			Sub Total		11,817,582	17,034		218,884	
Pooled Managed Investment Group									
			NSW Treasury Corporation	NA	12,637,254	-33,846	-3.43	637,254	2.02
			Henderson	AA	11,873,494	20,407	2.27	195,877	2.53
			Sub Total		24,510,748	-13,439		833,131	
Floating Rate Note Investment Group									
17/04/14	17/04/18	4 yr	ME Bank ³	BBB	1,000,000	2,378	3.10	3,567	3.02
07/05/15	07/05/18	3 yr	Heritage Bank ¹⁵	BBB+	1,000,000	1,680	2.92	1,680	2.86
24/08/15	24/08/18	3 yr	Credit Suisse ¹⁷	A	1,000,000	155	2.83	155	2.78
14/11/13	14/11/18	5 yr	Bendigo-Adelaide Bank ⁶	BBB+	1,000,000	1,162	3.03	1,162	2.98
07/06/16	07/06/19	3 yr	Greater Bank ⁵	BBB	2,000,000	5,155	3.36	15,281	3.34
11/12/15	11/06/19	3.5 yr	AMP Bank ²	A	750,000	1,645	2.86	4,643	2.84
18/07/16	18/07/19	3 yr	ME Bank ²⁴	BBB	3,000,000	7,491	3.26	10,969	3.15
17/09/14	17/09/19	5 yr	Bendigo-Adelaide Bank ⁸	BBB+	1,000,000	2,083	2.72	5,356	2.68
28/10/16	28/10/19	3 yr	Teachers Mutual Bank ²⁷	BBB	1,500,000	3,659	3.18	3,921	3.11
21/11/16	21/02/20	3.25 yr	Bendigo-Adelaide Bank ²⁸	BBB+	2,000,000	1,099	2.87	1,099	2.82
24/02/17	24/02/20	3 yr	Greater Bank ³⁰	BBB	1,000,000	177	3.23	177	3.18
03/03/15	03/03/20	5 yr	Macquarie ¹³	A	1,000,000	2,186	2.85	6,715	2.84
20/03/17	20/03/20	3 yr	CUA ¹	BBB	2,000,000	4,748	3.10	11,871	3.04
07/04/15	07/04/20	5 yr	Newcastle Permanent ¹⁴	BBB	1,000,000	2,420	3.16	4,408	3.08
25/07/16	07/04/20	5 yr	Newcastle Permanent ²⁵	BBB	2,000,000	4,841	3.16	8,817	3.08
18/08/15	18/08/20	5 yr	Bendigo-Adelaide Bank ¹⁶	BBB+	2,000,000	1,413	2.87	1,413	2.82
20/10/15	20/10/20	5 yr	Suncorp Metway ¹⁸	A+	2,000,000	4,672	3.05	6,173	2.97
26/10/16	26/10/20	4 yr	BOQ ²⁶	BBB+	2,000,000	4,526	2.95	4,849	2.88
18/01/16	18/01/21	5 yr	CBA ¹⁹	AA-	2,000,000	4,534	2.96	6,639	2.87
04/03/16	04/03/21	5 yr	RaboBank ²⁰	A+	1,000,000	2,493	3.25	7,658	3.24
09/03/16	09/03/21	5 yr	Credit Suisse ²¹	A	1,000,000	2,846	3.71	8,030	3.69
20/04/16	20/04/21	5 yr	Bendigo-Adelaide Bank ⁴	BBB+	1,000,000	2,497	3.26	3,300	3.18
12/05/16	12/05/21	5 yr	NAB ⁷	AA-	5,000,000	6,422	2.93	6,422	2.88
18/05/16	18/05/21	5 yr	BOQ ²²	BBB+	2,000,000	1,600	3.25	1,600	3.20
03/06/16	03/06/21	5 yr	Westpac ²³	AA-	2,000,000	4,480	2.92	13,760	2.91
17/01/17	17/01/22	5 yr	CBA ²⁹	AA-	2,000,000	4,465	2.91	6,697	2.83
03/03/17	03/03/22	5 yr	RaboBank ³¹	A+	1,000,000	2,171	2.83	6,668	2.82
30/03/17	30/03/22	5 yr	AMP Bank ¹²	A	2,000,000	4,365	2.85	9,509	2.79
05/07/17	05/07/22	5 yr	NAB ¹¹	AA-	5,000,000	10,375	2.71	20,010	2.63
25/07/17	25/07/22	5 yr	CBA ⁹	AA-	2,000,000	4,089	2.67	4,965	2.60
25/01/18	25/01/23	5 yr	Bendigo-Adelaide Bank ³²	BBB+	1,500,000	3,262	2.84	3,961	2.84
06/02/18	06/02/23	5 yr	Newcastle Permanent ³³	BBB	1,250,000	2,388	3.17	2,388	3.17
			Sub Total		56,000,000	107,478		193,862	

Table 1 - Cash and cash equivalent investments (Continued)

Term Investments									
14/12/17	14/03/18	3 mth	NAB	AA-	9,000,000	16,984	2.46	46,100	2.46
08/09/16	15/03/18	18 mth	Defence Bank	BBB	2,000,000	4,529	2.85	37,948	2.85
16/03/17	21/03/18	1 yr	CBA	AA-	2,000,000	4,158	2.71	8,613	2.71
08/05/14	08/05/18	4 yr	ME Bank	BBB	1,250,000	4,411	4.60	38,123	4.60
17/05/17	17/05/18	1 yr	ME Bank	BBB	2,000,000	4,219	2.75	36,466	2.75
24/05/17	24/05/18	1 yr	CBA	AA-	1,000,000	1,987	2.59	17,172	2.59
08/06/17	06/06/18	1 yr	CBA	AA-	4,000,000	7,855	2.56	67,893	2.56
06/12/17	06/06/18	6 mth	NAB	AA-	3,000,000	5,684	2.47	17,053	2.47
08/09/17	13/06/18	9 mth	NAB	AA-	2,000,000	3,928	2.56	24,267	2.56
16/03/17	19/09/18	18 mth	Police CU SA	NR	2,000,000	4,603	3.00	39,781	3.00
20/12/17	17/10/18	10 mth	Auswide Bank	BBB-	5,000,000	10,164	2.65	25,411	2.65
21/12/16	19/12/18	2 yr	BOQ	BBB+	3,000,000	7,019	3.05	17,799	3.05
22/01/14	22/01/19	5 yr	ME Bank	BBB	2,000,000	7,748	5.05	10,238	5.05
26/02/16	27/02/19	3 yr	Newcastle Permanent	BBB	1,000,000	93	3.40	93	3.40
02/03/17	27/02/19	2 yr	BOQ	BBB+	2,000,000	159	2.90	159	2.90
02/03/17	27/02/19	2 yr	Defence Bank	BBB	2,000,000	4,603	3.00	39,781	3.00
06/09/17	04/09/19	2 yr	AMP Bank	A	5,000,000	9,781	2.55	61,130	2.55
24/12/14	11/12/19	5 yr	RaboDirect	A+	2,000,000	6,214	4.05	13,981	4.05
23/12/14	18/12/19	5 yr	RaboDirect	A+	2,000,000	6,214	4.05	13,981	4.05
15/03/17	18/03/20	3 yr	BOQ	BBB+	1,000,000	2,455	3.20	21,216	3.20
08/06/17	03/06/20	3 yr	Westpac	AA-	3,000,000	6,375	2.77	19,580	2.77
06/12/17	09/12/20	3 yr	Westpac	AA-	3,000,000	6,674	2.90	20,022	2.90
02/02/17	03/02/21	4 yr	BOQ	BBB+	3,000,000	7,693	3.60	7,693	3.60
08/03/17	03/03/21	4 yr	BOQ	BBB+	4,000,000	11,047	3.60	95,474	3.60
07/03/16	03/03/21	5 yr	Newcastle Permanent	BBB	1,000,000	2,838	3.70	8,414	3.70
25/10/17	25/10/22	5 yr	Westpac	AA-	2,000,000	4,541	2.96	5,515	2.96
06/12/17	07/12/22	5 yr	Westpac	AA-	3,000,000	6,651	2.89	19,953	2.89
Sub Total					72,250,000	158,626		713,854	
Interest Paid on Investments									
Total						28,587		1,553,227	
Grand Total					164,578,330	298,286	2.36	3,512,959	3.42

Table 1 – Notes

Notes
1 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+130
2 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+110
3 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+130
4 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+146
5 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+160
6 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+127
7 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+117
8 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+93
9 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+88
11 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+90
12 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+105
13 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+110
14 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+135
15 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+115
16 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+110
17 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+105
18 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+125
19 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+115
20 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+150
21 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+195
22 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+148
23 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+117
24 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+145
25 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+135
26 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+117
27 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+140
28 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+110
29 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+111
30 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+145
31 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+108
32 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+105
33 Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon BBSW+140

Table 2 – Individual institution or counterparty limits

Table 2	
Long Term Credit Rating	Maximum Limit
AAA Category	40%
AA Category	30%
A Category*	15%
BBB Category*	10%
Unrated Category	5%

* Investments with counterparties below AA Category are to be restricted to licensed banks, building societies and credit unions.

Table 3 – Investment percentage split

Table 3		
Managed Funds		
NSW Treasury Corporation	NA	7.68%
Henderson	AA	7.21%
Direct Investments		
AMP Bank	A	5.21%
ANZ	AA-	0.20%
Auswide Bank	BBB-	3.04%
Bendigo-Adelaide Bank	BBB+	5.17%
BOQ	BBB+	10.33%
CBA	AA-	8.26%
Credit Suisse	A	1.22%
CUA	BBB	1.22%
Defence Bank	BBB	2.43%
Greater Bank	BBB	1.82%
Heritage Bank	BBB+	0.61%
Macquarie	A	0.61%
ME Bank	BBB	5.62%
NAB	AA-	20.31%
Newcastle Permanent	BBB	3.80%
Police CU SA	NR	1.22%
RaboBank	A+	1.22%
RaboDirect	A+	2.43%
Suncorp Metway	A+	1.22%
Teachers Mutual Bank	BBB	0.91%
Westpac	AA-	8.27%
		100.00%

Table 4 – Market value of tradeable investments

Table 4			
As at Date	Borrower	Purchase Price \$	Market Price \$
28/02/18	AMP Bank ²	750,000	756,150
28/02/18	AMP Bank ¹²	2,000,000	2,019,220
28/02/18	Bendigo-Adelaide Bank ⁴	1,000,000	1,017,360
28/02/18	Bendigo-Adelaide Bank ⁶	1,000,000	1,005,880
28/02/18	Bendigo-Adelaide Bank ⁸	1,000,000	1,003,860
28/02/18	Bendigo-Adelaide Bank ¹⁶	2,000,000	2,015,160
28/02/18	Bendigo-Adelaide Bank ²⁸	2,000,000	2,013,340
28/02/18	Bendigo-Adelaide Bank ³²	1,500,000	1,502,115
28/02/18	BOQ ²²	2,000,000	2,034,760
28/02/18	BOQ ²⁶	2,000,000	2,016,900
28/02/18	CBA ¹⁹	2,000,000	2,031,100
28/02/18	CBA ²⁹	2,000,000	2,030,100
28/02/18	CBA ⁹	2,000,000	2,010,800
28/02/18	Credit Suisse ¹⁷	1,000,000	1,003,370
28/02/18	Credit Suisse ²¹	1,000,000	1,035,470
28/02/18	CUA ¹	2,000,000	2,013,220
28/02/18	Greater Bank ⁵	2,000,000	2,006,240
28/02/18	Greater Bank ³⁰	1,000,000	1,000,020
28/02/18	Heritage Bank ¹⁵	1,000,000	1,001,090
28/02/18	Macquarie ¹³	1,000,000	1,010,200
28/02/18	ME Bank ³	1,000,000	1,001,090
28/02/18	ME Bank ²⁴	3,000,000	3,018,900
28/02/18	NAB ⁷	5,000,000	5,078,000
28/02/18	NAB ¹¹	5,000,000	5,028,500
28/02/18	Newcastle Permanent ¹⁴	1,000,000	1,005,040
28/02/18	Newcastle Permanent ²⁵	2,000,000	2,010,080
28/02/18	Newcastle Permanent ³³	1,250,000	1,251,138
28/02/18	RaboBank ²⁰	1,000,000	1,025,610
28/02/18	RaboBank ³¹	1,000,000	1,013,930
28/02/18	Suncorp Metway ¹⁸	2,000,000	2,031,600
28/02/18	Teachers Mutual Bank ²⁷	1,500,000	1,503,705
28/02/18	Westpac ²³	2,000,000	2,032,340
		56,000,000	56,526,288

Table 5 – Budgeted interest allocation by entity

Table 5				
Entity	Original Budget	Quarter 1 Budget	Quarter 2 Budget	Qtr1 to Qtr 2 Movement
General	2,326,352	2,433,352	2,912,994	479,642
Developer Contributions - General	56,000	56,000	56,000	0
Water	296,735	296,735	296,735	0
Sewer	1,374,914	1,374,914	1,374,914	0
Domestic Waste Management	105,000	105,000	105,000	0
Business Waste Management	16,000	16,000	16,000	0
Stormwater Management	25,000	25,000	25,000	0
Total	4,200,001	4,307,001	4,786,643	479,642