

**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 AUGUST 2013**

| SUMMARY BY FUND | PURCHASE PRICE \$ | MANAGEMENT VALUE AT 30/06/2012 \$ | ESTIMATED CURRENT MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|------------------------|-----------------------------|---|---|---------------------------------|--------------------------------|
| MUNICIPAL | \$ 74,113,737 | \$ 74,113,737 | \$ 74,113,737 | \$ - | 0.00% |
| RESERVE | \$ 52,174,167 | \$ 49,256,405 | \$ 50,448,357 | \$ 1,191,952 | 2.28% |
| TRUST | \$ 390,234 | \$ 390,234 | \$ 390,234 | \$ - | 0.00% |
| CRF | \$ 197,066 | \$ 197,066 | \$ 197,066 | \$ - | 0.00% |
| | \$ 126,875,204 | \$ 123,957,442 | \$ 125,149,394 | \$ 1,191,952 | 0.94% |

| SUMMARY BY INVESTMENT TYPE | PURCHASE PRICE \$ | MANAGEMENT VALUE AT 30/06/2012 \$ | ESTIMATED CURRENT MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|-----------------------------------|-----------------------------|---|---|---------------------------------|--------------------------------|
| CDO | \$ 3,000,000 | \$ 82,238 | \$ 1,274,190 | \$ 1,191,952 | 39.73% |
| BOND | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ - | 0.00% |
| FRN | \$ - | \$ - | \$ - | \$ - | 0.00% |
| FRTD | \$ 3,500,000 | \$ 3,500,000 | \$ 3,500,000 | \$ - | 0.00% |
| TERM DEPOSIT | \$ 113,525,506 | \$ 113,525,506 | \$ 113,525,506 | \$ - | 0.00% |
| 11AM | \$ 4,619,052 | \$ 4,619,052 | \$ 4,619,052 | \$ - | 0.00% |
| UNITS (Local Govt Hse) | \$ 230,645 | \$ 230,645 | \$ 230,645 | \$ - | 0.00% |
| | \$ 126,875,204 | \$ 123,957,442 | \$ 125,149,394 | \$ 1,191,952 | 0.94% |

| SUMMARY BY CREDIT RATING | PURCHASE PRICE \$ | MANAGEMENT VALUE AT 30/06/2012 \$ | ESTIMATED CURRENT MARKET VALUE \$ | BOOK PROFIT/(LOSS) \$ | BOOK PROFIT/(LOSS) % |
|---------------------------------|-----------------------------|---|---|---------------------------------|--------------------------------|
| AA | \$ 8,500,000 | \$ 8,500,000 | \$ 8,500,000 | \$ - | 0.00% |
| AA- | \$ 61,823,347 | \$ 61,823,347 | \$ 61,823,347 | \$ - | 0.00% |
| A+ | \$ 20,300,000 | \$ 20,300,000 | \$ 20,300,000 | \$ - | 0.00% |
| A | \$ 18,721,212 | \$ 18,721,212 | \$ 18,721,212 | \$ - | 0.00% |
| A- | \$ 14,300,000 | \$ 14,300,000 | \$ 14,300,000 | \$ - | 0.00% |
| BBB+ | \$ - | \$ - | \$ - | \$ - | 0.00% |
| NR | \$ 3,000,000 | \$ 82,238 | \$ 1,274,190 | \$ 1,191,952 | 39.73% |
| UNITS (Local Govt Hse) | \$ 230,645 | \$ 230,645 | \$ 230,645 | \$ - | 0.00% |
| | \$ 126,875,204 | \$ 123,957,442 | \$ 125,149,394 | \$ 1,191,952 | 0.94% |

| STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 31 AUGUST 2013 | | | | | | | | | |
|--|--------------------|-----------------|-------------------------|--------------|----------------------|----------------------------|-----------------------------|---|---------------|
| INSTITUTION / INVESTMENT | RISK OF IMPAIRMENT | INVESTMENT TYPE | Current Interest Rate % | S & P RATING | FACE VALUE \$ | BOOK VALUE AT 30/6/2012 \$ | CURRENT EST MARKET VALUE \$ | INVESTMENT GAIN/ (LOSS) SINCE 30/06/12 \$ | MATURITY DATE |
| BANKWEST (11AM) | Very Low | 11AM | 2.75% | AA- | \$903,491 | \$903,491 | \$903,491 | \$0 | On call |
| WESTPAC (MAXI DIRECT) | Very Low | 11AM | 2.50% | AA- | \$1,300,000 | \$1,300,000 | \$1,300,000 | \$0 | On call |
| WESTPAC (MAXI BONUS 1) | Very Low | 11AM | 2.85% | AA- | \$1,007,730 | \$1,007,730 | \$1,007,730 | \$0 | On call |
| WESTPAC (MAXI BONUS 2) | Very Low | 11AM | 2.85% | AA- | \$1,407,832 | \$1,407,832 | \$1,407,832 | \$0 | On call |
| | | | | | \$4,619,052 | \$4,619,052 | \$4,619,052 | \$0 | |
| BANK OF QUEENSLAND (TERM) | Very Low | TERM | 4.15% | A- | \$4,800,000 | \$4,800,000 | \$4,800,000 | \$0 | 23-Jan-14 |
| BENDIGO AND ADELAIDE BANK (TERM) | Very Low | TERM | Various | A- | \$7,500,000 | \$7,500,000 | \$7,500,000 | \$0 | Various |
| CITIBANK (TERM) | Very Low | TERM | Various | AA- | \$12,700,000 | \$12,700,000 | \$12,700,000 | \$0 | Various |
| AMP BANK (TERM) | Very Low | TERM | Various | A+ | \$9,300,000 | \$9,300,000 | \$9,300,000 | \$0 | Various |
| ING BANK (TERM) | Very Low | TERM | Various | A | \$14,300,000 | \$14,300,000 | \$14,300,000 | \$0 | Various |
| MACQUARIE BANK (TERM) | Very Low | TERM | 4.35% | A | \$2,921,212 | \$2,921,212 | \$2,921,212 | \$0 | Various |
| NAB (TERM) | Very Low | TERM | Various | AA- | \$19,782,941 | \$19,782,941 | \$19,782,941 | \$0 | Various |
| RABODIRECT (TERM) | Very Low | TERM | Various | AA | \$6,500,000 | \$6,500,000 | \$6,500,000 | \$0 | Various |
| ST GEORGE BANK (TERM) | Very Low | TERM | Various | AA- | \$14,200,000 | \$14,200,000 | \$14,200,000 | \$0 | Various |
| SUNCORP METWAY LTD (TERM) | Very Low | TERM | Various | A+ | \$11,000,000 | \$11,000,000 | \$11,000,000 | \$0 | Various |
| WESTPAC (TERM) | Very Low | TERM | Various | AA- | \$10,521,353 | \$10,521,353 | \$10,521,353 | \$0 | Various |
| | | | | | \$113,525,506 | \$113,525,506 | \$113,525,506 | \$0 | |
| BANK OF QUEENSLAND (FLOAT RATE TD) | Very Low | FRTD | 4.60% | A- | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$0 | 30-Sep-13 |
| ING BANK (FLOAT RATE TD) | Very Low | FRTD | 4.32% | A | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$0 | 10-Sep-13 |
| | | | | | \$3,500,000 | \$3,500,000 | \$3,500,000 | \$0 | |
| COMMONWEALTH BANK (RETAIL BOND) | Very Low | BOND | 4.09% | AA | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$0 | 20-Dec-15 |
| | | | | | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$0 | |
| CORSAIR (CAYMAN) KAKADU | Very High | CDO | 4.20% | NR | \$1,500,000 | \$72,363 | \$402,900 | \$330,537 | 20-Mar-14 |
| MANAGED ACES CLASS 1A PARKES | Very High | CDO | 4.43% | NR | \$1,050,000 | \$9,874 | \$556,290 | \$546,416 | 20-Jun-15 |
| BERYL FINANCE GLOBAL BANK NOTE 2 | Early Term | CDO | 0.00% | NR | \$450,000 | \$1 | \$315,000 | \$314,999 | 20-Sep-14 |
| | | | | | \$3,000,000 | \$82,238 | \$1,274,190 | \$1,191,952 | |
| UNITS IN LOCAL GOVT HOUSE | NA | NA | NA | NA | \$230,645 | \$230,645 | \$230,645 | \$0 | NA |
| TOTAL FUNDS INVESTED | | | | | \$126,875,204 | \$123,957,442 | \$125,149,394 | \$1,191,952 | |

CREDIT RISK COMPARISON

| CREDIT RISK | PURCHASE PRICE \$ | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | MAX. % AMOUNT IN TOTAL PORTFOLIO | Comments |
|----------------------------|--------------------|--------------------------------|-------------------|----------------------------------|----------------------------------|
| AA | \$8,500,000 | \$8,500,000 | 7% | 80% | |
| AA- | \$61,823,347 | \$61,823,347 | 49% | 80% | |
| A+ | \$20,300,000 | \$20,300,000 | 16% | 50% | |
| A | \$18,721,212 | \$18,721,212 | 15% | 50% | |
| A- | \$14,300,000 | \$14,300,000 | 11% | 50% | |
| BBB+ | \$0 | \$0 | 0% | 20% | |
| NR | \$3,000,000 | \$1,274,190 | 1% | | Purchased Prior To Policy Change |
| UNITS IN LOCAL GOVT: HOUSE | \$230,645 | \$230,645 | 0% | 0.1% | Council Decision |
| TOTAL | 126,875,204 | 125,149,394 | 100% | | |

DIVERSIFICATION RISK

| INSTITUTION | INVESTMENT TYPE | S & P RATING | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | INSTITUTION PROPORTION | MAX. % WITH ANY ONE INSTITUTION | Comments |
|------------------------------------|-----------------|--------------|--------------------------------|-------------------|------------------------|---------------------------------|----------------------------------|
| ANZ BANK (TERM) | TERM | AA- | - | 0.00% | 0.00% | 20% | |
| AMP BANK (TERM) | TERM | A+ | 9,300,000 | 7.43% | 7.43% | 15% | |
| BANKWEST (11AM) | 11AM | AA- | 903,491 | 0.72% | 0.72% | 20% | |
| BANKWEST (TERM) | TERM | AA- | - | 0.00% | 0.00% | 20% | |
| BANK OF QUEENSLAND (TERM) | TERM | A- | 4,800,000 | 3.84% | 3.84% | 15% | |
| BANK OF QUEENSLAND (FLOAT RATE TD) | FRTD | A- | 2,000,000 | 1.60% | 1.60% | 15% | |
| BENDIGO AND ADELAIDE BANK (TERM) | TERM | A- | 7,500,000 | 5.99% | 5.99% | 15% | |
| CITIBANK (TERM) | TERM | AA- | 12,700,000 | 10.15% | 10.15% | 20% | |
| COMMONWEALTH BANK (COVERED BOND) | BOND | AAA | - | 0.00% | 0.00% | 20% | |
| COMMONWEALTH BANK (RETAIL BOND) | BOND | AA | 2,000,000 | 1.60% | 1.60% | 20% | |
| COMMONWEALTH BANK (FRN) | FRN | AA | - | 0.00% | 0.00% | 20% | |
| ING BANK (TERM) | TERM | A | 14,300,000 | 11.43% | 11.43% | 15% | |
| ING BANK (FLOAT RATE TD) | FRTD | A | 1,500,000 | 1.20% | 1.20% | 15% | |
| MACQUARIE BANK (TERM) | TERM | A | 2,921,212 | 2.33% | 2.33% | 15% | |
| NAB (TERM) | TERM | AA- | 19,782,941 | 15.81% | 15.81% | 20% | |
| NAB (FRN) | FRN | AA- | - | 0.00% | 0.00% | 20% | |
| RABODIRECT (TERM) | TERM | AA | 6,500,000 | 5.19% | 5.19% | 15% | |
| ST GEORGE BANK (TERM) | TERM | AA- | 14,200,000 | 11.35% | 11.35% | 20% | |
| SUNCORP METWAY LTD (TERM) | TERM | A+ | 11,000,000 | 8.79% | 8.79% | 15% | |
| WESTPAC (MAXI BONUS 1) | 11AM | AA- | 1,007,730 | 0.81% | 0.81% | 20% | |
| WESTPAC (MAXI BONUS 2) | 11AM | AA- | 1,407,832 | 1.12% | 1.12% | 20% | |
| WESTPAC (MAXI DIRECT) | 11AM | AA- | 1,300,000 | 1.04% | 1.04% | 20% | |
| WESTPAC (TERM) | TERM | AA- | 10,521,353 | 8.41% | 8.41% | 20% | |
| CDO - Various | CDO | | 1,274,190 | 1.02% | 1.02% | | Purchased Prior To Policy Change |
| UNITS IN LOCAL GOVT HOUSE | NA | NA | 230,645 | 0.18% | 0.18% | | |
| | | | 125,149,394 | 100% | 100% | | |

MATURITY COMPARISON

| TERM TO MATURITY | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | MAX. % IN ANY ONE YEAR | Comments |
|-------------------------|--------------------------------|-------------------|------------------------|----------|
| MUNICIPAL & TRUST FUNDS | | | | |
| < 1 year | 74,273,325 | 100% | 100% | |
| | 74,273,325 | 100% | | |
| RESERVE FUNDS | | | | |
| < 1 year | 47,577,067 | 94% | 100% | |
| < 2 years | 871,290 | 2% | 80% | |
| < 3 years | 2,000,000 | 4% | 80% | |
| < 4 years | - | 0% | 40% | |
| < 5 years | - | 0% | 40% | |
| > 5 years | - | 0% | 20% | |
| | 50,448,357 | 100% | | |