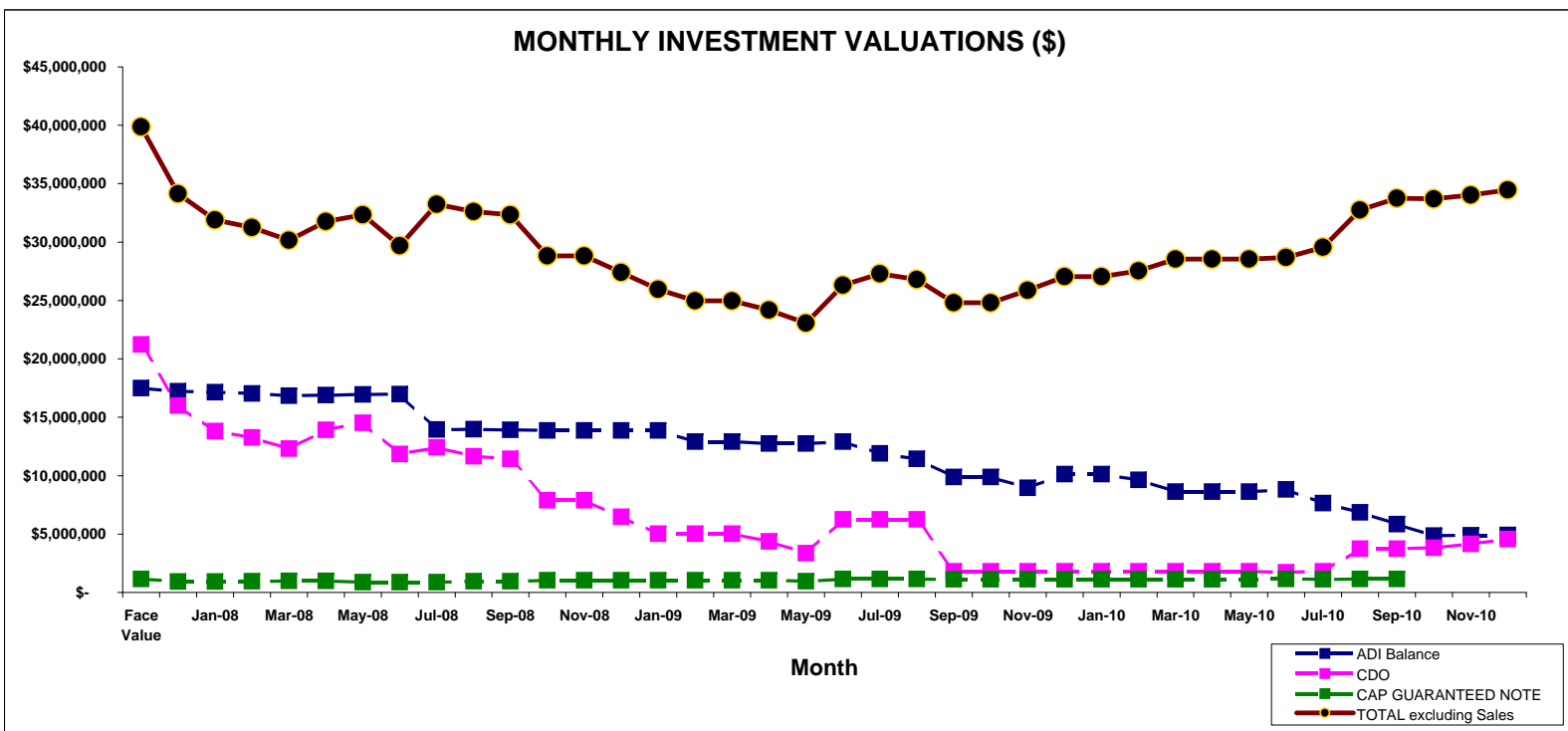
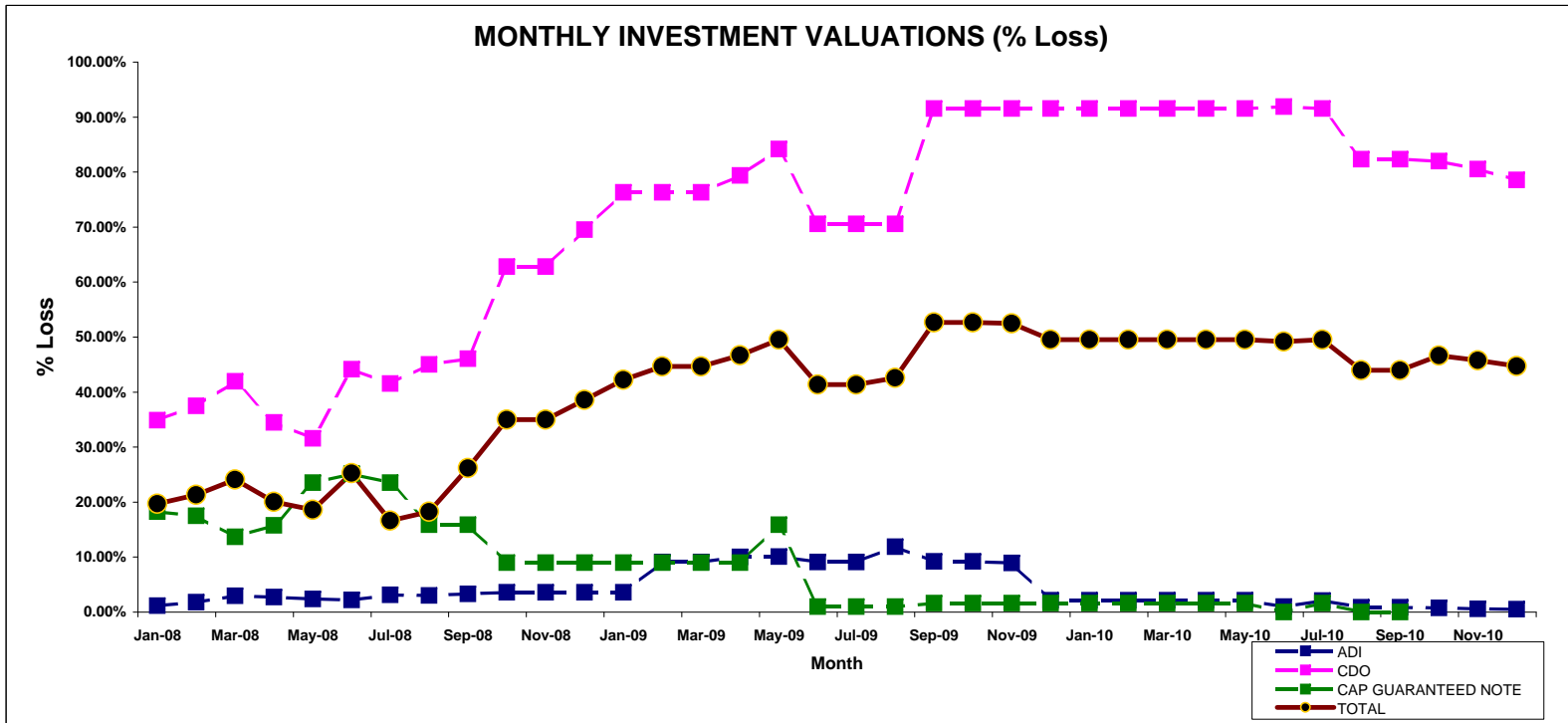


**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2010**

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL	\$ 48,625,610	\$ 48,625,610	\$ 48,625,610	\$ -	0.00%
RESERVE	\$ 44,297,583	\$ 24,623,826	\$ 27,534,050	\$ 2,910,224	6.57%
TRUST	\$ 507,764	\$ 507,764	\$ 507,764	\$ -	0.00%
CRF	\$ 173,026	\$ 173,026	\$ 173,026	\$ -	0.00%
	\$ 93,603,983	\$ 73,930,226	\$ 76,840,450	\$ 2,910,224	3.11%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI	\$ 5,000,000	\$ 4,830,905	\$ 4,905,855	\$ 74,950	1.50%
CDO	\$ 21,220,000	\$ 1,715,338	\$ 4,550,612	\$ 2,835,274	13.36%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
TERM DEPOSIT	\$ 61,659,527	\$ 61,659,527	\$ 61,659,527	\$ -	0.00%
11AM	\$ 3,493,810	\$ 3,493,810	\$ 3,493,810	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 93,603,983	\$ 73,930,226	\$ 76,840,450	\$ 2,910,224	3.11%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 28,196,177	\$ 28,196,177	\$ 28,196,177	\$ -	0.00%
AA-	\$ 33,157,161	\$ 33,139,431	\$ 33,146,251	\$ 6,820	0.02%
A+	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000	\$ -	0.00%
A	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	0.00%
A-	\$ 2,500,000	\$ 2,379,555	\$ 2,435,195	\$ 55,640	2.23%
BBB+	\$ 1,000,000	\$ 983,880	\$ 991,270	\$ 7,390	0.74%
CCC	\$ 1,500,000	\$ 76,950	\$ 553,500	\$ 476,550	31.77%
CCC-	\$ 3,600,000	\$ 376,140	\$ 905,400	\$ 529,260	14.70%
NR	\$ 16,620,000	\$ 1,747,448	\$ 3,582,012	\$ 1,834,564	11.04%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 93,603,983	\$ 73,930,226	\$ 76,840,450	\$ 2,910,224	3.11%



**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2010**

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION POLICY	FACE VALUE \$	BOOK VALUE AT 30/6/2010 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.70%	AA	1%	20%	\$1,336,650	\$1,336,650	\$1,336,650	\$0
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	2%	20%	\$2,157,161	\$2,157,161	\$2,157,161	\$0
							\$3,493,810	\$3,493,810	\$3,493,810	\$0
BANKWEST (TERM)		TERM	5.85%	AA	12%	20%	\$10,859,527	\$10,859,527	\$10,859,527	\$0
COMMONWEALTH BANK (TERM)		TERM	5.70%	AA	15%	20%	\$14,000,000	\$14,000,000	\$14,000,000	\$0
SUNCORP METWAY LTD (TERM)		TERM	5.84%	A+	4%	20%	\$3,800,000	\$3,800,000	\$3,800,000	\$0
ING BANK		TERM	6.32%	A	3%	20%	\$3,000,000	\$3,000,000	\$3,000,000	\$0
NAB		TERM	5.81%	AA	15%	20%	\$14,000,000	\$14,000,000	\$14,000,000	\$0
ST GEORGE BANK (TERM)		TERM	5.79%	AA-	4%	20%	\$4,200,000	\$4,200,000	\$4,200,000	\$0
WESTPAC (TERM)		TERM	6.26%	AA-	13%	20%	\$11,800,000	\$11,800,000	\$11,800,000	\$0
							\$61,659,527	\$61,659,527	\$61,659,527	\$0
COMMONWEALTH BANK (BOND)		BOND	6.00%	AA	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
ADELAIDE BANK	Very Low	ADI	5.37%	BBB+	1%	10%	\$1,000,000	\$983,880	\$991,270	\$7,390
ELDERS RURAL BANK	Very Low	ADI	5.67%	BBB	1%	0%	\$500,000	\$485,200	\$490,300	\$5,100
MACQUARIE BANK	Very Low	ADI	5.39%	A-	2%	15%	\$1,500,000	\$1,410,105	\$1,448,295	\$38,190
SUNCORP METWAY LTD	Very Low	ADI	5.33%	A-	1%	15%	\$1,000,000	\$969,450	\$986,900	\$17,450
WESTPAC BANK	Very Low	ADI	5.09%	AA-	1%	20%	\$1,000,000	\$982,270	\$989,090	\$6,820
APHEX (GLENELG)	High	CDO	6.70%	NR	2%	0%	\$2,000,000	\$125,600	\$540,000	\$414,400
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	2%	0%	\$2,000,000	\$1	\$0	-\$1
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	0%	0%	\$450,000	\$1	\$0	-\$1
CORSAIR (CAYMAN) KAKADU	High	CDO	6.35%	CCC	2%	0%	\$1,500,000	\$76,950	\$553,500	\$476,550
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.58%	NR	2%	0%	\$1,885,000	\$23,000	\$203,392	\$180,392
ETHICAL LIMITED GREEN	High	CDO	5.95%	NR	1%	0%	\$1,000,000	\$11,000	\$262,900	\$251,900
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.65%	CCC-	2%	0%	\$1,800,000	\$355,140	\$905,400	\$550,260
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.83%	CCC-	2%	0%	\$1,800,000	\$21,000	\$0	-\$21,000
MAGNOLIA FLINDERS	Moderate	CDO	6.45%	NR	2%	20%	\$2,000,000	\$988,139	\$1,750,000	\$761,861
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.25%	NR	1%	0%	\$1,000,000	\$3,000	\$2,500	-\$500
MANAGED ACES CLASS 1A PARKES	High	CDO	6.58%	NR	1%	0%	\$1,050,000	\$10,500	\$12,600	\$2,100
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.80%	NR	0%	0%	\$385,000	\$82,506	\$320,320	\$237,814
STARTS (CAYMAN) BLUE GUM	Defaulted	CDO	6.40%	NR	2%	0%	\$1,500,000	\$7,500	\$0	-\$7,500
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	2%	0%	\$1,500,000	\$9,300	\$0	-\$9,300
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	1%	0%	\$500,000	\$1,700	\$0	-\$1,700
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	1%	0%	\$850,000	\$1	\$0	-\$1
							\$26,220,000	\$6,546,243	\$9,456,467	\$2,910,224
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$93,603,983	\$73,930,226	\$76,840,450	\$2,910,224

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO POLICY	Comments
AA	\$42,196,177	\$42,196,177	55%	20%	
AA-	\$19,157,161	\$19,146,251	25%	80%	
A+	\$3,800,000	\$3,800,000	5%	50%	
A	\$3,000,000	\$3,000,000	4%	50%	
A-	\$2,500,000	\$2,435,195	3%	50%	
BBB+	\$1,000,000	\$991,270	1%	20%	
BBB	\$500,000	\$490,300	1%	0%	Purchased Prior To Policy Change
CCC	\$1,500,000	\$553,500	1%	0%	
CCC-	\$3,600,000	\$905,400	1%	0%	
NR	\$16,120,000	\$3,091,712	4%	0%	
UNITS IN LOCAL GOVT. HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	93,603,983	76,840,450	100%		

DIVERSIFICATION RISK

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
BANKWEST (11AM)	11AM	AA	1,336,650	1.74%		20%	
BANKWEST (TERM)	TERM	AA	10,859,527	14.13%	15.87%	20%	
COMMONWEALTH BANK (TERM)	TERM	AA	14,000,000	18.22%		20%	
COMMONWEALTH BANK (BOND)	BOND	AA	2,000,000	2.60%	20.82%	20%	
MACQUARIE BANK	ADI	A-	1,448,295	1.88%		15%	
MACQUARIE BANK (TERM)	TERM	AAA	-	0.00%	1.88%	20%	
NAB	TERM	AA	14,000,000	18.22%	18.22%	20%	
ING BANK	TERM	A	3,000,000	3.90%	3.90%	20%	
ST GEORGE BANK (TERM)	TERM	AA-	4,200,000	5.47%	5.47%	20%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	2,157,161	2.81%		20%	
WESTPAC (TERM)	TERM	AA-	11,800,000	15.36%		20%	
WESTPAC BANK	ADI	AA-	989,090	1.29%	19.45%	20%	
ADELAIDE BANK	ADI	BBB+	991,270	1.29%	1.29%	10%	
ELDERS RURAL BANK	ADI	BBB	490,300	0.64%	0.64%	10%	
SUNCORP METWAY LTD (TERM)	TERM	A+	3,800,000	4.95%		15%	
SUNCORP METWAY LTD	ADI	A-	986,900	1.28%	6.23%	15%	
CDO - Various	CDO		4,550,612	5.92%	5.92%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.30%	0.30%		
			\$76,840,450	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	46,902,729	96%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	2,000,000	4%	0%	CBA Retail Bond
> 5 years	-	0%	0%	
	48,902,729	100%		
RESERVE FUNDS				
< 1 year	18,077,583	66%	100%	
< 2 years	3,061,590	11%	80%	
< 3 years	1,108,792	4%	80%	
< 4 years	1,356,400	5%	40%	
< 5 years	15,100	0%	40%	
> 5 years	3,914,585	14%	20%	Purchased Prior To Policy Change
	27,534,050	100%		