

**CITY OF MELVILLE  
STATEMENT OF INVESTMENTS  
FOR THE PERIOD ENDING 29 FEBRUARY 2012**

| <b>SUMMARY BY FUND</b> | <b>PURCHASE PRICE</b><br>\$ | <b>MANAGEMENT VALUE</b><br>AT 30/06/2011<br>\$ | <b>ESTIMATED CURRENT MARKET VALUE</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>% |
|------------------------|-----------------------------|--|---|---------------------------------|--------------------------------|
| MUNICIPAL              | \$ 47,064,333               | \$ 47,064,333                                  | \$ 47,064,333                               | \$ -                            | 0.00%                          |
| RESERVE                | \$ 51,576,991               | \$ 35,272,887                                  | \$ 40,127,199                               | \$ 4,854,312                    | 9.41%                          |
| TRUST                  | \$ 505,818                  | \$ 505,818                                     | \$ 505,818                                  | \$ -                            | 0.00%                          |
| CRF                    | \$ 183,184                  | \$ 183,184                                     | \$ 183,184                                  | \$ -                            | 0.00%                          |
|                        | <b>\$ 99,330,326</b>        | <b>\$ 83,026,221</b>                           | <b>\$ 87,880,534</b>                        | <b>\$ 4,854,312</b>             | <b>4.89%</b>                   |

| <b>SUMMARY BY INVESTMENT TYPE</b> | <b>PURCHASE PRICE</b><br>\$ | <b>MANAGEMENT VALUE</b><br>AT 30/06/2011<br>\$ | <b>ESTIMATED CURRENT MARKET VALUE</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>% |
|-----------------------------------|-----------------------------|--|---|---------------------------------|--------------------------------|
| ADI                               | \$ 2,500,000                | \$ 2,466,215                                   | \$ 2,495,735                                | \$ 29,520                       | 1.18%                          |
| CDO                               | \$ 17,920,000               | \$ 1,649,681                                   | \$ 6,474,473                                | \$ 4,824,792                    | 26.92%                         |
| BOND                              | \$ -                        | \$ -   | \$ -  | \$ -                            | 0.00%                          |
| FRN                               | \$ 10,500,000               | \$ 10,500,000                                  | \$ 10,500,000                               | \$ -                            | 0.00%                          |
| FRTD                              | \$ 2,500,000                | \$ 2,500,000                                   | \$ 2,500,000                                | \$ -                            | 0.00%                          |
| TERM DEPOSIT                      | \$ 59,069,738               | \$ 59,069,738                                  | \$ 59,069,738                               | \$ -                            | 0.00%                          |
| 11AM                              | \$ 6,609,942                | \$ 6,609,942                                   | \$ 6,609,942                                | \$ -                            | 0.00%                          |
| UNITS (Local Govt Hse)            | \$ 230,645                  | \$ 230,645                                     | \$ 230,645                                  | \$ -                            | 0.00%                          |
|                                   | <b>\$ 99,330,326</b>        | <b>\$ 83,026,221</b>                           | <b>\$ 87,880,534</b>                        | <b>\$ 4,854,312</b>             | <b>4.89%</b>                   |

| <b>SUMMARY BY CREDIT RATING</b> | <b>PURCHASE PRICE</b><br>\$ | <b>MANAGEMENT VALUE</b><br>AT 30/06/2011<br>\$ | <b>ESTIMATED CURRENT MARKET VALUE</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>\$ | <b>BOOK PROFIT/(LOSS)</b><br>% |
|---------------------------------|-----------------------------|--|---|---------------------------------|--------------------------------|
| AA                              | \$ 5,500,000                | \$ 5,500,000                                   | \$ 5,500,000                                | \$ -                            | 0.00%                          |
| AA-                             | \$ 59,879,681               | \$ 59,879,681                                  | \$ 59,879,681                               | \$ -                            | 0.00%                          |
| A+                              | \$ 6,300,000                | \$ 6,300,000                                   | \$ 6,300,000                                | \$ -                            | 0.00%                          |
| A                               | \$ 3,000,000                | \$ 2,969,715                                   | \$ 2,988,045                                | \$ 18,330                       | 0.61%                          |
| A-                              | \$ 2,500,000                | \$ 2,496,500                                   | \$ 2,507,690                                | \$ 11,190                       | 0.45%                          |
| BBB+                            | \$ 2,000,000                | \$ 2,000,000                                   | \$ 2,000,000                                | \$ -                            | 0.00%                          |
| CCC                             | \$ -                        | \$ -   | \$ -  | \$ -                            | 0.00%                          |
| CCC-                            | \$ -                        | \$ -   | \$ -  | \$ -                            | 0.00%                          |
| NR                              | \$ 17,920,000               | \$ 1,649,681                                   | \$ 6,474,473                                | \$ 4,824,792                    | 26.92%                         |
| UNITS (Local Govt Hse)          | \$ 230,645                  | \$ 230,645                                     | \$ 230,645                                  | \$ -                            | 0.00%                          |
|                                 | <b>\$ 99,330,326</b>        | <b>\$ 83,026,221</b>                           | <b>\$ 87,880,534</b>                        | <b>\$ 4,854,312</b>             | <b>4.89%</b>                   |

**CITY OF MELVILLE  
STATEMENT OF INVESTMENTS  
FOR THE PERIOD ENDING 29 FEBRUARY 2012**

| INSTITUTION / INVESTMENT           | RISK of IMPAIRMENT | INVESTMENT TYPE | Current Interest Rate % | S & P RATING | FACE VALUE \$       | BOOK VALUE AT 30/6/2011 \$ | CURRENT EST MARKET VALUE \$ | INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$ | MATURITY DATE |
|------------------------------------|--------------------|-----------------|-------------------------|--------------|---------------------|----------------------------|-----------------------------|---|---------------|
| BANKWEST (11AM)                    |                    | 11AM            | 4.25%                   | AA-          | \$2,409,024         | \$2,409,024                | \$2,409,024                 | \$0                                       | On call       |
| WESTPAC (MAXI DIRECT)              |                    | 11AM            | 4.80%                   | AA-          | \$2,900,000         | \$2,900,000                | \$2,900,000                 | \$0                                       | On call       |
| WESTPAC (MAXI BONUS 1)             |                    | 11AM            | 5.20%                   | AA-          | \$1,300,918         | \$1,300,918                | \$1,300,918                 | \$0                                       | On call       |
| WESTPAC (MAXI BONUS 2)             |                    | 11AM            | 5.20%                   | AA-          | \$0                 | \$0                        | \$0                         | \$0                                       | On call       |
|                                    |                    |                 |                         |              | <b>\$6,609,942</b>  | <b>\$6,609,942</b>         | <b>\$6,609,942</b>          | <b>\$0</b>                                |               |
| AMP BANK LTD (TERM)                |                    | TERM            | Various                 | AA-          | \$1,000,000         | \$1,000,000                | \$1,000,000                 | \$0                                       | Various       |
| BANKWEST (TERM)                    |                    | TERM            | Various                 | AA-          | \$11,369,738        | \$11,369,738               | \$11,369,738                | \$0                                       | Various       |
| BENDIGO AND ADELAIDE BANK (TERM)   |                    | TERM            | 5.75%                   | A-           | \$1,500,000         | \$1,500,000                | \$1,500,000                 | \$0                                       | 7-May-12      |
| COMMONWEALTH BANK (TERM)           |                    | TERM            | 5.20%                   | AA-          | \$3,000,000         | \$3,000,000                | \$3,000,000                 | \$0                                       | 5-Apr-12      |
| SUNCORP METWAY LTD (TERM)          |                    | TERM            | Various                 | A+           | \$6,300,000         | \$6,300,000                | \$6,300,000                 | \$0                                       | Various       |
| NAB (TERM)                         |                    | TERM            | Various                 | AA-          | \$10,300,000        | \$10,300,000               | \$10,300,000                | \$0                                       | Various       |
| ST GEORGE BANK (TERM)              |                    | TERM            | Various                 | AA-          | \$13,800,000        | \$13,800,000               | \$13,800,000                | \$0                                       | Various       |
| RABODIRECT (TERM)                  |                    | TERM            | 5.60%                   | AA           | \$1,500,000         | \$1,500,000                | \$1,500,000                 | \$0                                       | 21-May-12     |
| WESTPAC (TERM)                     |                    | TERM            | Various                 | AA-          | \$10,300,000        | \$10,300,000               | \$10,300,000                | \$0                                       | Various       |
|                                    |                    |                 |                         |              | <b>\$59,069,738</b> | <b>\$59,069,738</b>        | <b>\$59,069,738</b>         | <b>\$0</b>                                |               |
| BANK OF QUEENSLAND (FLOAT RATE TD) |                    | FRTD            | 6.42%                   | BBB+         | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 30-Sep-13     |
| ING BANK                           |                    | FRTD            | 5.69%                   | A            | \$500,000           | \$500,000                  | \$500,000                   | \$0                                       | 6-Sep-12      |
|                                    |                    |                 |                         |              | <b>\$2,500,000</b>  | <b>\$2,500,000</b>         | <b>\$2,500,000</b>          | <b>\$0</b>                                |               |
| COMMONWEALTH BANK (COVERED BOND)   |                    | FRN             | 6.10%                   | AAA          | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 25-Jan-17     |
| COMMONWEALTH BANK (RETAIL BOND)    |                    | FRN             | 5.81%                   | AA           | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 20-Dec-15     |
| COMMONWEALTH BANK (FRN)            |                    | FRN             | 5.48%                   | AA           | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 2-Aug-16      |
| NAB (FRN)                          |                    | FRN             | 5.38%                   | AA-          | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 16-Sep-14     |
| NAB (FRN)                          |                    | FRN             | 5.61%                   | AA-          | \$2,000,000         | \$2,000,000                | \$2,000,000                 | \$0                                       | 21-Jun-16     |
| WESTPAC (FRN)                      |                    | FRN             | 5.94%                   | AA-          | \$500,000           | \$500,000                  | \$500,000                   | \$0                                       | 6-Feb-17      |
|                                    |                    |                 |                         |              | <b>\$10,500,000</b> | <b>\$10,500,000</b>        | <b>\$10,500,000</b>         | <b>\$0</b>                                |               |
| ADELAIDE BANK                      | Very Low           | ADI             | 4.85%                   | A-           | \$1,000,000         | \$996,500                  | \$1,007,690                 | \$11,190                                  | 28-Mar-12     |
| MACQUARIE BANK                     | Very Low           | ADI             | 4.95%                   | A            | \$1,500,000         | \$1,469,715                | \$1,488,045                 | \$18,330                                  | 31-May-12     |
| WESTPAC BANK                       | Full redemption    | ADI             | #N/A                    | AA-          | \$0                 | \$0                        | \$0                         | \$0                                       |               |
| APHEX (GLENELG)                    | High               | CDO             | 6.17%                   | NR           | \$2,000,000         | \$122,833                  | \$504,540                   | \$381,707                                 | 22-Dec-14     |
| BERYL FINANCE GLOBAL BANK NOTE     | Early Term.        | CDO             | 0.00%                   | NR           | \$2,000,000         | \$1                        | \$1,200,000                 | \$1,199,999                               | 20-Sep-14     |
| BERYL FINANCE GLOBAL BANK NOTE 2   | Early Term.        | CDO             | 0.00%                   | NR           | \$450,000           | \$1                        | \$270,000                   | \$269,999                                 | 20-Sep-14     |
| CORSAIR (CAYMAN) KAKADU            | High               | CDO             | 5.83%                   | NR           | \$1,500,000         | \$75,255                   | \$288,075                   | \$212,820                                 | 20-Mar-14     |
| CORSAIR (CAYMAN) TORQUAY           | Very High          | CDO             | 6.31%                   | NR           | \$1,885,000         | \$22,493                   | \$361                       | -\$22,132                                 | 20-Jun-13     |
| ETHICAL LIMITED GREEN              | High               | CDO             | 5.99%                   | NR           | \$1,000,000         | \$10,758                   | \$92,969                    | \$82,211                                  | 20-Mar-14     |
| HELIUM CAPITAL (ESPERANCE)         | High               | CDO             | 6.63%                   | NR           | \$1,800,000         | \$347,317                  | \$483,846                   | \$136,529                                 | 20-Mar-13     |
| HELIUM CAPITAL (SCARBOROUGH)       | Defaulted          | CDO             | #N/A                    | NR           | \$0                 | \$0                        | \$0                         | \$0                                       |               |
| MAGNOLIA FLINDERS                  | Moderate           | CDO             | 5.93%                   | NR           | \$2,000,000         | \$966,372                  | \$2,024,480                 | \$1,058,108                               | 20-Mar-12     |
| MANAGED ACES CLASS 11A PARKES      | Very High          | CDO             | 7.73%                   | NR           | \$1,000,000         | \$2,934                    | \$1,909                     | -\$1,025                                  | 20-Jun-15     |
| MANAGED ACES CLASS 1A PARKES       | High               | CDO             | 6.06%                   | NR           | \$1,050,000         | \$10,269                   | \$98,112                    | \$87,843                                  | 20-Jun-15     |
| OMEGA CAPITAL CLASS A HENLEY       | Moderate           | CDO             | 5.27%                   | NR           | \$385,000           | \$80,689                   | \$370,181                   | \$288,492                                 | 20-Jun-13     |
| STARTS (CAYMAN) BLUE GUM           | Defaulted          | CDO             | #N/A                    | NR           | \$0                 | \$0                        | \$0                         | \$0                                       |               |
| ZIRCON FINANCE COOLANGATTA         | Early Term.        | CDO             | 0.00%                   | NR           | \$1,500,000         | \$9,095                    | \$600,000                   | \$590,905                                 | 20-Sep-14     |
| ZIRCON FINANCE MERIMBULA           | Early Term.        | CDO             | 0.00%                   | NR           | \$500,000           | \$1,663                    | \$200,000                   | \$198,337                                 | 20-Jun-13     |
| ZIRCON FINANCE MIAMI               | Early Term.        | CDO             | 0.00%                   | NR           | \$850,000           | \$1                        | \$340,000                   | \$339,999                                 | 20-Mar-17     |
|                                    |                    |                 |                         |              | <b>\$20,420,000</b> | <b>\$4,115,896</b>         | <b>\$8,970,208</b>          | <b>\$4,854,312</b>                        |               |
| UNITS IN LOCAL GOVT HOUSE          |                    | UNITS           | 0.00%                   |              | \$230,645           | \$230,645                  | \$230,645                   | \$0                                       |               |
| <b>TOTAL FUNDS INVESTED</b>        |                    |                 |                         |              | <b>\$99,330,326</b> | <b>\$83,026,221</b>        | <b>\$87,880,534</b>         | <b>\$4,854,312</b>                        |               |

**CREDIT RISK COMPARISON**

| CREDIT RISK                | PURCHASE PRICE \$ | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | MAX. % AMOUNT IN TOTAL PORTFOLIO | Comments                         |
|----------------------------|-------------------|--------------------------------|-------------------|----------------------------------|----------------------------------|
| AA                         | \$5,500,000       | \$5,500,000                    | 6%                | 80%                              |                                  |
| AA-                        | \$60,879,681      | \$60,879,681                   | 69%               | 80%                              |                                  |
| A+                         | \$6,300,000       | \$6,300,000                    | 7%                | 50%                              |                                  |
| A                          | \$2,000,000       | \$1,988,045                    | 2%                | 50%                              |                                  |
| A-                         | \$2,500,000       | \$2,507,690                    | 3%                | 50%                              |                                  |
| BBB+                       | \$2,000,000       | \$2,000,000                    | 2%                | 20%                              |                                  |
| NR                         | \$17,920,000      | \$6,474,473                    | 7%                |                                  | Purchased Prior To Policy Change |
| UNITS IN LOCAL GOVT: HOUSE | \$230,645         | \$230,645                      | 0%                | 0.1%                             | Council Decision                 |
| <b>TOTAL</b>               | <b>99,330,326</b> | <b>87,880,534</b>              | <b>100%</b>       |                                  |                                  |

**DIVERSIFICATION RISK**

| INSTITUTION                        | INVESTMENT TYPE | S & P RATING | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | INSTITUTION PROPORTION | MAX. % WITH ANY ONE INSTITUTION | Comments                         |
|------------------------------------|-----------------|--------------|--------------------------------|-------------------|------------------------|---------------------------------|----------------------------------|
| AMP BANK LTD (TERM)                | TERM            | AA-          | 1,000,000                      | 1.14%             | 1.14%                  | 20%                             |                                  |
| BANKWEST (11AM)                    | 11AM            | AA-          | 2,409,024                      | 2.74%             |                        | 20%                             |                                  |
| BANKWEST (TERM)                    | TERM            | AA-          | 11,369,738                     | 12.94%            |                        | 20%                             |                                  |
| BANK OF QUEENSLAND (FLOAT RATE TD) | FRTD            | BBB+         | 2,000,000                      | 2.28%             | 2.28%                  | 10%                             |                                  |
| BENDIGO AND ADELAIDE BANK (TERM)   | TERM            | A-           | 1,500,000                      | 1.71%             | 1.71%                  | 15%                             |                                  |
| COMMONWEALTH BANK (TERM)           | TERM            | AA-          | 3,000,000                      | 3.41%             |                        | 20%                             |                                  |
| COMMONWEALTH BANK (COVERED BOND)   | FRN             | AAA          | 2,000,000                      | 2.28%             |                        | 20%                             |                                  |
| COMMONWEALTH BANK (RETAIL BOND)    | FRN             | AA           | 2,000,000                      | 2.28%             |                        | 20%                             |                                  |
| COMMONWEALTH BANK (FRN)            | FRN             | AA           | 2,000,000                      | 2.28%             | 10.24%                 | 20%                             |                                  |
| ING BANK                           | FRTD            | A            | 500,000                        | 0.57%             | 0.57%                  | 15%                             |                                  |
| MACQUARIE BANK                     | ADI             | A            | 1,488,045                      | 1.69%             | 1.69%                  | 15%                             |                                  |
| NAB (FRN)                          | FRN             | AA-          | 4,000,000                      | 4.55%             |                        | 20%                             |                                  |
| NAB (TERM)                         | TERM            | AA-          | 10,300,000                     | 11.72%            | 16.27%                 | 20%                             |                                  |
| RABODIRECT (TERM)                  | TERM            | AA           | 1,500,000                      | 1.71%             | 1.71%                  | 15%                             |                                  |
| ST GEORGE BANK (TERM)              | TERM            | AA-          | 13,800,000                     | 15.70%            | 15.70%                 | 20%                             |                                  |
| SUNCORP METWAY LTD (TERM)          | TERM            | A+           | 6,300,000                      | 7.17%             | 7.17%                  | 15%                             |                                  |
| WESTPAC (MAXI BONUS 1)             | 11AM            | AA-          | 1,300,918                      | 1.48%             |                        | 20%                             |                                  |
| WESTPAC (MAXI BONUS 2)             | 11AM            | AA-          | -                              | 0.00%             |                        | 20%                             |                                  |
| WESTPAC (MAXI DIRECT)              | 11AM            | AA-          | 2,900,000                      | 3.30%             |                        | 20%                             |                                  |
| WESTPAC (TERM)                     | TERM            | AA-          | 10,300,000                     | 11.72%            |                        | 20%                             |                                  |
| WESTPAC (FRN)                      | FRN             | AA-          | 500,000                        | 0.57%             |                        | 20%                             |                                  |
| WESTPAC BANK                       | ADI             | AA-          | -                              | 0.00%             | 17.07%                 | 20%                             |                                  |
| ADELAIDE BANK                      | ADI             | A-           | 1,007,690                      | 1.15%             | 1.15%                  | 10%                             |                                  |
| CDO - Various                      | CDO             |              | 6,474,473                      | 7.37%             | 7.37%                  |                                 | Purchased Prior To Policy Change |
| UNITS IN LOCAL GOVT HOUSE          | UNITS           |              | 230,645                        | 0.26%             | 0.26%                  |                                 |                                  |
|                                    |                 |              | <b>87,880,534</b>              | <b>100%</b>       | <b>100%</b>            |                                 |                                  |

**MATURITY COMPARISON**

| TERM to MATURITY        | CURRENT ESTIMATED MARKET VALUE | ACTUAL PROPORTION | MAX. % IN ANY ONE YEAR | Comments                         |
|-------------------------|--------------------------------|-------------------|------------------------|----------------------------------|
| MUNICIPAL & TRUST FUNDS |                                |                   |                        |                                  |
| < 1 year                | 44,339,506                     | 100%              | 100%                   |                                  |
| RESERVE FUNDS           |                                |                   |                        |                                  |
| < 1 year                | 22,059,342                     | 55%               | 100%                   |                                  |
| < 2 years               | 2,684,207                      | 7%                | 80%                    |                                  |
| < 3 years               | 4,955,584                      | 12%               | 80%                    |                                  |
| < 4 years               | 2,100,021                      | 5%                | 40%                    |                                  |
| < 5 years               | 6,500,000                      | 16%               | 40%                    |                                  |
| > 5 years               | 1,828,045                      | 5%                | 20%                    | Purchased Prior To Policy Change |
|                         | <b>40,127,199</b>              | <b>100%</b>       |                        |                                  |