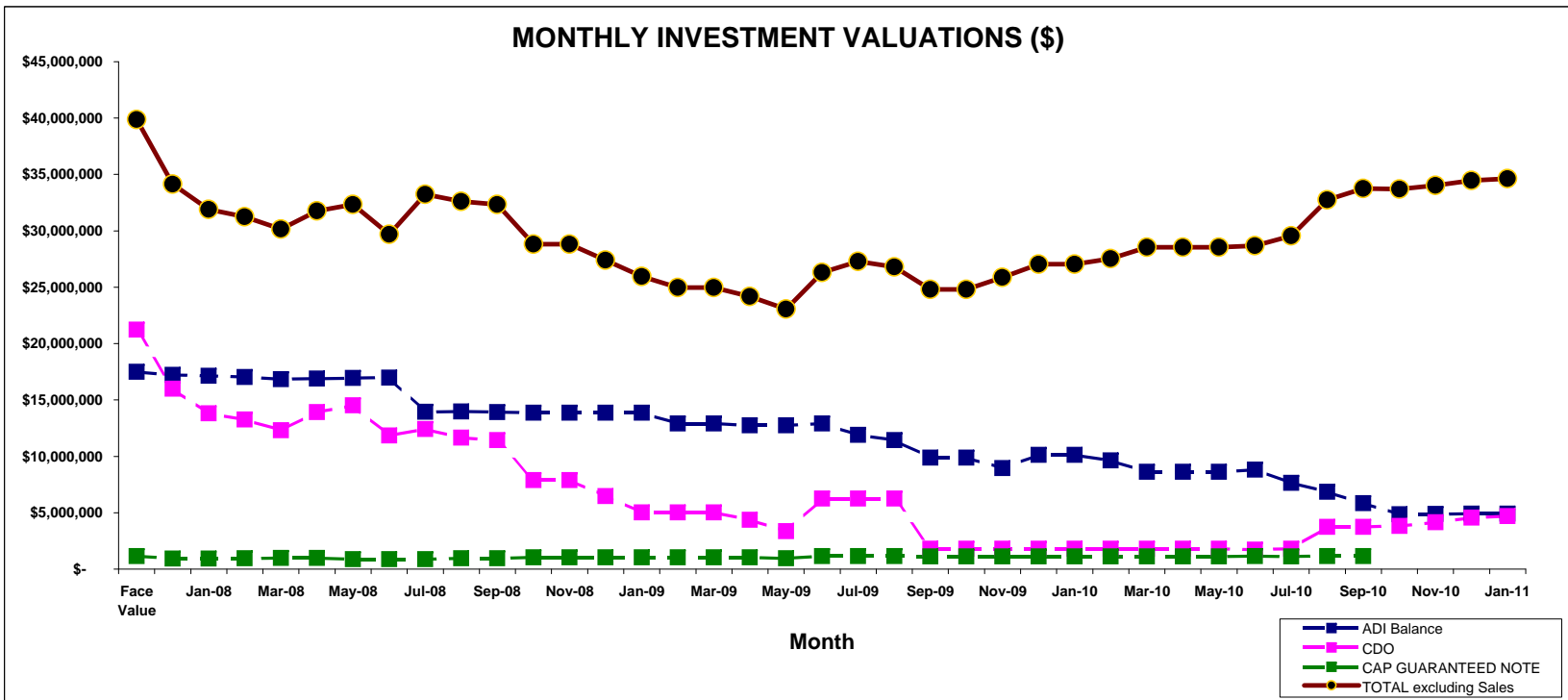
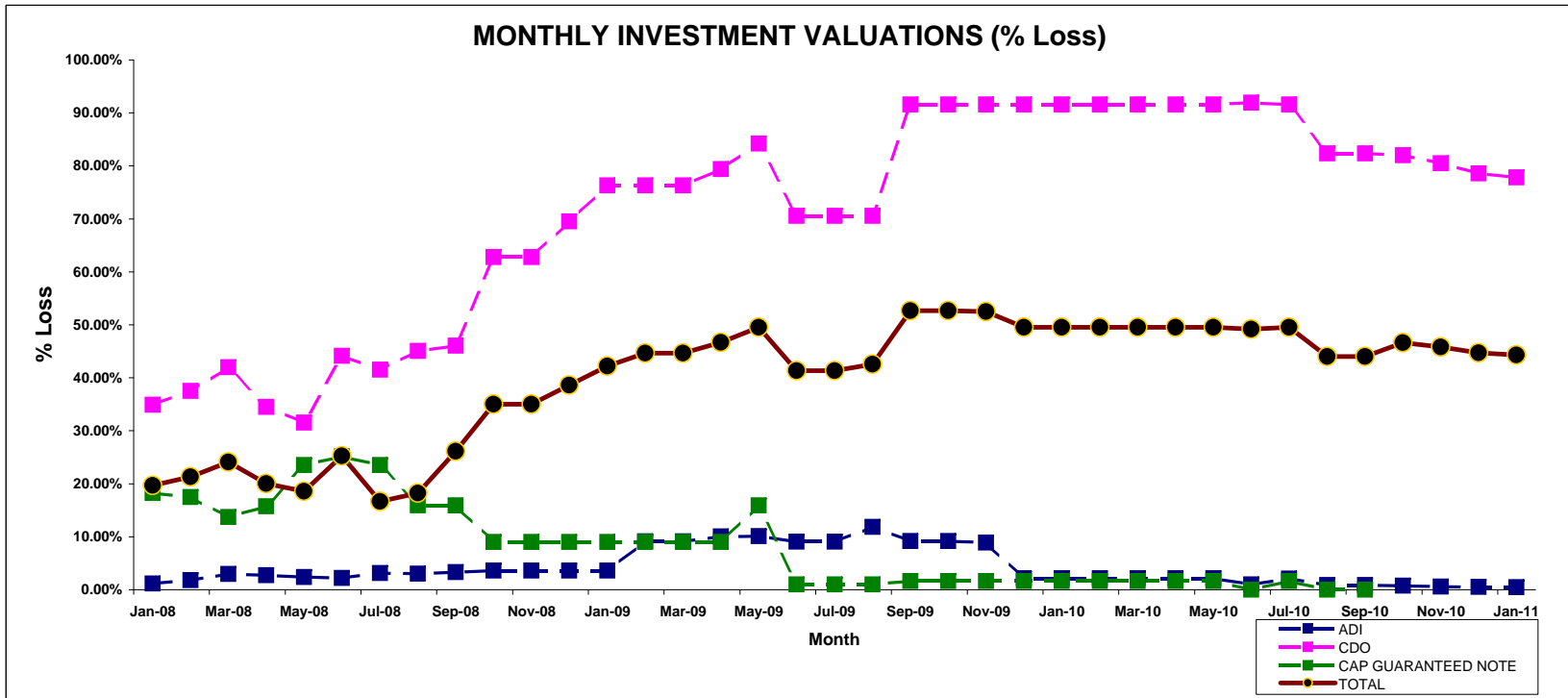


**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 JANUARY 2011**

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL	\$ 50,669,732	\$ 50,669,732	\$ 50,669,732	\$ -	0.00%
RESERVE	\$ 44,297,583	\$ 24,623,826	\$ 27,700,714	\$ 3,076,888	6.95%
TRUST	\$ 507,764	\$ 507,764	\$ 507,764	\$ -	0.00%
CRF	\$ 173,026	\$ 173,026	\$ 173,026	\$ -	0.00%
	\$ 95,648,104	\$ 75,974,347	\$ 79,051,235	\$ 3,076,888	3.22%

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	\$ 4,921,600	\$ 90,695	1.81%
CDO	\$ 21,220,000	\$ 1,715,338	\$ 4,701,531	\$ 2,986,193	14.07%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
TERM DEPOSIT	\$ 63,859,527	\$ 63,859,527	\$ 63,859,527	\$ -	0.00%
11AM	\$ 3,337,932	\$ 3,337,932	\$ 3,337,932	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 95,648,104	\$ 75,974,347	\$ 79,051,235	\$ 3,076,888	3.22%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 25,196,177	\$ 25,196,177	\$ 25,196,177	\$ -	0.00%
AA-	\$ 36,701,282	\$ 36,683,552	\$ 36,691,142	\$ 7,590	0.02%
A+	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ -	0.00%
A	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	0.00%
A-	\$ 2,500,000	\$ 2,379,555	\$ 2,445,550	\$ 65,995	2.64%
BBB+	\$ 1,000,000	\$ 983,880	\$ 991,940	\$ 8,060	0.81%
CCC	\$ 1,500,000	\$ 76,950	\$ 600,750	\$ 523,800	34.92%
CCC-	\$ 3,600,000	\$ 376,140	\$ 980,100	\$ 603,960	16.78%
NR	\$ 16,620,000	\$ 1,747,448	\$ 3,614,931	\$ 1,867,483	11.24%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 95,648,104	\$ 75,974,347	\$ 79,051,235	\$ 3,076,888	3.22%



**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 JANUARY 2011**

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION POLICY CP-009	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%	\$1,500,000	\$1,500,000	\$1,500,000	\$0
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	1%	20%	\$501,282	\$501,282	\$501,282	\$0
							\$3,337,932	\$3,337,932	\$3,337,932	\$0
BANKWEST (TERM)		TERM	5.85%	AA	11%	20%	\$10,859,527	\$10,859,527	\$10,859,527	\$0
COMMONWEALTH BANK (TERM)		TERM	5.69%	AA	12%	20%	\$11,000,000	\$11,000,000	\$11,000,000	\$0
SUNCORP METWAY LTD (TERM)		TERM	5.84%	A+	6%	20%	\$5,300,000	\$5,300,000	\$5,300,000	\$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-	8%	20%	\$7,900,000	\$7,900,000	\$7,900,000	\$0
WESTPAC (TERM)		TERM	6.26%	AA-	12%	20%	\$11,800,000	\$11,800,000	\$11,800,000	\$0
							\$63,859,527	\$63,859,527	\$63,859,527	\$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	\$991,940	\$8,060
ELDERS RURAL BANK	Very Low	ADI	5.67%	BBB	1%	0%	\$500,000	\$485,200	\$494,250	\$9,050
MACQUARIE BANK	Very Low	ADI	5.39%	A-	2%	15%	\$1,500,000	\$1,410,105	\$1,456,410	\$46,305
SUNCORP METWAY LTD	Very Low	ADI	5.33%	A-	1%	15%	\$1,000,000	\$969,450	\$989,140	\$19,690
WESTPAC BANK	Very Low	ADI	5.19%	AA-	1%	20%	\$1,000,000	\$982,270	\$989,860	\$7,590
APHEX (GLENELG)	High	CDO	6.70%	NR	2%	0%	\$2,000,000	\$126,600	\$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	\$600,750	\$523,800
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.55%	NR	2%	0%	\$1,885,000	\$23,000	\$214,136	\$191,136
ETHICAL LIMITED GREEN	High	CDO	5.95%	NR	1%	0%	\$1,000,000	\$1,000	\$286,900	\$275,900
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.65%	CCC-	2%	0%	\$1,800,000	\$355,140	\$980,100	\$624,960
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	CDO	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	\$314,545	\$232,039
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 MERIBULA	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	\$9,623,131	\$3,076,888
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$95,648,104	\$75,974,347	\$79,051,235	\$3,076,888

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO POLICY CP-009	Comments
AA	\$39,196,177	\$39,196,177	50%	80%	
AA-	\$22,701,282	\$22,691,142	29%	80%	
A+	\$5,300,000	\$5,300,000	7%	50%	
A	\$3,000,000	\$3,000,000	4%	50%	
A-	\$2,500,000	\$2,445,550	3%	50%	
BBB+	\$1,000,000	\$991,940	1%	20%	
BBB	\$500,000	\$494,250	1%	0%	Purchased Prior To Policy Change
CCC	\$1,500,000	\$600,750	1%	0%	
CCC-	\$3,600,000	\$980,100	1%	0%	
NR	\$16,120,000	\$3,120,681	4%	0%	
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	95,648,104	79,051,235	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	1.69%		20%	
BANKWEST (TERM)	TERM	AA	10,859,527	13.74%	15.43%	20%	
COMMONWEALTH BANK (TERM)	TERM	AA	11,000,000	13.92%		20%	
COMMONWEALTH BANK (BOND)	BOND	AA	2,000,000	2.53%	16.45%	20%	
MACQUARIE BANK	ADI	A-	1,456,410	1.84%		15%	
MACQUARIE BANK (TERM)	TERM	AAA	-	0.00%	1.84%	20%	
NAB	TERM	AA	14,000,000	17.71%	17.71%	20%	
ING BANK	TERM	A	3,000,000	3.80%	3.80%	20%	
ST GEORGE BANK (TERM)	TERM	AA-	7,900,000	9.99%	9.99%	20%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	501,282	0.63%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	1,500,000	1.90%		20%	
WESTPAC (TERM)	TERM	AA-	11,800,000	14.93%		20%	
WESTPAC BANK	ADI	AA-	989,860	1.25%		20%	
ADELAIDE BANK	ADI	BBB+	991,940	1.25%	18.71%	10%	
ELDERS RURAL BANK	ADI	BBB	494,250	0.63%	0.63%	10%	
SUNCORP METWAY LTD (TERM)	TERM	A+	5,300,000	6.70%		15%	
SUNCORP METWAY LTD	ADI	A-	989,140	1.25%	7.96%	15%	
CDO - Various	CDO		4,701,531	5.95%	5.95%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.29%	0.29%		
			\$79,051,235	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	48,946,851	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%	
	50,946,851	100%		
RESERVE FUNDS				
< 1 year	18,077,583	65%	100%	
< 2 years	3,056,485	11%	80%	
< 3 years	1,194,236	4%	80%	
< 4 years	1,427,650	5%	40%	
< 5 years	15,100	0%	40%	
> 5 years	3,929,660	14%	20%	Purchased Prior To Policy Change
	27,700,714	100%		