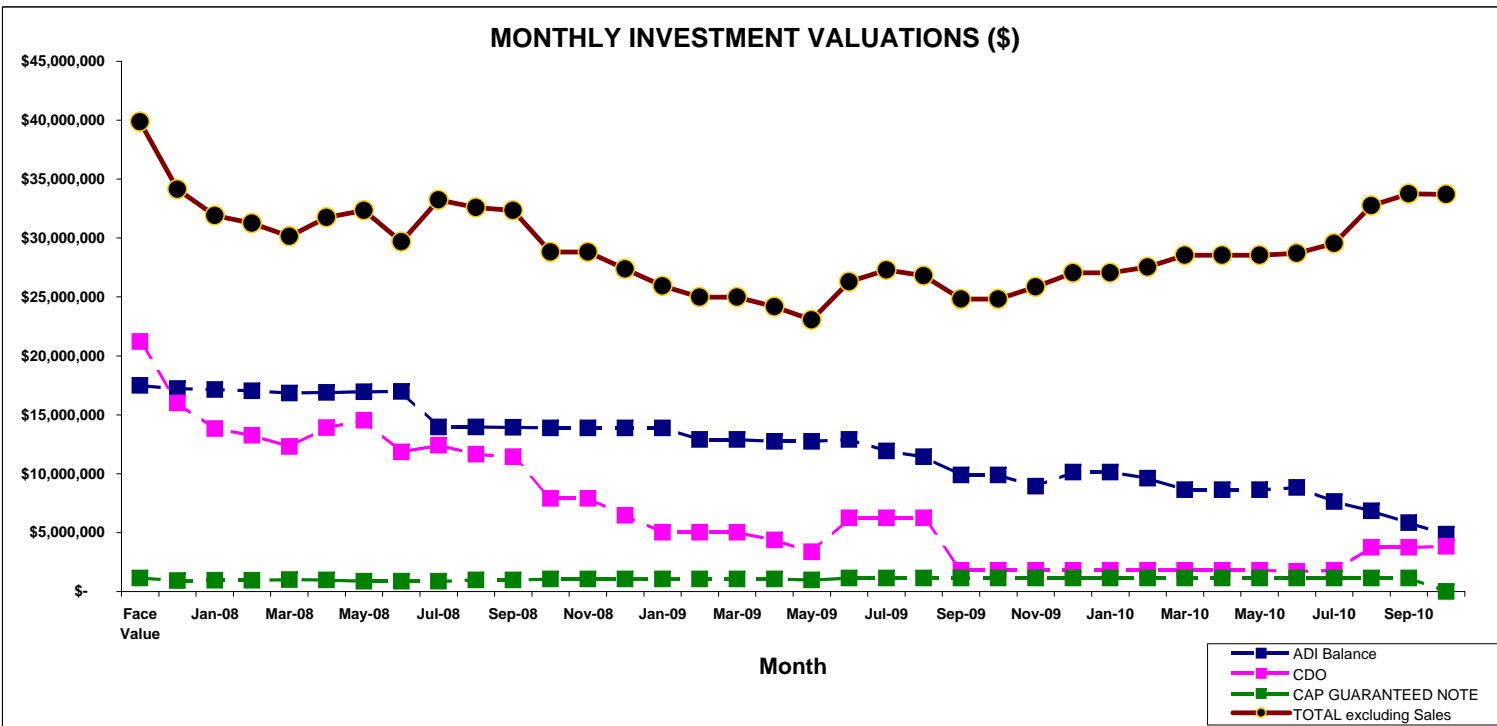
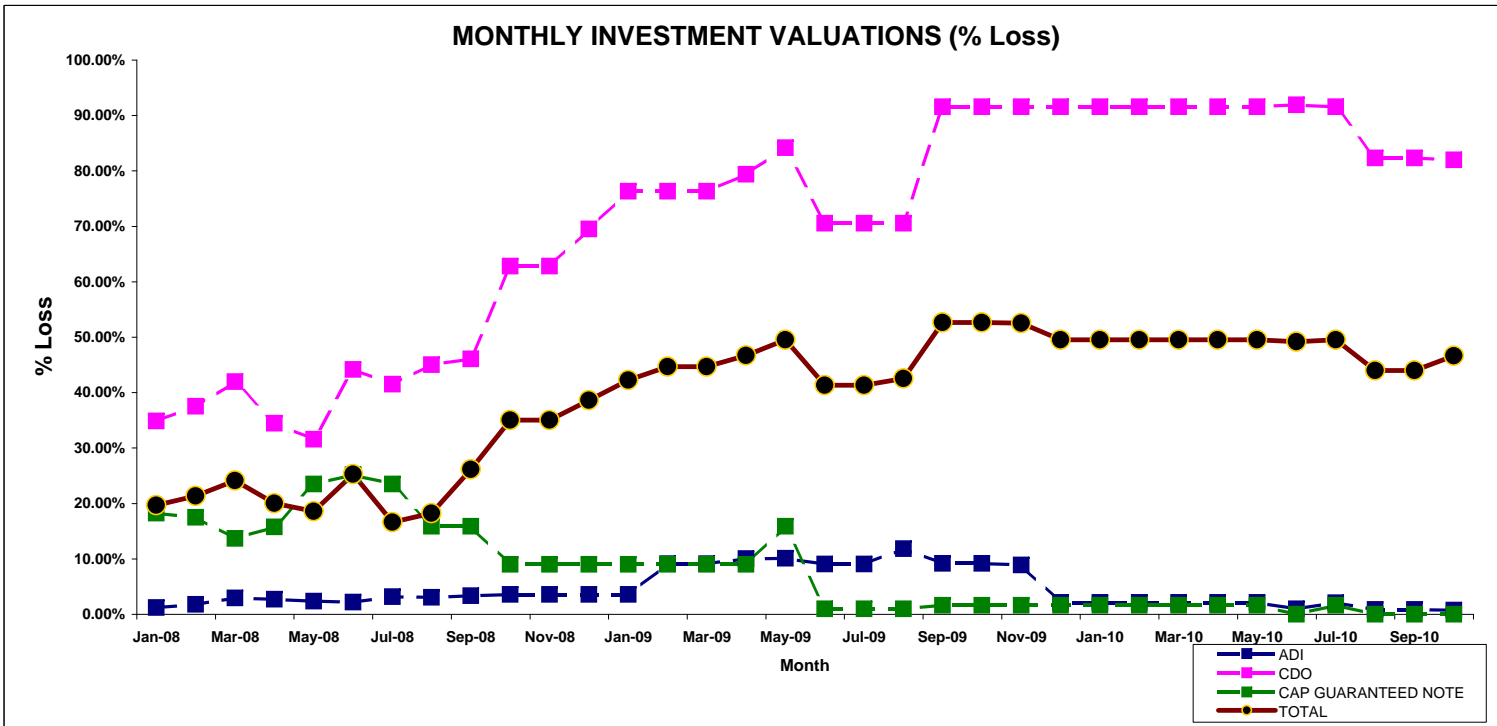


**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 OCTOBER 2010**

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL RESERVE TRUST CRF	\$ 48,749,988	\$ 48,749,988	\$ 48,749,988	\$ -	0.00%
	\$ 46,614,465	\$ 26,940,708	\$ 29,083,520	\$ 2,142,812	4.60%
	\$ 716,503	\$ 716,503	\$ 716,503	\$ -	0.00%
	\$ 173,026	\$ 173,026	\$ 173,026	\$ -	0.00%
	\$ 96,253,983	\$ 76,580,226	\$ 78,723,038	\$ 2,142,812	2.23%

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	\$ 4,863,640	\$ 32,735	0.65%
CDO	\$ 21,220,000	\$ 1,715,338	\$ 3,825,415	\$ 2,110,077	9.94%
CAP	\$ -	\$ -	\$ -	\$ -	0.00%
TERM DEPOSIT 11AM	\$ 68,659,527	\$ 68,659,527	\$ 68,659,527	\$ -	0.00%
	\$ 1,143,810	\$ 1,143,810	\$ 1,143,810	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 96,253,983	\$ 76,580,226	\$ 78,723,038	\$ 2,142,812	2.23%

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AAA	\$ -	\$ -	\$ -	\$ -	0.00%
AA	\$ 30,296,177	\$ 29,284,316	\$ 30,010,177	\$ 725,861	2.40%
AA-	\$ 34,207,161	\$ 34,189,431	\$ 34,193,001	\$ 3,570	0.01%
A	\$ 4,500,000	\$ 4,410,105	\$ 4,422,090	\$ 11,985	0.27%
BBB+	\$ 1,000,000	\$ 983,880	\$ 990,260	\$ 6,380	0.64%
BBB	\$ 500,000	\$ 485,200	\$ 487,780	\$ 2,580	0.52%
BBB-	\$ 2,000,000	\$ 125,600	\$ 100,000	\$ 25,600	-1.28%
BB+	\$ 1,800,000	\$ 355,140	\$ 793,620	\$ 438,480	24.36%
CCC+	\$ 3,300,000	\$ 28,500	\$ -	\$ 28,500	-0.86%
CCC	\$ 1,885,000	\$ 159,456	\$ 835,146	\$ 675,690	35.85%
CCC-	\$ 4,935,000	\$ 47,500	\$ 382,649	\$ 335,149	6.79%
C	\$ 5,300,000	\$ 11,003	\$ -	\$ 11,003	-0.21%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 96,253,983	\$ 76,580,226	\$ 78,723,038	\$ 2,142,812	2.23%



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

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION POLICY 13-PL-003	FACE VALUE \$	BOOK VALUE AT 30/6/2010 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.45%	AA	1%	20%	\$736,650	\$736,650	\$736,650	\$0
WESTPAC (MAXI BONUS 1)		11AM	4.55%	AA-	0%	20%	\$0	\$0	\$0	\$0
WESTPAC (MAXI BONUS 2)		11AM	4.55%	AA-	0%	20%	\$0	\$0	\$0	\$0
							\$1,143,810	\$1,143,810	\$1,143,810	\$0
BANKWEST (TERM)		TERM	5.70%	AA	13%	20%	\$12,559,527	\$12,559,527	\$12,559,527	\$0
COMMONWEALTH BANK		TERM	5.51%	AA	16%	20%	\$15,000,000	\$15,000,000	\$15,000,000	\$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	5.74%	AA	17%	20%	\$16,000,000	\$16,000,000	\$16,000,000	\$0
ST GEORGE BANK (TERM)		TERM	5.57%	AA-	4%	20%	\$3,500,000	\$3,500,000	\$3,500,000	\$0
WESTPAC (TERM)		TERM	6.26%	AA-	14%	20%	\$13,300,000	\$13,300,000	\$13,300,000	\$0
							\$68,659,527	\$68,659,527	\$68,659,527	\$0
ADELAIDE BANK	Very Low	ADI	5.31%	BBB+	1%	10%	\$1,000,000	\$983,880	\$990,260	\$6,380
ELDERS RURAL BANK	Very Low	ADI	5.55%	BBB	1%	0%	\$500,000	\$485,200	\$487,780	\$2,580
MACQUARIE BANK	Very Low	ADI	5.22%	A	2%	15%	\$1,500,000	\$1,410,105	\$1,422,090	\$11,985
SUNCORP METWAY LTD	Very Low	ADI	5.16%	A+	1%	15%	\$1,000,000	\$969,450	\$977,670	\$8,220
WESTPAC BANK	Very Low	ADI	5.09%	AA-	1%	20%	\$1,000,000	\$982,270	\$985,840	\$3,570
APHEX (GLENELG)	High	CDO	6.53%	BBB-	2%	0%	\$2,000,000	\$125,600	\$100,000	-\$25,600
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	C	2%	0%	\$2,000,000	\$1	\$0	-\$1
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	C	0%	0%	\$450,000	\$1	\$0	-\$1
CORSAIR (CAYMAN) KAKADU	High	CDO	6.14%	CCC	2%	0%	\$1,500,000	\$76,950	\$531,150	\$454,200
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.34%	CCC-	2%	0%	\$1,885,000	\$23,000	\$121,771	\$98,771
ETHICAL LIMITED GREEN	High	CDO	5.74%	CCC-	1%	0%	\$1,000,000	\$11,000	\$225,900	\$214,900
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.44%	BB+	2%	0%	\$1,800,000	\$355,140	\$793,620	\$438,480
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.63%	CCC+	2%	0%	\$1,800,000	\$21,000	\$0	-\$21,000
MAGNOLIA FLINDERS	Moderate	CDO	6.24%	AA	2%	20%	\$2,000,000	\$988,139	\$1,714,000	\$725,861
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.04%	CCC-	1%	0%	\$1,000,000	\$3,000	\$3,100	\$100
MANAGED ACES CLASS 1A PARKES	High	CDO	6.37%	CCC-	1%	0%	\$1,050,000	\$10,500	\$31,878	\$21,378
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.70%	CCC	0%	0%	\$385,000	\$82,506	\$303,996	\$221,490
STARTS (CAYMAN) BLUE GUM	Defaulted	CDO	6.23%	CCC+	2%	0%	\$1,500,000	\$7,500	\$0	-\$7,500
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	C	2%	0%	\$1,500,000	\$9,300	\$0	-\$9,300
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	C	1%	0%	\$500,000	\$1,700	\$0	-\$1,700
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	C	1%	0%	\$850,000	\$1	\$0	-\$1
							\$26,220,000	\$6,546,243	\$8,689,055	\$2,142,812
UNITS IN LOCAL GOVT HOUSE		UNITS					\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$96,253,983	\$76,580,226	\$78,723,038	\$2,142,812

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO POLICY 13-PL-003	Comments
AA	\$46,296,177	\$46,010,177	58%	80%	
AA-	\$18,207,161	\$18,193,001	23%	60%	
A+	\$6,300,000	\$6,277,670	8%	50%	
A	\$4,500,000	\$4,422,090	6%	50%	
BBB+	\$1,000,000	\$990,260	1%	20%	
BBB	\$500,000	\$487,780	1%	0%	
BBB-	\$2,000,000	\$100,000	0%	0%	
BB+	\$1,800,000	\$793,620	1%	0%	Purchased Prior To Policy Change
CCC+	\$3,300,000	\$0	0%	0%	
CCC	\$1,885,000	\$835,146	1%	0%	
CCC-	\$4,935,000	\$382,649	0%	0%	
C	\$5,300,000	\$0	0%	0%	
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	\$96,253,983	\$78,723,038	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	736,650	0.94%		20%	
BANKWEST (TERM)	TERM	AA	12,559,527	15.95%	16.89%	20%	
COMMONWEALTH BANK	TERM	AA	15,000,000	19.05%	19.05%	20%	
MACQUARIE BANK	ADI	A	1,422,090	1.81%		15%	
MACQUARIE BANK (TERM)	TERM	AAA	-	0.00%	1.81%	20%	
NAB	TERM	AA	16,000,000	20.32%	20.32%	20%	
ING BANK	TERM	A	3,000,000	3.81%	3.81%	20%	
ST GEORGE BANK (TERM)	TERM	AA-	3,500,000	4.45%	4.45%	20%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	407,161	0.52%		20%	
WESTPAC (TERM)	TERM	AA-	13,300,000	16.89%		20%	
WESTPAC BANK	ADI	AA-	985,840	1.25%	18.66%	20%	
ADELAIDE BANK	ADI	BBB+	990,260	1.26%	1.26%	10%	
ELDERS RURAL BANK	ADI	BBB	487,780	0.62%	0.62%	10%	
SUNCORP METWAY LTD (TERM)	TERM	A+	5,300,000	6.73%		15%	
SUNCORP METWAY LTD	ADI	A+	977,670	1.24%		15%	
DEUTSCHE BANK - CAPITAL GUARANTEED NOTE	CAP	AAA	-	0.00%	0.00%	20%	
CDO - Various	CDO		3,825,415	4.86%	4.86%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.29%	0.29%		
			\$78,723,038	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	49,235,847	100%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	-	0%	0%	
> 5 years	-	0%	0%	Purchased Prior To Policy Change
	49,235,847	100%		
RESERVE FUNDS				
< 1 year	20,394,465	70%	100%	
< 2 years	3,008,256	10%	80%	
< 3 years	915,391	3%	80%	
< 4 years	757,050	3%	40%	
< 5 years	134,978	0%	40%	
> 5 years	3,873,380	13%	20%	Purchased Prior To Policy Change
	29,083,520	100%		