

Investments Held as at 31 May 2020

File No: X020701

Summary

This report provides details of the City's investment portfolio and performance, as projected to 31 May 2020.

The City's total Investment and Cash position was \$660M at the end of May, with investments earning interest of \$1.0M for the month.

The Covid-19 pandemic has created significant uncertainty in financial markets. One of the measures the Reserve Bank of Australia has used to respond to the crisis is reducing the official cash rate downward. It was reduced, first on 3 March 2020, to 0.50 per cent and again on 20 March 2020 when it was further reduced to 0.25 per cent. The market has responded by reducing the rates on offer and the resultant lower investment yields will have a sustained adverse impact on the City's portfolio return.

The City's cash inflows are also reducing as the economic consequences of the pandemic impact major revenue streams including parking services, commercial property income and the timely payment of rates and annual charges. Lower cash balances combined with lower rates of returns on financial investments will affect the City's interest revenue.

Most of the City's cash and investments portfolio is held as internally restricted (\$308.7M) or externally restricted (\$115.9M) cash reserves, to satisfy the City's legislative responsibilities and set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.

Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and capital expenditure commitments.

The City achieved an annualised monthly return of 1.27 per cent for May, above the 30 Day Bank Bill Rate (BBR) of 0.09 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.54 per cent (BBR + 0.45 per cent) as endorsed in October 2019 as part of the Investment Strategy.

The City's annual rolling return of 1.61 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.79 per cent, the latest AusBond Bank Bill Index of 1.11 per cent and the enhanced benchmark of 1.24 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2019.

The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions. The policy and strategy also maintain the City's commitment to sustainable investments where returns and risks are equivalent, under the environmentally and socially responsible investment criteria.

Recommendation

It is resolved that the Investment Report as at 31 May 2020 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 31 May 2020

Attachment B. Investment Performance as at 31 May 2020

Background

1. In accordance with the principles of financial management, cash that is surplus to the City's immediate requirements is invested within acceptable risk parameters to optimise interest income while ensuring the security of these funds.
2. Surplus cash is only invested in authorised investments that comply with governing legislation and the City's Investment Policy and Strategy.
3. The benchmark performance goal of the City's Investment Policy and Strategy is to surpass the 30 Day Bank Bill Rate (BBR) by 45 basis points while performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. The City's total Investment and Cash position as at 31 May 2020 is \$660M, an increase of approximately \$0.6M from the \$659.4M reported as at 30 April 2020 reflecting operating income offset by capital works expenditure and other operational payments. A schedule detailing the City's investments as at the end of May is provided at Attachment A.
5. Most of the City's cash and investments portfolio is held as internally restricted (\$308.7M) or externally restricted (\$115.9M) cash reserves, to satisfy the City's legislative responsibilities and set aside specific funds for Council's funding commitments to the major initiatives within the Sustainable Sydney 2030 Community Strategic Plan.
6. Key commitments within the City's Long Term Financial Plan include public domain works in the CBD to support the implementation of the CBD and South East light rail project and stormwater, town centre infrastructure and community facilities in the Green Square urban renewal area. The balance of investment funds represents working capital and funding required for the City's operating and other capital expenditure commitments.
7. The City achieved an annualised monthly return of 1.27 per cent for May, above the 30 Day Bank Bill Rate (BBR) of 0.09 per cent, the latest AusBond Bank Bill Index (published by Bloomberg) of 0.00 per cent and the enhanced benchmark of 0.54 per cent (BBR + 0.45 per cent) as endorsed in October 2019 as part of the Investment Strategy.
8. The City's annual rolling return of 1.61 per cent also continues to exceed the 12 month average 30 Day Bank Bill Rate of 0.79 per cent, the latest AusBond Bank Bill Index of 1.11 per cent and the enhanced benchmark of 1.24 per cent (BBR + 0.45 per cent) as endorsed in the Investment Strategy in October 2019.
9. In response to the global Covid-19 pandemic, the Reserve Bank of Australia adjusted the official cash rate on 3 March 2020, when it was reduced to 0.50 per cent. That rate was further reduced on 20 March 2020 to 0.25 per cent. The market is responding by reducing the rates on offer, and the resultant lower investment yields will have a sustained adverse impact on the City's portfolio return. The low interest rates are anticipated to continue for the foreseeable future given the current challenging economic conditions.

10. The City's cash inflows are also reducing as the economic consequences of the pandemic impact the major revenue streams including parking services, commercial property income and timely payment of rates and annual charges. Lower cash balances combined with lower rates of returns on financial investments will affect the City's interest revenue.
11. The structure of the City's investment portfolio continues to reflect the conservative approach outlined in the Investment Policy and Strategy, which remains appropriate for the current global and domestic economic conditions.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

12. The City's investments accord with all legislative and policy requirements, as detailed below, and continue to achieve returns above minimum benchmark rates.

Financial Implications

13. The City's investments earned interest of \$1.0M for the month of May 2020 against budgeted earnings of \$1.1M, and investment earnings for the full year remain forecast to be on budget at \$13.8M.

Economic

14. The extent of the local and global economic impact resulting from Covid-19 has created significant uncertainty in financial markets. Many Governments and central banks, including the Australian Government and the Reserve Bank of Australia (RBA), are implementing large scale responses to the economic crisis including coordinated stimulus measures involving significant increases in government spending and borrowing combined with large scale buying of bonds by central banks.
15. The RBA reduced the official cash rate downward twice in March. It was reduced first on 3 March 2020, to 0.50 per cent and again on 20 March 2020 when it was further reduced to 0.25 per cent.
16. The RBA, after its recent policy meeting, indicated the 0.25 per cent official cash rate was unlikely to be lifted until it could be confident the economy had recovered sufficiently to lift annual inflation inside its target two per cent to three per cent range.
17. Historically, returns on cash (i.e. "at call" accounts) and short term investments have been quite strong. However, the current low official cash rate may mean short to medium term investment returns could be flat or potentially slightly negative. The capacity for City staff to invest in a manner that meets liquidity requirements whilst achieving the "enhanced" benchmark returns (as detailed in the Investment Policy) may be challenging.

Relevant Legislation

18. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
19. The Local Government (General) Regulation 2005 (Clause 212) requires the City to provide a written monthly report of all monies invested, under Section 625 of the Act.
20. The Investment Policy and Strategy was revised in October 2019, maintaining Council's commitment to give preference to sustainable investments where returns and risks are equivalent to other investments. The revision also maintained the broadened definition of environmentally harmful activities which includes specific reference to coal, gas and oil.
21. The City's investments accord with the Minister's Investment Order, the Office of Local Government's Investment Policy Guidelines, and the City's own Investment Policy and Strategy as adopted by Council on 28 October 2019.

Critical Dates / Time Frames

22. A monthly investment report must be submitted for Council's information and review within the following month.

Public Consultation

23. Consultation is regularly undertaken with several financial institutions and investment advisers to consider options and ensure the City continues to maximise its investment return within appropriate risk parameters.
24. City staff meet regularly with representatives of each of the 'Big 4' banks and NSW TCorp. At these meetings City staff actively advocate for Socially Responsible Investment (SRI) opportunities.
25. The banks acknowledge the appetite in the market for these products and they continue to investigate the development of suitable products, however it has been challenging to match the level of funds to available Socially Responsible Investment opportunities that meet the credit risk and maturity profile requirements of the City.
26. As noted in previous Investment Reports, Westpac were able to bring a Green Tailored Deposit product to market, which delivers a comparable return while achieving the City's preferred outcomes. The City currently holds \$65M in eleven tranches with this Green Tailored deposit, as two tranches previously invested matured in the month of May, with the funds used to fund operations.
27. In January 2020, the City invested \$5M in a Floating Rate Note (FRN) / Sustainability Bond issued by Bank Australia, based on an investment framework that meets the main guidelines for issuance of Green, Social and Sustainability Bonds in the global capital markets. This Socially Responsible investment opportunity met both the credit risk and maturity profile requirement of the City.

28. From February to May 2020, the City invested a total of \$10M in a Climate Bond certified Green Term Deposit with the Commonwealth Bank of Australia (CBA), which also meets the City's risk / return profile. This is the current maximum investor threshold set by CBA for this Green Deposit product.
29. The market is endeavouring to respond to demand and meet investors need to satisfy their financial risk / return requirements, while at the same time promoting their preferred investment profile outcomes.

BILL CARTER

Chief Financial Officer

Attachment A

**Register of Investments and Cash
as at 31 May 2020**

Register of Investments and Cash for May 2020 period

| Institution | Rating | Face Value \$ | Amortised Value \$ | Monthly Net Returns | Monthly Net Return Annualised | Net Returns Rolling 12 Months | Maturity Date | Investment Date | Term (months) |
|---|--------|--------------------|--------------------|---------------------|-------------------------------|-------------------------------|---------------|-----------------|---------------|
| Call Account | | | | | | | | | |
| Westpac Bank | AA | 69,763,105.06 | 69,763,105.06 | 0.04% | 0.50% | 0.50% | 1-May-20 | 22-May-12 | 0 |
| Total | | 69,763,105 | 69,763,105 | 0.04% | 0.50% | 0.50% | | | |
| Term Deposits (TD) | | | | | | | | | |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.06% | 0.70% | 0.70% | 5-Jun-20 | 5-May-20 | 1 |
| Commonwealth Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.04% | 0.50% | 0.50% | 11-Jun-20 | 8-May-20 | 1 |
| Commonwealth Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.04% | 0.50% | 0.50% | 11-Jun-20 | 13-May-20 | 1 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.06% | 0.70% | 0.70% | 16-Jun-20 | 15-May-20 | 1 |
| Commonwealth Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.04% | 0.50% | 0.50% | 30-Jun-20 | 28-May-20 | 1 |
| Commonwealth Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.05% | 0.55% | 0.55% | 3-Jul-20 | 22-May-20 | 1 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.09% | 1.06% | 1.06% | 9-Jul-20 | 8-May-20 | 2 |
| Commonwealth Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.05% | 0.56% | 0.56% | 10-Jul-20 | 26-May-20 | 1 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.92% | 0.92% | 28-Sep-20 | 27-May-20 | 4 |
| Bank of Queensland | A | 5,000,000.00 | 5,000,000.00 | 0.09% | 1.05% | 1.05% | 29-Sep-20 | 28-May-20 | 4 |
| Bank of Queensland | A | 5,000,000.00 | 5,000,000.00 | 0.10% | 1.20% | 1.20% | 13-Oct-20 | 18-May-20 | 5 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.96% | 0.96% | 16-Oct-20 | 20-May-20 | 5 |
| ME Bank | A | 2,000,000.00 | 2,000,000.00 | 0.11% | 1.30% | 1.30% | 16-Nov-20 | 18-May-20 | 6 |
| Bendigo & Adelaide Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.50% | 1.50% | 6-Jul-20 | 7-Apr-20 | 3 |
| Bendigo & Adelaide Bank | A | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.45% | 1.45% | 13-Jul-20 | 14-Apr-20 | 3 |
| IMB | A | 5,000,000.00 | 5,000,000.00 | 0.11% | 1.30% | 1.30% | 31-Jul-20 | 28-Apr-20 | 3 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.14% | 1.63% | 1.63% | 9-Oct-20 | 7-Apr-20 | 6 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.40% | 1.40% | 2-Jun-20 | 4-Mar-20 | 3 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.40% | 1.40% | 9-Jun-20 | 10-Mar-20 | 3 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.14% | 1.65% | 1.65% | 18-Sep-20 | 5-Mar-20 | 6 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.14% | 1.70% | 1.70% | 2-Jul-20 | 2-Mar-20 | 4 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.38% | 1.38% | 18-Sep-20 | 10-Mar-20 | 6 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 30-Sep-20 | 2-Mar-20 | 7 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 4-Dec-20 | 3-Mar-20 | 9 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 11-Dec-20 | 3-Mar-20 | 9 |
| Macquarie Bank Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 18-Dec-20 | 3-Mar-20 | 10 |
| Westpac Banking Corporation | AA | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 16-Jun-20 | 10-Feb-20 | 4 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 7-Aug-20 | 10-Feb-20 | 6 |
| Bendigo & Adelaide Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 14-Aug-20 | 17-Feb-20 | 6 |
| Bank of Queensland | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 8-Sep-20 | 12-Feb-20 | 7 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 22-Sep-20 | 24-Feb-20 | 7 |
| Bendigo & Adelaide Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 3-Nov-20 | 4-Feb-20 | 9 |
| Bank of Queensland | A | 5,000,000.00 | 5,000,000.00 | 0.14% | 1.65% | 1.65% | 7-Jul-20 | 10-Jan-20 | 6 |
| Bendigo & Adelaide Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.58% | 1.58% | 14-Jul-20 | 16-Jan-20 | 6 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 16-Oct-20 | 22-Jan-20 | 9 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.58% | 1.58% | 23-Oct-20 | 29-Jan-20 | 9 |
| National Aust Bank | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.40% | 1.40% | 22-Jan-21 | 29-Jan-20 | 12 |
| IMB | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 12-Jun-20 | 3-Dec-19 | 6 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.61% | 1.61% | 23-Jun-20 | 10-Dec-19 | 6 |
| IMB | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 26-Jun-20 | 3-Dec-19 | 7 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 10-Jul-20 | 11-Dec-19 | 7 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 4-Sep-20 | 2-Dec-19 | 9 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 25-Sep-20 | 2-Dec-19 | 10 |
| Credit Union Australia | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.57% | 1.57% | 3-Jul-20 | 28-Nov-19 | 7 |
| Credit Union Australia | A | 10,000,000.00 | 10,000,000.00 | 0.13% | 1.57% | 1.57% | 24-Jul-20 | 28-Nov-19 | 8 |
| ME Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.58% | 1.58% | 19-Jun-20 | 26-Nov-19 | 7 |
| Credit Union Australia Ltd | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.61% | 1.61% | 9-Jun-20 | 8-Oct-19 | 8 |
| Macquarie Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 11-Sep-20 | 27-Feb-20 | 6 |
| Macquarie Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.60% | 1.60% | 15-Sep-20 | 28-Feb-20 | 7 |
| Macquarie Bank | A | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.55% | 1.55% | 13-Nov-20 | 28-Feb-20 | 8 |
| ANZ Bank (90 days BBSW + 98 points) | AA | 10,000,000.00 | 10,000,000.00 | 0.09% | 1.08% | 1.96% | 28-Aug-20 | 28-Aug-15 | 60 |
| ANZ Bank (90 days BBSW + 95 points) | AA | 10,000,000.00 | 10,000,000.00 | 0.09% | 1.05% | 1.95% | 31-Aug-20 | 1-Sep-15 | 60 |
| Westpac Bank (3 months BBSW + 88 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.98% | 1.87% | 14-May-21 | 16-May-19 | 24 |
| Westpac Banking Corporation (2.80% Fixed 1 year & 90 days BBSW + 82 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.47% | 1.94% | 21-Sep-21 | 21-Sep-18 | 36 |
| Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.09% | 1.07% | 2.01% | 11-Oct-21 | 12-Oct-17 | 48 |
| Westpac Banking Corporation (2.94% Fixed 2 years & 3 months BBSW + 82 points 3 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.25% | 2.94% | 2.94% | 8-Nov-21 | 6-Nov-18 | 36 |
| Westpac Banking Corporation (3% Fixed 2 years & 90 days BBSW + 133 points 3 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.17% | 2.06% | 2.33% | 15-Dec-21 | 15-Dec-16 | 60 |
| Westpac Banking Corporation (3% Fixed 2 years & RBA cash rate + 126 points 3 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.17% | 2.06% | 2.38% | 31-Aug-22 | 31-Aug-17 | 60 |
| Westpac Banking Corporation (2.80% Fixed 1 year & 90 days BBSW + 85 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.95% | 1.99% | 27-Sep-22 | 28-Sep-18 | 48 |
| Westpac Banking Corporation (2.98% Fixed 2 years & 3 months BBSW + 82 points 2 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.25% | 2.98% | 2.98% | 21-Nov-22 | 21-Nov-18 | 48 |
| Term Deposits (TD) 'Green Tailored Deposits' | | | | | | | | | |
| Westpac Bank - Green Tailored Deposit | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.47% | 1.47% | 4-Aug-20 | 5-Feb-20 | 6 |
| Commonwealth Bank- Green Tailored Deposit | AA | 5,000,000.00 | 5,000,000.00 | 0.04% | 0.50% | 0.50% | 18-Jun-20 | 19-May-20 | 1 |
| Commonwealth Bank- Green Tailored Deposit | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.41% | 1.41% | 22-Sep-20 | 25-Feb-20 | 7 |
| Westpac Bank - Green Tailored Deposit | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.42% | 1.42% | 4-Feb-21 | 5-Feb-20 | 12 |
| Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.07% | 0.85% | 1.58% | 26-Aug-20 | 27-Aug-19 | 12 |
| Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.07% | 0.85% | 1.57% | 27-Aug-20 | 28-Aug-19 | 12 |
| Westpac Bank - Green Tailored Deposit (90 days BBSW + 75 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.11% | 1.34% | 1.59% | 2-Sep-20 | 2-Sep-19 | 12 |
| Westpac Banking Corporation - Green Tailored Deposit (3 Months BBSW + 93 points) | AA | 10,000,000.00 | 10,000,000.00 | 0.09% | 1.03% | 2.23% | 27-Nov-23 | 26-Nov-18 | 60 |
| Westpac Banking Corporation - Green Tailored Deposit (2.97% Fixed 2 years & 3 months BBSW + 93 points 3 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.25% | 2.97% | 3.56% | 29-Nov-23 | 30-Nov-18 | 60 |
| Westpac Banking Corporation - Green Tailored Deposit (3.00% Fixed 1 years & 3 months BBSW + 105 points 4 years) | AA | 10,000,000.00 | 10,000,000.00 | 0.10% | 1.16% | 2.91% | 24-Jan-24 | 25-Jan-19 | 60 |
| Westpac Banking Corporation - Green Tailored Deposit (2.85% Fixed 1 years & 3 months BBSW + 100 points 4 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.59% | 3.04% | 28-Feb-24 | 1-Mar-19 | 60 |
| Westpac Banking Corporation - Green Tailored Deposit (2.75% Fixed 1 year & 3 months BBSW + 100 points 4 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.15% | 1.75% | 3.00% | 11-Mar-24 | 13-Mar-19 | 60 |
| Westpac Banking Corporation - Green Tailored Deposit (2.65% Fixed 1 year & 3 months BBSW + 100 points 4 years) | AA | 5,000,000.00 | 5,000,000.00 | 0.14% | 1.62% | 2.87% | 22-Mar-24 | 25-Mar-19 | 60 |
| Total | | 387,000,000 | 387,000,000 | 0.12% | 1.39% | 1.65% | | | |

Register of Investments and Cash for May 2020 period

| Institution | Rating | Face Value \$ | Amortised Value \$ | Monthly Net Returns | Monthly Net Return Annualised | Net Returns Rolling 12 Months | Maturity Date | Investment Date | Term (months) |
|--|--------|--------------------|--------------------|---------------------|-------------------------------|-------------------------------|---------------|-----------------|---------------|
| Floating Rate Notes (FRN) | | | | | | | | | |
| National Australia Bank (90 days BBSW + 80 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.42% | 1.78% | 3-Jun-20 | 3-Jun-15 | 60 |
| Commonwealth Bank (90 days BBSW + 90 points) | AA | 10,000,000.00 | 10,000,000.00 | 0.09% | 1.03% | 1.79% | 17-Jul-20 | 17-Jul-15 | 60 |
| Westpac Banking Corporation (90 days BBSW + 90 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 1.01% | 1.75% | 28-Jul-20 | 28-Jul-15 | 60 |
| Bendigo & Adelaide Bank (90 days BBSW + 110 points) | BBB | 5,000,000.00 | 5,000,000.00 | 0.10% | 1.20% | 2.06% | 18-Aug-20 | 18-Aug-15 | 60 |
| Suncorp Bank (90 days BBSW + 125 points) | A | 5,000,000.00 | 5,000,000.00 | 0.08% | 1.00% | 1.66% | 6-Oct-20 | 6-Oct-17 | 36 |
| Westpac Banking Corporation (90 days BBSW + 108 points) | AA | 15,000,000.00 | 15,000,000.00 | 0.11% | 1.37% | 2.08% | 20-Oct-20 | 20-Oct-15 | 60 |
| National Australia Bank (90 days BBSW + 108 points) | AA | 10,000,000.00 | 10,000,000.00 | 0.10% | 1.19% | 1.93% | 28-Oct-20 | 28-Oct-15 | 60 |
| Commonwealth Bank (90 days BBSW + 115 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.10% | 1.18% | 2.06% | 5-Nov-20 | 5-Nov-15 | 60 |
| ANZ Bank (90 days BBSW + 118 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.11% | 1.35% | 2.23% | 9-Nov-20 | 9-Nov-17 | 36 |
| Suncorp Bank (90 days BBSW + 138 points) | A | 5,000,000.00 | 5,000,000.00 | 0.11% | 1.27% | 2.03% | 18-Jan-21 | 20-Jan-16 | 60 |
| Bendigo & Adelaide Bank (90 days BBSW + 146 points) | BBB | 5,000,000.00 | 5,000,000.00 | 0.15% | 1.81% | 2.14% | 29-Mar-21 | 29-Mar-18 | 36 |
| Commonwealth Bank (90 days BBSW + 85 points) | AAA | 4,600,000.00 | 4,600,000.00 | 0.12% | 1.41% | 2.08% | 7-Apr-21 | 7-Apr-16 | 60 |
| Suncorp Bank (90 days BBSW + 97 points) | A | 2,500,000.00 | 2,500,000.00 | 0.13% | 1.55% | 2.27% | 12-Apr-21 | 12-Apr-16 | 60 |
| AMP Bank (90 days BBSW + 75 points) | A | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.42% | 2.15% | 16-Apr-21 | 17-Apr-18 | 36 |
| ME Bank (90 days BBSW + 125 points) | BBB | 2,250,000.00 | 2,250,000.00 | 0.13% | 1.58% | 2.34% | 20-Apr-21 | 20-Apr-16 | 60 |
| Bank of Queensland (90 days BBSW + 105 points) | BBB | 4,000,000.00 | 4,000,000.00 | 0.10% | 1.14% | 2.01% | 15-Nov-21 | 15-Nov-18 | 36 |
| Westpac Bank (90 days BBSW + 83 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.95% | 1.81% | 17-Nov-21 | 17-Nov-16 | 60 |
| Heritage Bank (90 days BBSW + 123 points) | BBB | 3,500,000.00 | 3,500,000.00 | 0.08% | 0.96% | 1.87% | 8-Feb-22 | 8-Feb-19 | 36 |
| ME Bank (90 days BBSW + 127 points) | BBB | 2,500,000.00 | 2,500,000.00 | 0.15% | 1.82% | 2.20% | 4-Mar-22 | 4-Mar-19 | 36 |
| ANZ Bank (90 days BBSW + 90 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.09% | 1.10% | 1.80% | 18-Jul-22 | 18-Jul-19 | 36 |
| National Australia Bank (90 days BBSW + 90 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.09% | 1.07% | 1.94% | 16-Aug-22 | 16-Aug-17 | 60 |
| Commonwealth Bank (90 days BBSW + 93 points) | AA | 3,500,000.00 | 3,500,000.00 | 0.09% | 1.07% | 1.94% | 16-Aug-22 | 31-Oct-18 | 45 |
| Suncorp Bank (90 days BBSW + 77 points) | A | 4,500,000.00 | 4,500,000.00 | 0.10% | 1.15% | 2.01% | 3-Feb-23 | 5-Feb-18 | 60 |
| National Australia Bank (90 days BBSW + 93 points) | AA | 3,500,000.00 | 3,500,000.00 | 0.08% | 0.99% | 1.59% | 21-Feb-23 | 21-Feb-20 | 36 |
| Suncorp Bank (90 days BBSW + 97 points) | A | 4,000,000.00 | 4,013,240.00 | 0.12% | 1.46% | 1.80% | 6-Mar-23 | 6-Mar-18 | 60 |
| Bank of China - Sydney Branch (90 days BBSW + 103 points) | A | 4,500,000.00 | 4,500,000.00 | 0.08% | 1.00% | 1.86% | 9-May-23 | 9-May-18 | 60 |
| ANZ Bank (90 days BBSW + 103 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.08% | 1.00% | 1.87% | 16-May-23 | 16-May-18 | 60 |
| ANZ Bank (90 days BBSW + 88 points) | AA | 4,000,000.00 | 4,000,000.00 | 0.09% | 1.03% | 1.90% | 16-Aug-23 | 16-Aug-18 | 60 |
| National Australia Bank (90 days BBSW + 104 points) | AA | 4,000,000.00 | 4,000,000.00 | 0.13% | 1.52% | 1.77% | 13-Sep-23 | 13-Sep-18 | 60 |
| Credit Union Australia (90 days BBSW + 123 points) | A | 1,500,000.00 | 1,500,000.00 | 0.13% | 1.55% | 1.85% | 26-Sep-23 | 26-Sep-18 | 60 |
| Westpac Banking Corporation (90 days BBSW + 88 points) | AA | 4,000,000.00 | 4,000,000.00 | 0.14% | 1.66% | 2.00% | 6-Dec-23 | 6-Dec-18 | 60 |
| National Australia Bank (90 days BBSW + 92 points) | AA | 3,200,000.00 | 3,200,000.00 | 0.10% | 1.14% | 1.95% | 26-Feb-24 | 26-Feb-19 | 60 |
| ME Bank (90 days BBSW + 98 points) | BBB | 3,000,000.00 | 3,000,000.00 | 0.14% | 1.64% | 1.87% | 19-Jun-24 | 20-Jun-19 | 60 |
| ANZ Bank (90 days BBSW + 77 points) | AA | 4,000,000.00 | 4,000,000.00 | 0.08% | 0.98% | 1.85% | 16-Aug-24 | 16-May-19 | 63 |
| National Australia Bank (90 days BBSW + 77 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.13% | 1.54% | 1.64% | 29-Aug-24 | 29-Aug-19 | 60 |
| Macquarie Bank (3 months BBSW + 84 points) | A | 5,000,000.00 | 5,000,000.00 | 0.08% | 0.91% | 1.34% | 21-Jan-25 | 21-Jan-20 | 60 |
| Credit Union Australia (3 months BBSW + 90 bps) | BBB | 2,800,000.00 | 2,800,000.00 | 0.08% | 0.93% | 1.56% | 12-Feb-25 | 12-Feb-20 | 60 |
| Suncorp Bank (90 days BBSW + 112 points) | AAA | 1,500,000.00 | 1,500,000.00 | 0.10% | 1.23% | 1.23% | 24-Apr-25 | 27-Apr-20 | 60 |
| Floating Rate Notes (FRN) 'Green/Climate Bonds/Sustainability Bond' | | | | | | | | | |
| ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual) | AA | 5,000,000.00 | 4,994,281.93 | 0.27% | 3.25% | 3.25% | 3-Jun-20 | 3-Jun-15 | 60 |
| Commonwealth Bank Climate Bond (90 days BBSW + 92 points) | AA | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.45% | 1.82% | 31-Mar-22 | 31-Mar-17 | 60 |
| Bank Australia - Sustainability Bond (3months BBSW + 90 points) | BBB | 5,000,000.00 | 5,000,000.00 | 0.12% | 1.49% | 1.64% | 2-Dec-22 | 2-Dec-19 | 36 |
| Total | | 192,350,000 | 192,357,522 | 0.11% | 1.30% | 1.93% | | | |
| Total Investments | | 649,113,105 | 649,120,627 | 0.11% | 1.27% | 1.61% | | | |
| Benchmark: 30 Day Bank Bill Index | | | | 0.01% | 0.09% | 0.79% | | | |
| Benchmark: Bloomberg AusBond Bank Bill Index | | | | 0.00% | 0.00% | 1.11% | | | |
| City of Sydney's available bank balance as at 31 May 2020 | | 10,923,291 | 10,923,291 | | | | | | |
| TOTAL INVESTMENTS & CASH | | 660,036,396 | 660,043,918 | | | | | | |

Summary of Net Investment Movements - May 2020

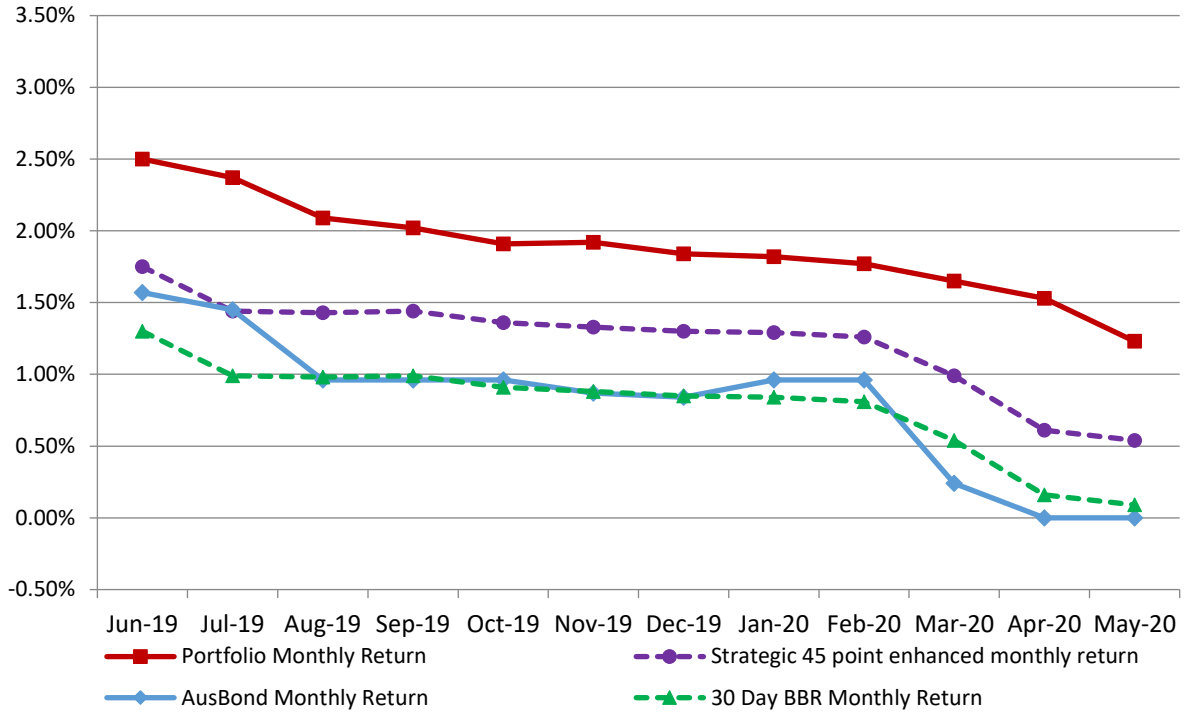
| Financial Institution | Fund Rating | Net Invest/(Recall) Amount \$ | Commentary |
|-----------------------------------|-------------|-------------------------------|--|
| <u>Call Account</u> | | | |
| Westpac Banking Corporation | AA | 27,000,000 | Additional funds in General fund due to rates income, placed in Call account for operational use. |
| <u>Term Deposits (TDs)</u> | | | |
| Commonwealth Bank | AA | 30,000,000 | Redeemed matured investments and placed in higher yielding Term Deposits. |
| ME Bank | A | 2,000,000 | |
| Bendigo & Adelaide Bank | A | (15,000,000) | Redemption of matured Term Deposits, utilised for operational use or reinvested with higher yielding products. |
| National Aust Bank | AA | (10,000,000) | |
| Suncorp Bank | A | (5,000,000) | |
| Westpac Banking Corporation | AA | (30,000,000) | |

Attachment B

**Investment Performance
as at 31 May 2020**

Monthly Results

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
May 2020



12 Month Rolling Averages

Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
May 2020

