

9 April 2018

At 2.00 pm

Volume 3 - Item 2



Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

Agenda

- 1. Disclosures of Interest**
- 2. Investments Held as at 31 March 2018**
- 3. Partial Assignment of Leases - Queen Victoria Building - QVB Tunnel Sublease and the Galleries Tunnel**
- 4. Tender - Contract Variation - Accounts Payable Supplier Invoice Automation Process**
- 5. Exemption from Tender - Large Market Electricity Procurement**

Economic Development and Business Sub-Committee

- 6. Knowledge Exchange Grants - Tech Startups Action Plan Initiatives**

Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at www.cityofsydney.nsw.gov.au, with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

Item 2.

Investments Held as at 31 March 2018

File No: X011299

Summary

This report provides details of Council's investment portfolio and performance to 31 March 2018.

Council's total Investment and Cash position was \$617.0M at the end of March, with investments earning interest of \$1.3M for the month.

The majority of the City's cash and investments portfolio is held as internally restricted (\$309.3M) or externally restricted (\$115.2M) cash reserves, to satisfy the City's legislative responsibilities and to 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 represent working capital and funding required for the City's operating and capital expenditure commitments.

Council achieved an annualised monthly return of 2.67% for March, significantly above the 30 Day Bank Bill Rate (BBR) of 1.77%, the AusBond Bank Bill Index (published by Bloomberg) of 1.69% and the enhanced benchmark of 2.22% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.

Council's annual rolling return of 2.65% also continues to exceed the 12 month average 30 Day BBR of 1.64%, AusBond Bank Bill Index of 1.74% and the enhanced benchmark of 2.06% (BBR + 0.45%) as endorsed in the Investment Strategy in October 2017.

In accordance with Council's Investment Policy ('the Policy'), the quarterly investment reports advise the latest indicative market valuations of all direct securities (being Floating Rate Notes). The book value of the current portfolio decreased by \$422.1K during the March quarter, which represented less than 0.2% of the total value of the relevant securities.

The report includes graphs which demonstrate that Council's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of Council's portfolio across credit ratings, investment product types and financial institutions. Separate charts depicting the City's cumulative portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day BBR benchmarks for the past eight years have also been included to provide further insight into the City's total investment portfolio performance.

The structure of Council'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. Both the Policy and Strategy have recently been further strengthened to state the City's preference for re-investing its surplus funds in line with community environmental expectations as identified in Sustainable Sydney 2030.

Recommendation

It is resolved that the Investment Report as at 31 March 2018 be received and noted.

Attachments

Attachment A. Register of Investments and Cash as at 31 March 2018

Attachment B. Investment Performance as at 31 March 2018

Background

1. In accordance with the principles of financial management, cash that is surplus to Council'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 Council's Investment Policy and Strategy.
3. The benchmark performance goal of Council's Investment Policy and Strategy is to exceed the 30 Day Bank Bill Rate (BBR) by 45 basis points. Performance also continues to be measured against the Bloomberg AusBond Bank Bill Index.
4. Council achieved an annualised monthly return of 2.67% for March, significantly above the 30 Day Bank Bill Rate (BBR) of 1.77%, the AusBond Bank Bill Index (published by Bloomberg) of 1.69% and the enhanced benchmark of 2.22% (BBR + 0.45%) as endorsed in October 2017 as part of the Investment Strategy.
5. The majority of the City's cash and investments portfolio is held as internally restricted (\$309.3M) or externally restricted (\$115.2M) cash reserves, to satisfy the City's legislative responsibilities and to 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 RBA last adjusted the official cash rate in August 2016, when it was reduced to 1.50%. The market subsequently responded accordingly, and lower yields on investments have had a sustained adverse impact on Council's portfolio return. This trend is anticipated to continue, though in recent periods some improvement in longer term interest rates has been noted.
8. In accordance with Council's Investment Policy ('the Policy'), the quarterly investment reports advise the latest indicative market valuations of all direct securities (being Floating Rate Notes). The book value of the current portfolio decreased by \$422.1K during the March quarter, which represented less than 0.2% of the total value of the relevant securities.
9. In total, the current portfolio includes a total unrealised gain of \$1.8M which has arisen because of the significant number of investments held by Council that have locked in higher yields, significantly exceeding the earning rates currently offered in the market. Council will only sell and realise this gain in cases where the proceeds from subsequent reinvestment are expected to significantly exceed the future interest earnings that will be generated by holding the current investments to maturity.

10. The report includes graphs demonstrating that Council's liquidity profile continues to satisfy the requirements of the Policy, and charts that identify the distribution of Council's portfolio across credit ratings, investment product types and investment institutions. Separate charts depicting the City's portfolio returns over and above both the 90 day Bloomberg AusBond and 30 day BBR benchmarks for the past ten years have also been included to provide further insight into the City's total investment portfolio performance.
11. Council has been able to outperform the industry benchmarks, and our own enhanced benchmarks (Investment Strategy benchmarks are based on returns currently available in the 30-90 day investment market), on both a monthly and annual rolling basis. This performance largely reflects council's prior decisions to lock in a number of investments with fixed rates of 4.5% p.a. and floating rates with fixed margins significantly above the risk free rate. However, as these investments have continued to mature, surplus funds have been reinvested at lower rates, as offered in the market.
12. The structure of Council'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.
13. As noted in previous investment reports, the downgrade of 23 financial institutions' global ratings by Standard and Poors (S&P) in May 2017 incorporated a downgrade of both Bank of Queensland and Bendigo & Adelaide Bank from an A- to a BBB+ rating. The City's Investment Policy limits the maximum amount that may be invested with sub 'A' rated institutions to \$10M each. In the case of Bendigo & Adelaide Bank, the City continues to hold \$16M of long-term investments, with the earliest maturity date scheduled for a \$6M investment on 14 November 2018. The Investment Policy's "grandfathering" provisions have been applied, allowing the existing investments to be maintained or divested in accordance with all regular investment considerations, but no further investment will be permissible at this time.

Key Implications

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

Financial Implications

15. Council's investments earned interest of \$1.3M for the month of March 2018, against budgeted earnings of \$1.1M. Investment earnings for the full year are forecast at \$13.9M, ahead of the full year budget of \$13.0M.

Relevant Legislation

16. Council is authorised to invest its surplus cash under Section 625 of the Local Government Act 1993.
17. The Local Government (General) Regulation 2005 (clause 212) requires Council to provide a written monthly report of all monies invested, under Section 625 of the Act.
18. The Investment Policy and Strategy was revised in October 2017, strengthening Council's commitment to sustainable investments where returns and risks are equivalent by changing the word 'desirable' to 'preferred' under the environmentally and socially responsible investment criteria. The revision also expanded the definition of environmentally harmful activities to include specific reference to coal, gas and oil.

19. The 2017 revision of the Investment Policy and Strategy has been submitted as part of the current Council round, will guide investment decisions from October 2017 forward and maintains the City's commitment to environmentally and socially responsible investment.
20. Council'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 24 October 2017.

Critical Dates / Time Frame

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

Public Consultation

22. Consultation is regularly undertaken with a number of financial institutions and investment advisers to consider options and ensure that Council continues to maximise its investment return within appropriate risk parameters.
23. Council does meet regularly with representatives of each of the 'Big 4' banks. At these meetings Council officers actively advocate for socially responsible investment (SRI) opportunities. To date, feedback from these meeting is that there is a well-known appetite in the market for these products and they are investigating the development of suitable products, however it is difficult to match the level of funds to available SRI opportunities that meets both the credit risk and maturity profile requirements of Councils.

BILL CARTER

Chief Financial Officer

James Legarse, Financial Accountant

Attachment A

**Register of Investments and Cash
as at 31 March 2018**

REGISTER OF INVESTMENTS AND CASH AS AT 31 MARCH 2018

Institution	Rating	Amount \$	Monthly Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Net Provision Indicative Market Prices (if immediate sales are required) Original Value - Indicative Current Value = Provision				Investment Date	Term (months)
							Original Cost	Indicative Value Dec 17	Indicative Value Mar 18	Provision required Dec 17 (Surp/(Def)		
Call Account												
Westpac Bank	AA	47,531,118	0.15%	1.75%	1.75%	1-Apr-18						0
Total		47,531,118	0.15%	1.75%	1.75%							
Term Deposits (TD)												
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	6-Apr-18						1
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	11-Apr-18						1
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	11-Apr-18						1
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	12-Apr-18						1
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	12-Apr-18						1
Suncorp Bank	A	5,000,000	0.21%	2.55%	2.55%	13-Apr-18						6
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	16-Apr-18						1
National Aust Bank	AA	5,000,000	0.19%	2.25%	2.25%	16-Apr-18						2
National Aust Bank	A	5,000,000	0.19%	2.25%	2.25%	17-Apr-18						2
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	18-Apr-18						1
ME Bank	AA	5,000,000	0.17%	2.00%	2.00%	18-Apr-18						1
Bankwest	AA	5,000,000	0.17%	2.00%	2.00%	19-Apr-18						1
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	20-Apr-18						6
Suncorp Bank	AA	5,000,000	0.20%	2.35%	2.35%	20-Apr-18						2
Bank of Queensland	A	5,000,000	0.22%	2.65%	2.65%	27-Apr-18						9
National Aust Bank	AA	5,000,000	0.19%	2.25%	2.25%	27-Apr-18						2
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	30-Apr-18						9
National Aust Bank	AA	5,000,000	0.19%	2.25%	2.25%	30-Apr-18						2
Credit Union Australia	A	5,000,000	0.23%	2.75%	2.75%	3-May-18						11
Credit Union Australia	A	5,000,000	0.23%	2.75%	2.75%	4-May-18						11
Credit Union Australia	A	5,000,000	0.23%	2.75%	2.75%	4-May-18						11
Bankwest	AA	5,000,000	0.19%	2.30%	2.30%	8-May-18						11
ME Bank	A	5,000,000	0.21%	2.50%	2.50%	11-May-18						2
National Aust Bank	AA	5,000,000	0.20%	2.45%	2.45%	22-May-18						4
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	24-May-18						3
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	28-May-18						3
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	29-May-18						3
Bankwest	AA	5,000,000	0.21%	2.50%	2.50%	8-Jun-18						3
Bankwest	AA	5,000,000	0.21%	2.56%	2.56%	15-Jun-18						3
Bankwest	AA	5,000,000	0.21%	2.55%	2.55%	15-Jun-18						3
AMP Bank	A	5,000,000	0.21%	2.55%	2.55%	18-Jun-18						3
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	22-Jun-18						10
Bankwest	AA	5,000,000	0.22%	2.60%	2.60%	22-Jun-18						7
National Aust Bank	AA	5,000,000	0.21%	2.50%	2.50%	26-Jun-18						4
ME Bank	A	5,000,000	0.22%	2.60%	2.60%	29-Jun-18						4
Bendigo & Adelaide Bank	A	5,000,000	0.22%	2.65%	2.65%	5-Jul-18						11
Credit Union Australia	A	5,000,000	0.22%	2.61%	2.61%	6-Jul-18						7
ME Bank	A	5,000,000	0.22%	2.70%	2.70%	10-Jul-18						6
Commonwealth Bank	AA	5,000,000	0.21%	2.55%	2.55%	13-Jul-18						12
IMB	A	5,000,000	0.22%	2.60%	2.60%	27-Jul-18						11
Bankwest	AA	5,000,000	0.22%	2.60%	2.60%	23-Aug-18						12
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.62%	2.62%	31-Aug-18						12
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.61%	2.61%	1-Sep-18						12
Commonwealth Bank	AA	5,000,000	0.22%	2.60%	2.60%	4-Sep-18						12
Commonwealth Bank	AA	5,000,000	0.22%	2.61%	2.61%	14-Sep-18						12
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.61%	2.61%	17-Sep-18						13
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.65%	2.65%	21-Sep-18						12
National Aust Bank	AA	5,000,000	0.21%	2.55%	2.55%	15-Oct-18						8

REGISTER OF INVESTMENTS AND CASH AS AT 31 MARCH 2018

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Return Annualised	Net Returns Months	Maturity Date	Net Provision Indicative Market Prices (if immediate sales are required) Original Value - Indicative Current Value = Provision					Investment Date	Term (months)
							Original Cost	Indicative Value Dec 17	Indicative Value Mar 18	Provision required Dec 17 (Surp/(Def)	Provision required Mar 18 (Surp/(Def)		
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	13-Nov-18	100.00	100.19	100.02	9,700	950	16-Feb-18	9
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	7-Dec-18	100.00	100.13	100.02	2,660	460	8-Dec-17	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.65%	2.65%	7-Dec-18	100.00	100.27	100.13	11,925	5,805	5-Feb-18	10
Bankwest	AA	5,000,000	0.22%	2.60%	2.60%	11-Dec-18	100.00	100.44	100.25	21,850	12,550	1-Mar-18	9
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	100.00	101.72	101.23	34,400	24,660	9-Feb-18	10
Bank of Queensland	A	5,000,000	0.22%	2.60%	2.60%	14-Dec-18	100.00	101.72	101.23	120,400	86,310	14-Feb-18	10
National Aust Bank	AA	5,000,000	0.22%	2.60%	2.60%	17-Dec-18	100.00	101.72	101.23	172,000	123,300	1-Mar-18	10
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.64%	2.64%	15-Jan-19	100.00	100.76	100.50	37,800	25,050	15-Jan-18	12
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.67%	2.67%	22-Jan-19	100.00	100.68	100.49	41,040	29,220	23-Jan-18	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	8-Feb-19	100.00	100.68	100.49	41,040	29,220	12-Feb-18	12
Credit Union Australia Ltd	A	5,000,000	0.22%	2.67%	2.67%	21-Feb-19	100.00	100.71	100.65	31,725	29,160	21-Feb-18	12
Westpac Banking Corporation (Fixed Rate, interest paid quarterly)	AA	5,000,000	0.22%	2.68%	2.68%	19-Mar-19	100.00	100.76	100.50	37,800	25,050	19-Mar-18	12
ANZ Bank (90 days BBSW + 130 points)	AA	5,000,000	0.22%	2.77%	2.77%	28-Aug-20	100.00	102.62	101.95	130,950	97,650	28-Aug-15	60
ANZ Bank (90 days BBSW + 98 points) quarterly reset and payment of coupon	AA	10,000,000	0.23%	2.74%	2.74%	31-Aug-20	100.00	100.76	100.50	37,800	25,050	1-Sep-15	60
Westpac Banking Corporation (Fixed Rate @ 4.50% semi annual)	AA	5,000,000	0.24%	2.90%	2.90%	11-Oct-21	100.00	100.63	100.49	41,040	29,220	12-Oct-17	48
Westpac Banking Corporation (2.90% Fixed 2 years & 90 days BBSW + 90 points)	AA	5,000,000	0.25%	3.00%	3.00%	15-Dec-21	100.00	100.71	100.65	31,725	29,160	15-Dec-16	60
Westpac Banking Corporation (3.00% Fixed 2 years & 90 months BBSW + 133 points 3 years)	AA	5,000,000	0.25%	3.00%	3.00%	31-Aug-22	100.00	101.55	101.29	77,250	64,400	31-Aug-17	60
Westpac Banking Corporation (3.00% Fixed 2 years & RBA cash rate + 126 points 3 years)	AA	5,000,000	0.25%	3.00%	3.00%								
Total		340,000,000	0.21%	2.52%	2.52%								
Floating Rate Notes (FRN)													
Bank of China-Sydney Branch (90 days BBSW + 125 points)	A	5,000,000	0.26%	3.07%	3.00%	9-Apr-18	100.00	100.19	100.02	9,700	950	9-Apr-15	36
ME Bank (90 days BBSW + 130 points)	BBB	2,000,000	0.26%	3.10%	3.04%	17-Apr-18	100.00	100.13	100.02	2,660	460	17-Apr-14	48
Royal Bank of Canada (90 days BBSW + 72 points)	A	4,500,000	0.21%	2.49%	2.45%	7-Aug-18	100.00	100.27	100.13	11,925	5,805	7-Aug-15	36
Commonwealth Bank (90 days BBSW + 78 points)	AA	5,000,000	0.21%	2.58%	2.52%	19-Oct-18	100.00	100.44	100.25	21,850	12,550	19-Oct-15	36
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	2,000,000	0.38%	4.50%	4.50%	31-Oct-18	100.00	101.72	101.23	34,400	24,660	26-Mar-14	55
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	7,000,000	0.38%	4.50%	4.50%	31-Oct-18	100.00	101.72	101.23	120,400	86,310	23-Sep-14	49
Commonwealth Bank (Fixed rate @ 4.50% semi annual)	AA	10,000,000	0.38%	4.50%	4.50%	31-Oct-18	100.00	101.72	101.23	172,000	123,300	7-Nov-13	60
National Australia Bank (90 days BBSW + 98 points)	AA	5,000,000	0.25%	3.03%	3.00%	14-Nov-18	100.00	100.68	100.49	41,040	29,220	14-Nov-13	60
Westpac Banking Corporation (Fixed 4.50% semi annual)	AA	5,000,000	0.23%	2.76%	2.72%	25-Feb-19	100.00	100.76	100.50	37,800	25,050	25-Feb-16	36
Bendigo & Adelaide Bank (90days BBSW + 127 points)	AA	6,000,000	0.25%	3.03%	3.00%	14-Nov-18	100.00	100.68	100.49	41,040	29,220	26-Mar-14	59
Newcastle Permanent Building Society (90 days BBSW + 160 points)	BBB	4,500,000	0.30%	3.59%	3.37%	22-Mar-19	100.00	100.71	100.65	31,725	29,160	22-Mar-16	36
Credit Union Australia (90 days BBSW + 160 points)	A	5,000,000	0.28%	3.39%	3.35%	1-Apr-19	100.00	100.71	100.68	35,650	34,200	1-Apr-16	36
Westpac Bank (90 days BBSW + 100 points)	A	5,000,000	0.23%	2.77%	2.73%	10-May-19	100.00	100.87	100.63	43,400	31,600	11-Mar-16	38
Commonwealth Bank (90 days BBSW + 98 points)	AA	5,000,000	0.23%	2.78%	2.72%	18-Jul-19	100.00	100.91	100.66	45,550	33,200	18-Apr-16	39
ME Bank (90 days BBSW + 145 points)	BBB	5,000,000	0.27%	3.25%	3.19%	18-Jul-19	100.00	100.63	100.64	31,700	31,800	18-Jul-16	36
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	10,000,000	0.23%	2.70%	2.64%	22-Jan-20	100.00	100.92	100.74	92,100	74,100	22-Jan-15	60
Royal Bank of Canada (90 days BBSW + 95 points)	AA	5,000,000	0.23%	2.73%	2.68%	10-Feb-20	100.00	100.84	100.78	41,900	39,200	10-Feb-15	60
Bank of Queensland (90 days BBSW + 105 points)	BBB	5,000,000	0.24%	2.83%	2.78%	12-Feb-20	100.00	100.53	100.40	26,400	20,100	12-Feb-15	36
Greater Bank (90 days BBSW + 145 points)	AA	5,000,000	0.27%	3.23%	3.19%	24-Feb-20	100.00	100.45	100.36	22,400	18,100	24-Feb-17	36
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	5,000,000	0.26%	3.16%	3.10%	7-Apr-20	100.00	100.37	100.45	18,600	22,500	7-Apr-15	60
Newcastle Permanent Building Society (90 days BBSW + 135 points)	BBB	7,500,000	0.26%	3.16%	3.10%	7-Apr-20	100.00	100.37	100.45	27,900	33,750	18-Jul-16	45
National Australia Bank (90 days BBSW + 80 points)	AA	5,000,000	0.22%	2.62%	2.55%	3-Jun-20	100.00	100.65	100.54	32,450	27,200	3-Jun-15	60
Commonwealth Bank (90 days BBSW + 90 points)	AA	10,000,000	0.23%	2.70%	2.64%	17-Jul-20	100.00	100.91	100.69	91,000	68,900	17-Jul-15	60
Westpac Banking Corporation (90 days BBSW + 90 points)	AA	5,000,000	0.22%	2.68%	2.63%	28-Jul-20	100.00	100.92	100.76	45,900	38,050	28-Jul-15	60
Bendigo & Adelaide Bank (90 days BBSW + 110 points)	A	5,000,000	0.24%	2.87%	2.83%	18-Aug-20	100.00	100.68	100.62	33,800	31,150	18-Aug-15	60
AMP Bank (90 days BBSW + 75 points)	A	5,000,000	0.21%	2.56%	2.51%	6-Oct-20	100.00	100.13	100.15	6,700	6,000	6-Oct-17	36
Suncorp Bank (90 days BBSW + 125 points)	A	5,000,000	0.25%	3.05%	2.99%	20-Oct-20	100.00	101.56	101.43	78,100	71,250	20-Oct-15	60
Westpac Banking Corporation (90 days BBSW + 108 points)	AA	15,000,000	0.24%	2.86%	2.81%	28-Oct-20	100.00	101.41	101.19	211,350	178,200	28-Oct-15	60
National Australia Bank (90 days BBSW + 108 points)	AA	10,000,000	0.24%	2.85%	2.81%	9-Nov-20	100.00	101.39	101.14	139,000	114,100	9-Nov-15	60
ME Bank (90 days BBSW + 125 points)	BBB	2,500,000	0.25%	3.00%	2.97%	9-Nov-20	100.00	100.08	100.06	1,732	1,395	9-Nov-17	36
Commonwealth Bank (90 days BBSW + 115 points)	AA	5,000,000	0.25%	2.95%	2.89%	18-Jan-21	100.00	101.55	101.29	77,250	64,400	20-Jan-16	60

REGISTER OF INVESTMENTS AND CASH AS AT 31 MARCH 2018

Institution	Rating	Amount \$	Monthly Net Returns	Monthly Net Return Annualised	Net Returns Rolling 12 Months	Maturity Date	Net Provision Indicative Market Prices (if immediate sales are required) Original Value - Indicative Current Value = Provision							Investment Date	Term (months)
							Original Cost	Indicative Value Dec 17	Indicative Value Mar 18	Provision required Dec 17 (Surp/Def)	Provision required Mar 18 (Surp/Def)	Provision required Dec 17 to Mar 18 Incr/(Deer)			
Heritage Bank (90 days BBSW + 123 points)	BBB	3,500,000	0.27%	3.26%	3.26%	29-Mar-21	100.00	101.71	100.03	85,650	1,015	1,015	29-Mar-18	36	
ANZ Bank (90 days BBSW + 118 points)	AA	5,000,000	0.25%	2.99%	2.93%	7-Apr-21	100.00	101.45	101.45	72,250	(13,400)	(13,400)	7-Apr-16	60	
Suncorp Bank (90 days BBSW + 138 points)	A	5,000,000	0.26%	3.17%	3.12%	12-Apr-21	100.00	102.03	101.82	101,400	91,150	(10,250)	12-Apr-16	60	
Bendigo & Adelaide Bank (90 days BBSW + 146 points)	A	5,000,000	0.27%	3.20%	3.20%	20-Apr-21	100.00	101.72	101.54	86,150	76,950	(9,200)	20-Apr-16	60	
Commonwealth Bank (90 days BBSW + 85 points)	AA	4,600,000	0.22%	2.62%	2.58%	17-Nov-21	100.00	101.09	100.87	50,278	40,204	(10,074)	17-Nov-16	60	
Suncorp Bank (90 days BBSW + 97 points)	A	2,500,000	0.23%	2.74%	2.70%	16-Aug-22	100.00	100.51	100.47	12,700	11,750	(950)	16-Aug-17	60	
Bank of Queensland (90 days BBSW + 105 points)	BBB	4,000,000	0.24%	2.82%	2.82%	3-Feb-23	100.00	99.55	99.55	(18,000)	(18,000)	(18,000)	5-Feb-18	60	
Westpac Bank (90 days BBSW + 83 points)	AA	5,000,000	0.23%	2.70%	2.70%	6-Mar-23	100.00	99.53	99.53	(23,750)	(23,750)	(23,750)	6-Mar-18	60	
Floating Rate Notes (FRN) 'Green/Climate Bonds'															
ANZ Bank Green Bond (Fixed rate @ 3.25% semi annual)	AA	5,000,000	0.27%	3.25%	3.25%	3-Jun-20	99.38	101.61	101.34	111,300	97,600	(13,700)	3-Jun-15	60	
Commonwealth Bank Climate Bond (90 days BBSW + 92 points)	AA	5,000,000	0.23%	2.72%	2.67%	31-Mar-22	100.00	100.87	100.38	43,550	18,750	(24,800)	31-Mar-17	60	
Total		225,350,000	0.26%	3.08%	3.03%				2,195,661	1,773,529	(422,132)				
Total Investments		612,881,118	0.22%	2.67%	2.65%				2,195,661	1,773,529	(422,132)				
Benchmark: 30 Day Bank Bill Index			0.15%	1.77%	1.64%										
Benchmark: Bloomberg AusBond Bank Bill Index			0.14%	1.69%	1.74%										
City of Sydney's bank balance as at 31-Mar-18															
4,129,027															
TOTAL INVESTMENTS & CASH															
617,010,145															

Summary of Net Investment Movements - March 2018

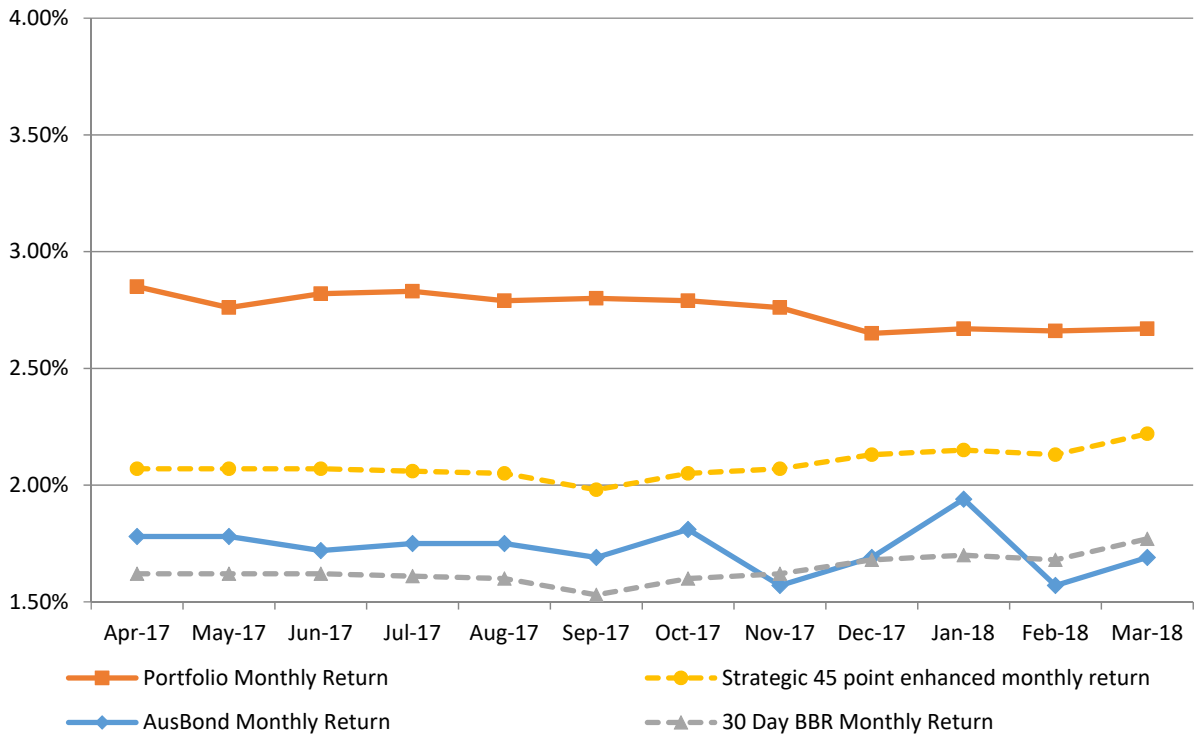
Financial Institution	Fund Rating	Invest/(Recall)/ Amount \$	Commentary
<u>Call Account</u>			
Westpac Banking Corporation	AA	(6,000,000)	Utilised funds for Council's operational and capital expenditures; as well as an FRN settlement.
<u>Term Deposits (TDs)</u>			
National Australia Bank	AA	15,000,000	Utilised matured investments for the placement of higher yield term deposits.
Westpac Banking Corporation	A	5,000,000	
Bank of Queensland	A/BBB	5,000,000	
Bankwest	AA	(20,000,000)	Redeemed matured investments for the placement of higher yield term deposits and settlement of an Floating Rate Deposit.
Commonwealth Bank	AA	(10,000,000)	
<u>Floating Rate Notes (FRNs)</u>			
Heritage Bank	BBB	3,500,000	Utilised funds from Call Account for the settlement of Floating Rate Deposit.
Westpac Banking Corporation	AA	5,000,000	Utilised matured investments for the settlement of an Floating Rate Deposit.

Attachment B

**Investment Performance
as at 31 March 2018**

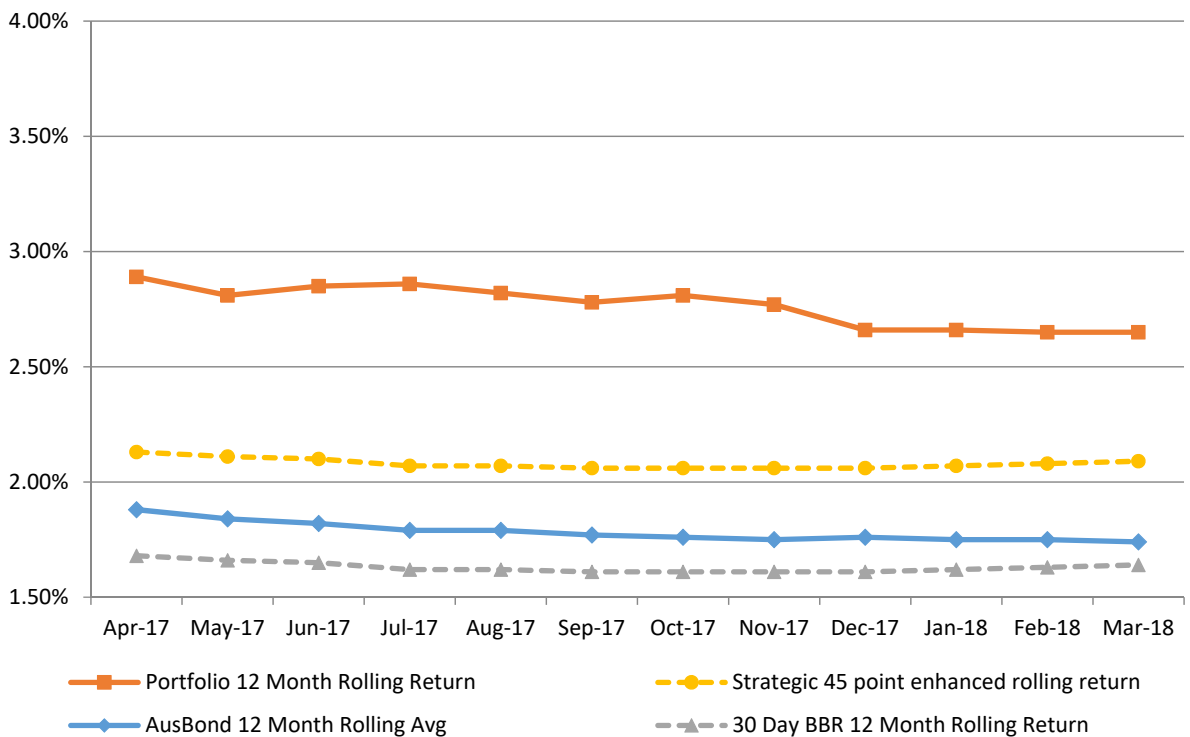
Monthly Results

**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
March 2018**

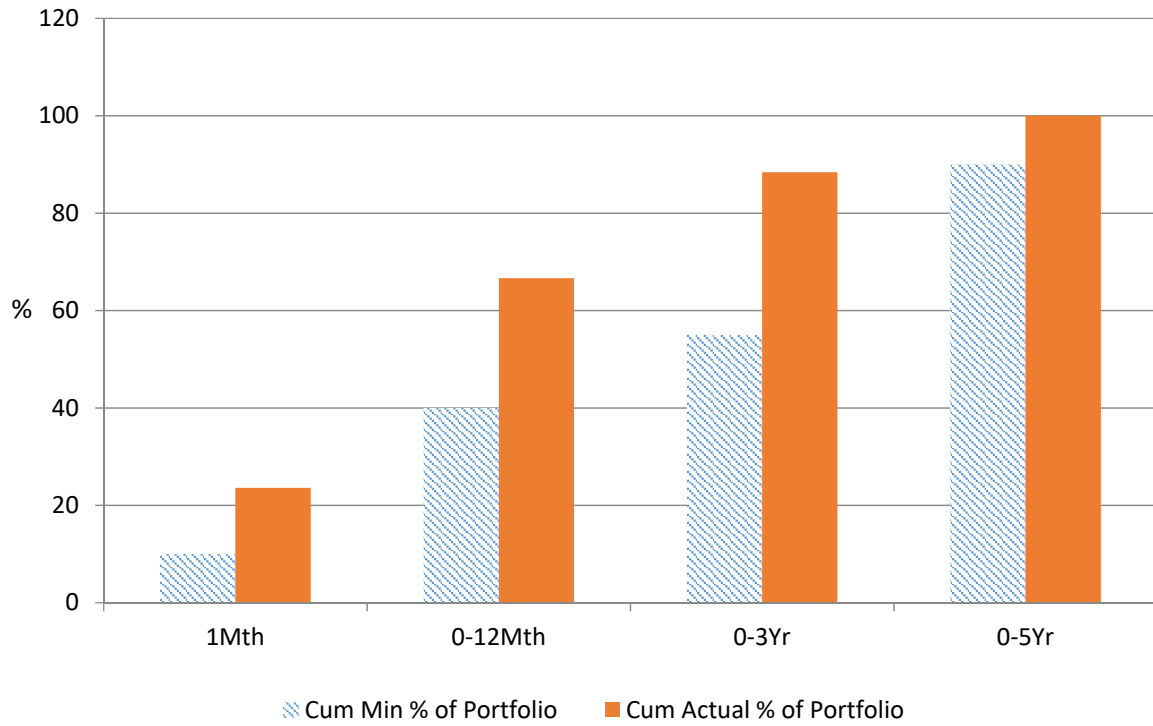


12 Month Rolling Averages

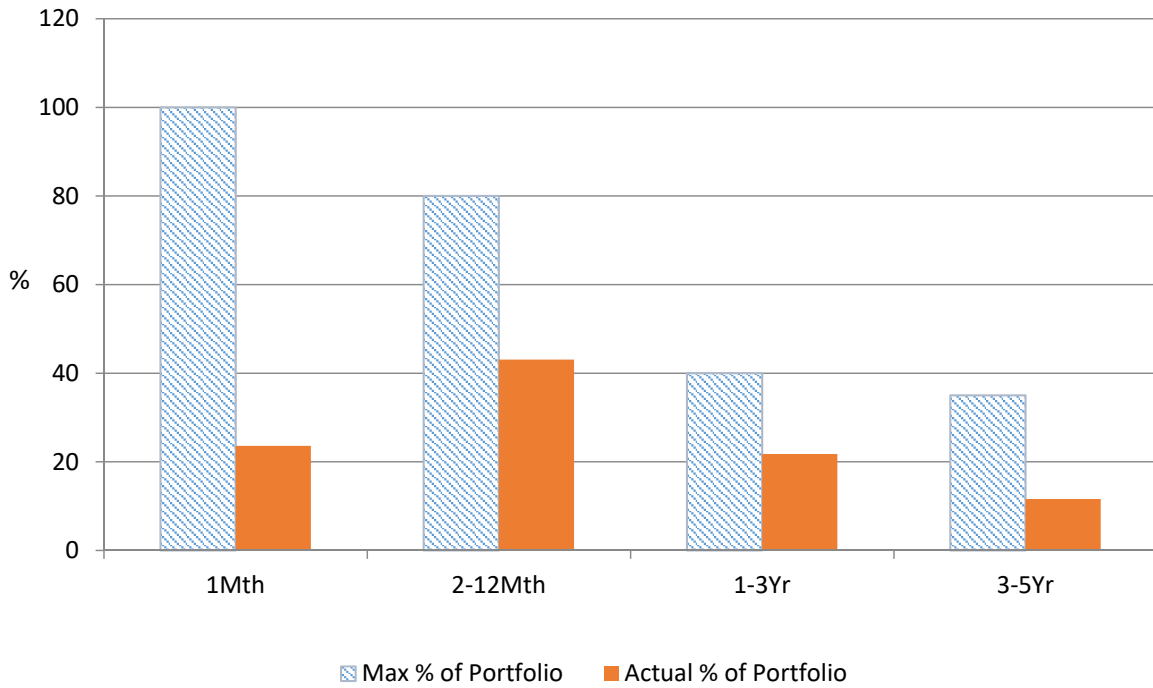
**Actual Portfolio vs Strategic Enhanced Benchmark vs AusBond Benchmark vs 30 Day BBR Benchmark
March 2018**



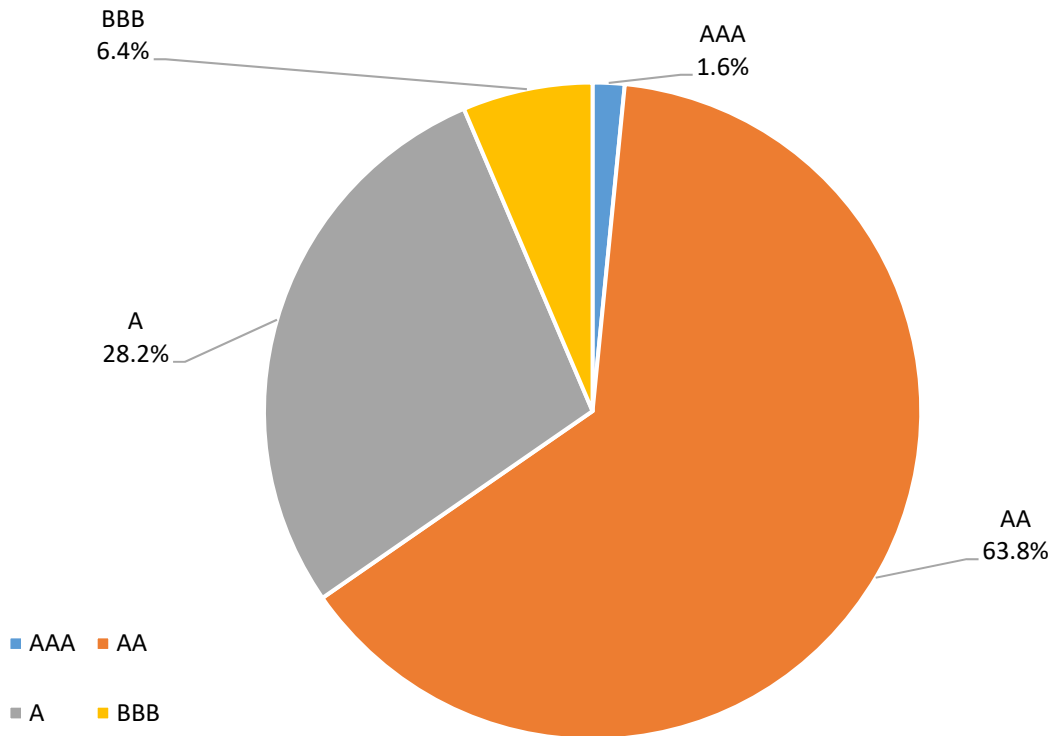
% Liquidity - Minimum Allocations as at 31 March 2018



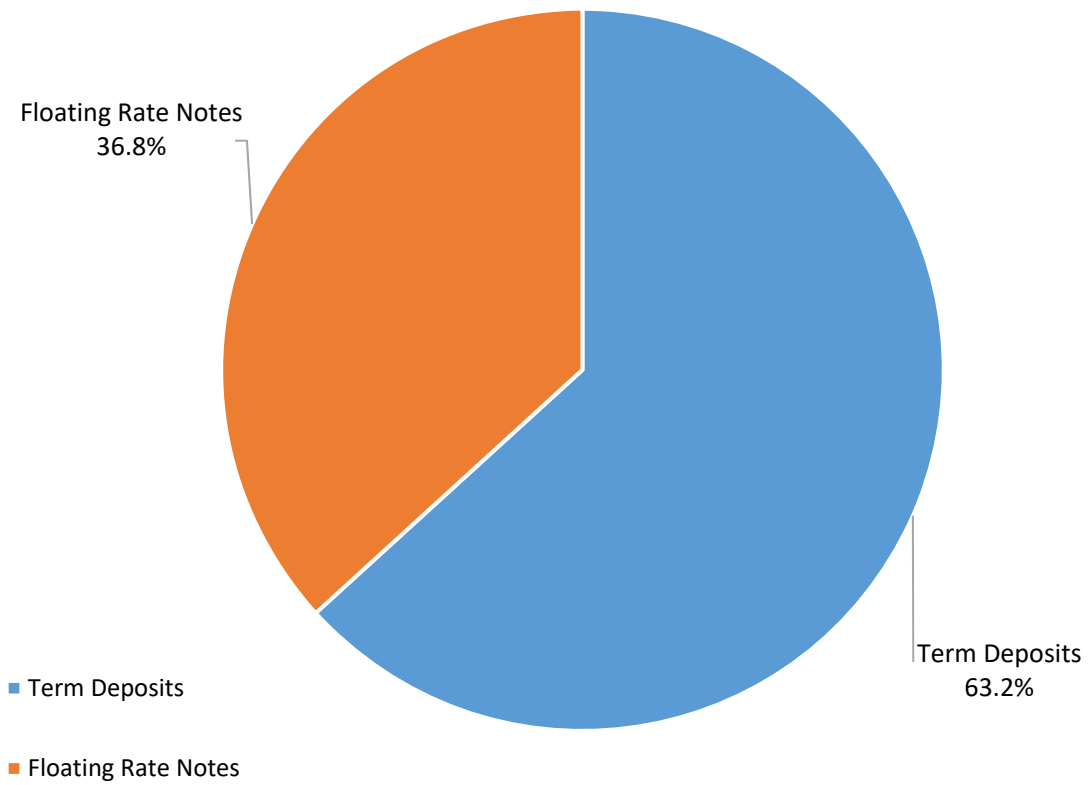
% Liquidity - Maximum Allowances as at 31 March 2018



Risk Profile as at 31 March 2018



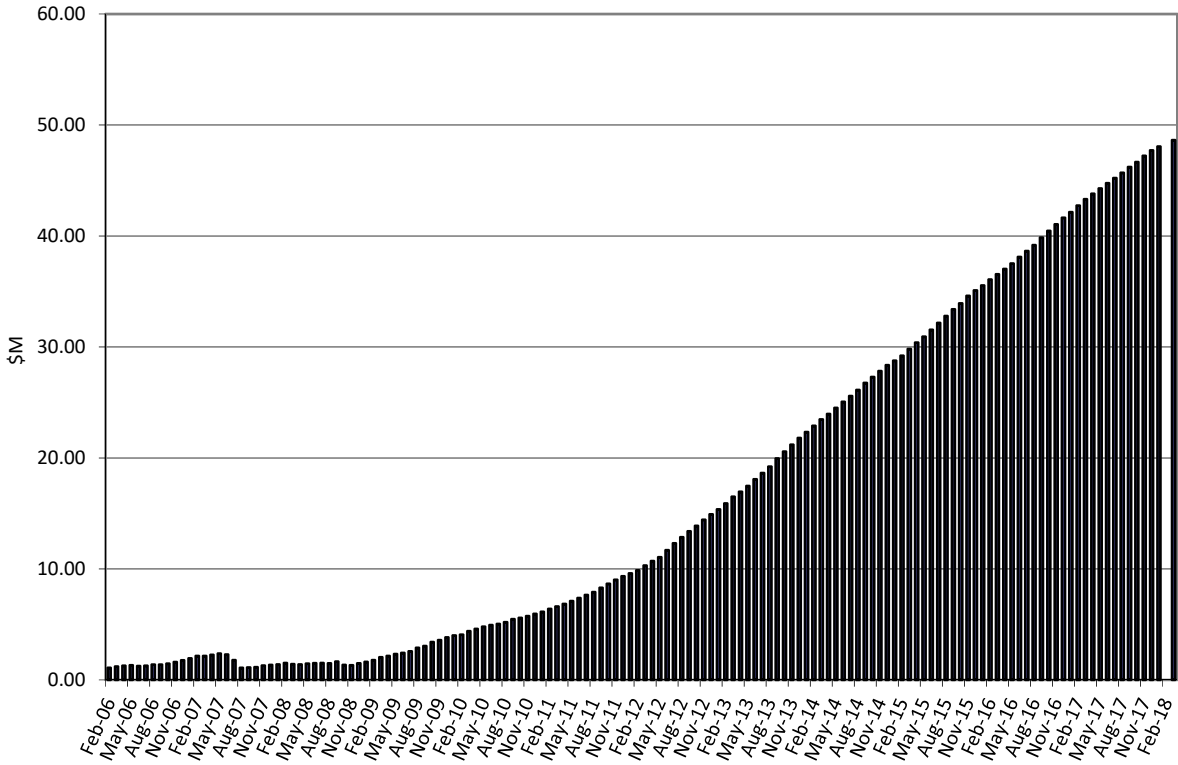
Investment Product Profile as at 31 March 2018



**Investment and cash distribution by financial institution as at
31 March 2018**

Institution Category	Financial Institution	Amount \$M	Financial Inst. %	Institution Cat. %
Australian Big 4 Bank (and related institutions)	ANZ Bank	30.0	4.9	
	Commonwealth Bank-related:	138.6	22.5	
	<i>Bankwest</i>	<i>70.0</i>	<i>11.3</i>	
	<i>Commonwealth Bank</i>	<i>68.6</i>	<i>11.1</i>	
	National Australia Bank	75.0	12.2	
	Westpac Banking Corporation	146.6	23.8	
Big 4 Total		309.2		63.2
Other Australian ADIs and Australian subsidiaries of foreign institutions	AMP Bank Ltd	10.0	1.6	
	Bank of China-Sydney Branch	5.0	0.8	
	Bank Of Queensland	49.0	7.9	
	Bendigo and Adelaide Bank	21.0	3.4	
	CUA Limited	40.0	6.5	
	Greater Bank	5.0	0.8	
	Heritage Bank	3.5	0.6	
	IMB	5.0	0.8	
	Members Equity Bank	39.3	6.4	
	Newcastle Permanent Building Society	17.0	2.8	
	Royal Bank of Canada - Sydney	9.5	1.5	
	Suncorp Bank	22.5	3.6	
Other ADI Total		226.8		36.8
Grand Total		617.0	100.0	100.0

Cumulative Outperformance over AusBond Benchmark - 2006-2018



Cumulative Outperformance over 30 Day BBR Benchmark - 2006-2018

