

**KEMPSEY SHIRE COUNCIL**

**STATEMENT OF BANK BALANCES AS 29 FEBRUARY 2024**

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**COUNCIL CASH BOOK**

Cash Book Balance as at 31 January 2024	\$ 3,555,337.84
Receipts for Period Ended 29 February 2024	<u>\$ 16,361,814.47</u>
	\$ 19,917,152.31
Payments for Period Ended 29 February 2024	<u>\$ 10,888,523.25</u>
	<u>\$ 9,028,629.06</u>

**BANK RECONCILIATION**

Balance as per Bank Statements as at 29 February 2024	\$ 9,012,382.99
Outstanding Bank Deposits	\$ 25,441.25
Unpresented Cheques	<u>-\$ 9,195.18</u>
	<u>\$ 9,028,629.06</u>

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# Investment Report Pack

**Kempsey Shire Council**

1 February 2024 to 29 February 2024

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## 1. Securities Held By Trading Book Maturing Post 29 February 2024

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
Kempsey Shire Council												
LC200427	29 Feb 2024	Bank of Queensland Ltd		1 Mar 2024		0.00	Nil	At Call	Moodys A3	1,162,107.54	1,162,107.54	1,162,107.54
LC200430	29 Feb 2024	AMP Bank Ltd		1 Mar 2024		1.55	Nil	31 Day Ntc	S&P ST A2	2,758,943.55	2,758,943.55	2,758,943.55
LC200432	29 Feb 2024	National Australia Bank Ltd		1 Mar 2024		3.10	Nil	At Call	S&P ST A1+	1,864,779.61	1,864,779.61	1,864,779.61
LC163734	3 Mar 2023	Bank of Queensland Ltd		1 Mar 2024	1 Mar 2024	5.05	Maturity	TD	Moodys ST P-2	2,000,000.00	2,000,000.00	2,100,446.58
LC164081	7 Mar 2023	Bank of Queensland Ltd		6 Mar 2024	6 Mar 2024	5.05	Maturity	TD	Moodys ST P-2	2,000,000.00	2,000,000.00	2,099,339.72
LC164869	16 Mar 2023	BankVic		15 Mar 2024	15 Mar 2024	5.00	Maturity	TD	S&P ST A2	3,000,000.00	3,000,000.00	3,143,835.63
LC103797	22 Mar 2021	Auswide Bank Limited	AU3FN0059317	22 Mar 2024	22 Mar 2024	4.97	Quarterly	FRN	Moodys Baa2	1,500,000.00	1,500,000.00	1,514,100.00
LC166086	12 Apr 2023	AMP Bank Ltd		11 Apr 2024	11 Apr 2024	4.85	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,214,595.90
LC182549	12 Oct 2023	Coastline Credit Union Ltd		11 Apr 2024	11 Apr 2024	5.15	Maturity	TD	Unrated ST UR	2,000,000.00	2,000,000.00	2,039,506.84
LC183341	20 Oct 2023	Judo Bank		19 Apr 2024	19 Apr 2024	5.10	Maturity	TD	S&P ST A3	1,500,000.00	1,500,000.00	1,527,665.76
LC185595	13 Nov 2023	National Australia Bank Ltd		13 May 2024	13 May 2024	5.25	Maturity	TD	S&P ST A1+	1,000,000.00	1,000,000.00	1,015,534.25
LC186564	22 Nov 2023	BankVic		21 May 2024	21 May 2024	5.35	Maturity	TD	S&P ST A2	1,500,000.00	1,500,000.00	1,521,766.44
LC168844	29 May 2023	Judo Bank		28 May 2024	28 May 2024	5.10	Maturity	TD	S&P ST A3	1,000,000.00	1,000,000.00	1,038,564.38
LC187304	28 Nov 2023	Auswide Bank Limited		28 May 2024	28 May 2024	5.35	Maturity	TD	Moodys ST P-2	1,000,000.00	1,000,000.00	1,013,631.51
LC169881	13 Jun 2023	Southern Cross CU		12 Jun 2024	12 Jun 2024	5.55	Maturity	TD	Unrated ST UR	1,000,000.00	1,000,000.00	1,039,686.30
LC174321	5 Jul 2023	Australian Unity Bank (BPSS20)		8 Jul 2024	8 Jul 2024	5.75	Maturity	TD	S&P BBB+	1,000,000.00	1,000,000.00	1,037,650.68
LC174463	10 Jul 2023	AMP Bank Ltd		9 Jul 2024	9 Jul 2024	5.80	Maturity	TD	S&P ST A2	1,500,000.00	1,500,000.00	1,555,775.34
LC175923	28 Jul 2023	Heritage and People's Choice Limited t/as People's Choice Credit Union		26 Jul 2024	26 Jul 2024	5.55	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,164,219.20
LC175925	28 Jul 2023	AMP Bank Ltd		26 Jul 2024	26 Jul 2024	5.50	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,162,739.75
LC108349	23 Jun 2021	Suncorp-Metway Ltd	AU3CB0265403	30 Jul 2024	30 Jul 2024	1.85	Semi Annual	Fixed	S&P A+	1,000,000.00	1,000,000.00	989,790.00
LC176022	31 Jul 2023	AMP Bank Ltd		30 Jul 2024	30 Jul 2024	5.50	Maturity	TD	S&P ST A2	1,000,000.00	1,000,000.00	1,032,095.89
LC176343	2 Aug 2023	National Australia Bank Ltd		1 Aug 2024	1 Aug 2024	5.25	Maturity	TD	S&P ST A1+	2,000,000.00	2,000,000.00	2,060,698.64
LC177731	14 Aug 2023	National Australia Bank Ltd		13 Aug 2024	13 Aug 2024	5.20	Maturity	TD	S&P ST A1+	1,000,000.00	1,000,000.00	1,028,350.68
LC183727	25 Oct 2023	AMP Bank Ltd		24 Oct 2024	24 Oct 2024	5.15	Maturity	TD	S&P ST A2	1,000,000.00	1,000,000.00	1,017,919.18
LC184420	30 Oct 2023	Defence Bank Ltd		29 Oct 2024	29 Oct 2024	5.40	Maturity	TD	S&P ST A2	2,000,000.00	2,000,000.00	2,036,098.64
LC184868	3 Nov 2023	AMP Bank Ltd		1 Nov 2024	1 Nov 2024	5.30	Maturity	TD	S&P ST A2	1,500,000.00	1,500,000.00	1,525,701.38
LC114938	22 Nov 2021	MyState Bank Ltd	AU3FN0064705	22 Nov 2024	22 May 2024	4.94	Quarterly	FRN	Moodys Baa2	1,750,000.00	1,750,000.00	1,750,052.50
LC188626	12 Dec 2023	Coastline Credit Union Ltd		11 Dec 2024	11 Dec 2024	5.50	Maturity	TD	Unrated ST UR	2,000,000.00	2,000,000.00	2,023,808.22
LC110807	12 Aug 2021	Northern Territory Treasury Corporation		15 Dec 2024	15 Dec 2024	1.00	Annual	Fixed	Moodys Aa3	1,000,000.00	1,000,000.00	1,002,080.00
LC105422	15 Apr 2021	Macquarie Bank Ltd	AU3CB0270387	12 Feb 2025	12 Aug 2024	1.70	Semi Annual	Fixed	S&P A+	1,000,000.00	1,000,000.00	972,360.00

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LC133978	14 Feb 2022	Auswide Bank Limited	AU3FN0066320	14 Feb 2025	14 May 2024	5.10	Quarterly	FRN	Moody's Baa2	2,000,000.00	2,000,000.00	2,003,200.00
LC104495	25 Mar 2021	Bank of Queensland Ltd		25 Mar 2025	25 Mar 2024	4.89	Quarterly	FRD	Moody's A3	3,000,000.00	3,000,000.00	3,025,696.95
LC143211	17 May 2022	QPCU LTD t/a QBANK	AU3FN0069175	19 May 2025	17 May 2024	5.69	Quarterly	FRN	S&P BBB-	1,250,000.00	1,250,000.00	1,252,825.00
LC101865	4 Feb 2021	Northern Territory Treasury Corporation		15 Jun 2025	15 Jun 2024	0.90	Annual	Fixed	Moody's Aa3	2,000,000.00	2,000,000.00	2,012,780.00
LC102184	11 Feb 2021	Northern Territory Treasury Corporation		15 Jun 2025	15 Jun 2024	0.90	Annual	Fixed	Moody's Aaa	1,000,000.00	1,000,000.00	1,006,390.00
LC107745	16 Jun 2021	MyState Bank Ltd	AU3FN0061024	16 Jun 2025	18 Mar 2024	5.01	Quarterly	FRN	Moody's Baa2	2,500,000.00	2,500,000.00	2,516,000.00
LC155074	13 Oct 2022	MyState Bank Ltd	AU3FN0072369	13 Oct 2025	15 Apr 2024	5.65	Quarterly	FRN	Moody's Baa2	2,500,000.00	2,500,000.00	2,528,675.00
LC157244	7 Nov 2022	Auswide Bank Limited	AU3FN0073037	7 Nov 2025	7 May 2024	5.85	Quarterly	FRN	Moody's Baa2	750,000.00	750,000.00	756,682.50
LC106973	27 May 2021	Macquarie Bank Ltd	AU3FN0057709	9 Dec 2025	11 Mar 2024	4.84	Quarterly	FRN	S&P A+	2,000,000.00	2,000,000.00	2,015,100.00
LC105451	22 Apr 2021	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0059721	22 Apr 2026	22 Apr 2024	5.03	Quarterly	FRN	Moody's Baa1	2,000,000.00	2,000,000.00	1,985,900.00
LC106017	6 May 2021	Bank of Queensland Ltd	AU3FN0060406	6 May 2026	7 May 2024	4.98	Quarterly	FRN	S&P BBB+	2,000,000.00	2,000,000.00	1,991,480.00
LC109755	29 Jul 2021	Bank of Queensland Ltd		29 Jul 2026	29 Apr 2024	5.00	Quarterly	FRD	Moody's A3	2,500,000.00	2,500,000.00	2,510,608.80
LC110980	24 Aug 2021	National Australia Bank Ltd	AU3FN0062659	24 Aug 2026	24 May 2024	4.75	Quarterly	FRN	S&P AA-	2,500,000.00	2,500,000.00	2,486,425.00
LC112403	15 Sep 2021	Suncorp-Metway Ltd	AU3FN0062964	15 Sep 2026	15 Mar 2024	4.83	Quarterly	FRN	S&P A+	2,000,000.00	2,000,000.00	2,005,820.00
LC113975	27 Oct 2021	Bank of Queensland Ltd	AU3FN0063764	27 Oct 2026	29 Apr 2024	5.16	Quarterly	FRN	S&P BBB+	2,500,000.00	2,500,000.00	2,495,525.00
LC137869	4 Apr 2022	Suncorp-Metway Ltd	AU3CB0285955	25 Jan 2027	25 Jul 2024	2.50	Semi Annual	Fixed	S&P A+	2,000,000.00	2,000,000.00	1,880,680.00
LC160785	1 Feb 2023	Bendigo & Adelaide Bank Ltd	AU3FN0074563	27 Jan 2027	29 Apr 2024	5.71	Quarterly	FRN	S&P BBB+	1,000,000.00	1,000,000.00	1,013,220.00
LC159742	10 Jan 2023	Suncorp-Metway Ltd	AU3CB0294957	14 Dec 2027	14 Jun 2024	4.80	Semi Annual	Fixed	S&P A+	1,500,000.00	1,500,000.00	1,512,990.00
										91,035,830.70	91,035,830.70	92,413,842.36
Total										91,035,830.70	91,035,830.70	92,413,842.36

Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.

## 2. Interest and Distribution Income Received For 1 February 2024 to 29 February 2024

Security ISIN	Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	Consideration Notional	Income Type	Trading Book
	BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd	IEI339219	1 Feb 2024		9,724.91	Bank Interest	Kempsey Shire Council
	BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd	IEI339221	1 Feb 2024		9,724.91	Bank Interest	Kempsey Shire Council
	BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd	IEI339223	1 Feb 2024		9,724.91	Bank Interest	Kempsey Shire Council
AU3FN0060406	BOQ 0.63 06 May 2026 FRN	Bank of Queensland Ltd	IEI339612	6 Feb 2024	2,000,000.00	25,090.54	Security Coupon Interest	Kempsey Shire Council
AU3FN0073037	Auswide 1.5 07 Nov 2025 FRN	Auswide Bank Limited	IEI339697	7 Feb 2024	750,000.00	11,091.42	Security Coupon Interest	Kempsey Shire Council
AU3CB0270387	MACQ 1.7 12 Feb 2025 Fixed	Macquarie Bank Ltd	IEI340450	12 Feb 2024	1,000,000.00	8,500.00	Security Coupon Interest	Kempsey Shire Council
AU3FN0066320	Auswide 0.75 14 Feb 2025 FRN	Auswide Bank Limited	IEI341048	14 Feb 2024	2,000,000.00	26,020.12	Security Coupon Interest	Kempsey Shire Council
	DFB 5.02 14 Feb 2024 365DAY TD	Defence Bank Ltd	IEI276437	14 Feb 2024	1,000,000.00	50,200.00	Security Coupon Interest	Kempsey Shire Council
AU3FN0069175	Qld Police 1.35 19 May 2025 FRN	QPCU LTD t/a QBANK	IEI342503	19 Feb 2024	1,250,000.00	18,447.50	Security Coupon Interest	Kempsey Shire Council
AU3FN0064705	MYS 0.6 22 Nov 2024 FRN	MyState Bank Ltd	IEI343200	22 Feb 2024	1,750,000.00	21,903.94	Security Coupon Interest	Kempsey Shire Council
AU3FN0062659	NAB 0.41 24 Aug 2026 FRN	National Australia Bank Ltd	IEI343376	26 Feb 2024	2,500,000.00	30,830.71	Security Coupon Interest	Kempsey Shire Council
	CUA 5.1 28 Feb 2024 365DAY TD	Credit Union Australia Ltd t/as Great Southern Bank	IEI280019	28 Feb 2024	1,000,000.00	51,000.00	Security Coupon Interest	Kempsey Shire Council
	AMP Kempsey 31 Day Ntc	AMP Bank Ltd	IEI344551	29 Feb 2024		11,351.69	Bank Interest	Kempsey Shire Council
	BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd	IEI344549	29 Feb 2024		4,002.60	Bank Interest	Kempsey Shire Council
	NAB Kempsey At Call	National Australia Bank Ltd	IEI344552	29 Feb 2024		7,626.25	Bank Interest	Kempsey Shire Council
	NSWTC IM Short Term Income Fund UT	NSW Treasury Corporation	IEI344605	29 Feb 2024		15,350.88	Distribution Received	Kempsey Shire Council
						<b>310,590.38</b>		

### 3. Acquisitions, Disposals and Maturities Between 1 February 2024 and 29 February 2024

Security	Issuer	Security ISIN	Deal Code	Acquisition/ Disposal	Transaction Date	Settlement Date	Face Value Original	Face Value Current	Bond Factor	Capital Price	Accrued Interest Price	Gross Price	Consideration Notional
BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd		LC192142	Acquisition	1 Feb 2024	1 Feb 2024	9,724.91	9,724.91	1.00000000	100.000	0.000	100.000	9,724.91
NAB Kempsey At Call	National Australia Bank Ltd		LC200431	Disposal	8 Feb 2024	8 Feb 2024	1,000,000.00	1,000,000.00	1.00000000	100.000	0.000	100.000	(1,000,000.00)
DFB 5.02 14 Feb 2024 365DAY TD	Defence Bank Ltd		LC161808	Maturity	14 Feb 2024		1,000,000.00	1,000,000.00	1.00000000	100.000	0.000	100.000	(1,000,000.00)
CUA 5.1 28 Feb 2024 365DAY TD	Credit Union Australia Ltd t/as Great Southern Bank		LC163170	Maturity	28 Feb 2024		1,000,000.00	1,000,000.00	1.00000000	100.000	0.000	100.000	(1,000,000.00)
BOQ Kempsey Shire Council At Call	Bank of Queensland Ltd		LC200427	Acquisition	29 Feb 2024	29 Feb 2024	4,002.60	4,002.60	1.00000000	100.000	0.000	100.000	4,002.60
AMP Kempsey 31 Day Ntc	AMP Bank Ltd		LC200430	Acquisition	29 Feb 2024	29 Feb 2024	11,351.69	11,351.69	1.00000000	100.000	0.000	100.000	11,351.69
NAB Kempsey At Call	National Australia Bank Ltd		LC200432	Acquisition	29 Feb 2024	29 Feb 2024	7,626.25	7,626.25	1.00000000	100.000	0.000	100.000	7,626.25
NSWTC IM Short Term Income Fund UT	NSW Treasury Corporation		UDA16124	Acquisition	29 Feb 2024	29 Feb 2024	15,350.88	15,350.88				0.971	15,350.88
													(2,951,943.67)

- Notes
1. The maturity of 'MBS' type securities are excluded from the above list
  2. At maturity, securities are assumed to be priced at capital price = 100, accrued interest = 0
  3. To avoid misleading maturity data, the reporting period should start immediately after a month end and the reporting period should be kept small (e.g. 1 month).

## 4. Interest Income Accrued As At 29 February 2024

Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	Face Value Notional	Current Face Value Notional	Latest Purchase Consideration	Market Value	Accrued Interest
LC200427	BOQ Kempsey Shire Council At Call	1 Mar 2024	30 Apr 2023	1 Feb 2024		28	4.3500		Nil	1,162,107.54	1,162,107.54	4,002.60	1,162,107.54	3,877.94
LC200430	AMP Kempsey 31 Day Ntc	1 Mar 2024	26 Feb 2021	7 Nov 2022		479	3.5500		Nil	2,758,943.55	2,758,943.55	11,351.69	2,758,943.55	128,532.76
LC200432	NAB Kempsey At Call	1 Mar 2024	30 Nov 2020	30 Dec 2022		426	3.1000		Nil	1,864,779.61	1,864,779.61	7,626.25	1,864,779.61	67,469.26
LC163734	BOQ 5.05 01 Mar 2024 364DAY TD	1 Mar 2024	3 Mar 2023		1 Mar 2024	363	5.0500		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,100,446.58	100,446.58
LC164081	BOQ 5.05 06 Mar 2024 365DAY TD	6 Mar 2024	7 Mar 2023		6 Mar 2024	359	5.0500		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,099,339.72	99,339.73
LC164869	BVIC 5.15 15 Mar 2024 365DAY TD	15 Mar 2024	16 Mar 2023		15 Mar 2024	350	5.0000		Maturity	3,000,000.00	3,000,000.00	3,000,000.00	3,143,835.63	143,835.62
LC103797	Auswide 0.6 22 Mar 2024 FRN	22 Mar 2024	22 Mar 2021	22 Dec 2023	22 Mar 2024	69	4.9693		Quarterly	1,500,000.00	1,500,000.00	1,500,000.00	1,514,100.00	14,091.03
LC166086	AMP 4.85 11 Apr 2024 365DAY TD	11 Apr 2024	12 Apr 2023		11 Apr 2024	323	4.8500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,214,595.90	214,595.89
LC182549	CCU 5.15 11 Apr 2024 182DAY TD	11 Apr 2024	12 Oct 2023		11 Apr 2024	140	5.1500		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,039,506.84	39,506.85
LC183341	JUDO 5.1 19 Apr 2024 182DAY TD	19 Apr 2024	20 Oct 2023		19 Apr 2024	132	5.1000		Maturity	1,500,000.00	1,500,000.00	1,500,000.00	1,527,665.76	27,665.75
LC185595	NAB 5.25 13 May 2024 182DAY TD	13 May 2024	13 Nov 2023		13 May 2024	108	5.2500		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,015,534.25	15,534.25
LC186564	BVIC 5.35 21 May 2024 181DAY TD	21 May 2024	22 Nov 2023		21 May 2024	99	5.3500		Maturity	1,500,000.00	1,500,000.00	1,500,000.00	1,521,766.44	21,766.44
LC168844	JUDO 5.1 28 May 2024 365DAY TD	28 May 2024	29 May 2023		28 May 2024	276	5.1000		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,038,564.38	38,564.38
LC187304	Auswide 5.35 28 May 2024 182DAY TD	28 May 2024	28 Nov 2023		28 May 2024	93	5.3500		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,013,631.51	13,631.51
LC169881	SCC 5.55 12 Jun 2024 365DAY TD	12 Jun 2024	13 Jun 2023		12 Jun 2024	261	5.5500		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,039,686.30	39,686.30
LC174321	AUBANK 5.75 08 Jul 2024 369DAY TD	8 Jul 2024	5 Jul 2023		8 Jul 2024	239	5.7500		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,037,650.68	37,650.68
LC174463	AMP 5.8 09 Jul 2024 365DAY TD	9 Jul 2024	10 Jul 2023		9 Jul 2024	234	5.8000		Maturity	1,500,000.00	1,500,000.00	1,500,000.00	1,555,775.34	55,775.34
LC175923	PCCU 5.55 26 Jul 2024 364DAY TD	26 Jul 2024	28 Jul 2023		26 Jul 2024	216	5.5500		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,164,219.20	164,219.18
LC175925	AMP 5.5 26 Jul 2024 364DAY TD	26 Jul 2024	28 Jul 2023		26 Jul 2024	216	5.5000		Maturity	5,000,000.00	5,000,000.00	5,000,000.00	5,162,739.75	162,739.73
LC108349	SunBank 1.85 30 Jul 2024 Fixed	30 Jul 2024	30 Jul 2019	30 Jan 2024	30 Jul 2024	30	1.8500		Semi Annual	1,000,000.00	1,000,000.00	1,037,600.00	989,790.00	1,520.55
LC176022	AMP 5.5 30 Jul 2024 365DAY TD	30 Jul 2024	31 Jul 2023		30 Jul 2024	213	5.5000		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,032,095.89	32,095.89
LC176343	NAB 5.25 01 Aug 2024 365DAY TD	1 Aug 2024	2 Aug 2023		1 Aug 2024	211	5.2500		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,060,698.64	60,698.63
LC177731	NAB 5.2 13 Aug 2024 365DAY TD	13 Aug 2024	14 Aug 2023		13 Aug 2024	199	5.2000		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,028,350.68	28,350.68
LC183727	AMP 5.15 24 Oct 2024 365DAY TD	24 Oct 2024	25 Oct 2023		24 Oct 2024	127	5.1500		Maturity	1,000,000.00	1,000,000.00	1,000,000.00	1,017,919.18	17,919.18
LC184420	DFB 5.4 29 Oct 2024 365DAY TD	29 Oct 2024	30 Oct 2023		29 Oct 2024	122	5.4000		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,036,098.64	36,098.63
LC184868	AMP 5.3 01 Nov 2024 364DAY TD	1 Nov 2024	3 Nov 2023		1 Nov 2024	118	5.3000		Maturity	1,500,000.00	1,500,000.00	1,500,000.00	1,525,701.38	25,701.37
LC114938	MYS 0.6 22 Nov 2024 FRN	22 Nov 2024	22 Nov 2021	22 Feb 2024	22 May 2024	7	4.9373		Quarterly	1,750,000.00	1,750,000.00	1,750,000.00	1,750,052.50	1,657.04
LC188626	CCU 5.5 11 Dec 2024 365DAY TD	11 Dec 2024	12 Dec 2023		11 Dec 2024	79	5.5000		Maturity	2,000,000.00	2,000,000.00	2,000,000.00	2,023,808.22	23,808.22
LC110807	NTTC 1 15 Dec 2024 - Issued 12 August 2021 - Kempsey Shire Council Fixed	15 Dec 2024	12 Aug 2021	15 Dec 2023	15 Dec 2024	76	1.0000		Annual	1,000,000.00	1,000,000.00	1,000,000.00	1,002,080.00	2,082.19
LC105422	MACQ 1.7 12 Feb 2025 Fixed	12 Feb 2025	12 Feb 2020	12 Feb 2024	12 Aug 2024	17	1.7000		Semi Annual	1,000,000.00	1,000,000.00	1,029,140.00	972,360.00	791.78
LC133978	Auswide 0.75 14 Feb 2025 FRN	14 Feb 2025	14 Feb 2022	14 Feb 2024	14 May 2024	15	5.0959		Quarterly	2,000,000.00	2,000,000.00	2,000,000.00	2,003,200.00	4,188.41
LC104495	BOQ 0.52 25 Mar 2025 1461DAY FRD	25 Mar 2025	25 Mar 2021	27 Dec 2023	25 Mar 2024	64	4.8851		Quarterly	3,000,000.00	3,000,000.00	3,000,000.00	3,025,696.95	25,696.96



Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	Face Value Notional	Current Face Value Notional	Latest Purchase Consideration	Market Value	Accrued Interest
LC143211	Qld Police 1.35 19 May 2025 FRN	19 May 2025	17 May 2022	19 Feb 2024	17 May 2024	10	5.6900		Quarterly	1,250,000.00	1,250,000.00	1,250,000.00	1,252,825.00	1,948.63
LC101865	NTTC 0.9 15 Jun 2025 - Issued 04 Feb 2021 - Kempsey Shire Council Fixed	15 Jun 2025	4 Feb 2021	15 Jun 2023	15 Jun 2024	259	0.9000		Annual	2,000,000.00	2,000,000.00	2,000,000.00	2,012,780.00	12,772.60
LC102184	NTTC 0.9 15 Jun 2025 - Issued 11 Feb 2021 Fixed - Kempsey Shire Council Fixed	15 Jun 2025	11 Feb 2021	15 Jun 2023	15 Jun 2024	259	0.9000		Annual	1,000,000.00	1,000,000.00	1,000,000.00	1,006,390.00	6,386.30
LC107745	MYS 0.65 16 Jun 2025 FRN	16 Jun 2025	16 Jun 2021	18 Dec 2023	18 Mar 2024	73	5.0125		Quarterly	2,500,000.00	2,500,000.00	2,500,000.00	2,516,000.00	25,062.50
LC155074	MYS 1.3 13 Oct 2025 FRN	13 Oct 2025	13 Oct 2022	15 Jan 2024	15 Apr 2024	45	5.6502		Quarterly	2,500,000.00	2,500,000.00	2,500,000.00	2,528,675.00	17,415.00
LC157244	Auswide 1.5 07 Nov 2025 FRN	7 Nov 2025	7 Nov 2022	7 Feb 2024	7 May 2024	22	5.8490		Quarterly	750,000.00	750,000.00	750,000.00	756,682.50	2,644.07
LC106973	MACQ 0.48 09 Dec 2025 FRN	9 Dec 2025	9 Dec 2020	11 Dec 2023	11 Mar 2024	80	4.8402		Quarterly	2,000,000.00	2,000,000.00	1,996,080.00	2,015,100.00	21,217.32
LC105451	CUA 0.68 22 Apr 2026 FRN	22 Apr 2026	22 Apr 2021	22 Jan 2024	22 Apr 2024	38	5.0263		Quarterly	2,000,000.00	2,000,000.00	2,000,000.00	1,985,900.00	10,465.72
LC106017	BOQ 0.63 06 May 2026 FRN	6 May 2026	6 May 2021	6 Feb 2024	7 May 2024	23	4.9777		Quarterly	2,000,000.00	2,000,000.00	2,000,000.00	1,991,480.00	6,273.27
LC109755	BOQ 0.64 29 Jul 2026 1826DAY FRD	29 Jul 2026	29 Jul 2021	29 Jan 2024	29 Apr 2024	31	4.9964		Quarterly	2,500,000.00	2,500,000.00	2,500,000.00	2,510,608.80	10,608.79
LC110980	NAB 0.41 24 Aug 2026 FRN	24 Aug 2026	24 Aug 2021	26 Feb 2024	24 May 2024	3	4.7456		Quarterly	2,500,000.00	2,500,000.00	2,500,000.00	2,486,425.00	975.12
LC112403	SunBank 0.48 15 Sep 2026 FRN	15 Sep 2026	15 Sep 2021	15 Dec 2023	15 Mar 2024	76	4.8300		Quarterly	2,000,000.00	2,000,000.00	2,000,000.00	2,005,820.00	20,113.97
LC113975	BOQ 0.8 27 Oct 2026 FRN	27 Oct 2026	27 Oct 2021	29 Jan 2024	29 Apr 2024	31	5.1564		Quarterly	2,500,000.00	2,500,000.00	2,500,000.00	2,495,525.00	10,948.52
LC137869	SunBank 2.5 25 Jan 2027 Fixed	25 Jan 2027	25 Jan 2022	25 Jan 2024	25 Jul 2024	35	2.5000		Semi Annual	2,000,000.00	2,000,000.00	1,906,320.00	1,880,680.00	4,794.52
LC160785	BENAU 1.35 27 Jan 2027 FRN	27 Jan 2027	27 Jan 2023	29 Jan 2024	29 Apr 2024	31	5.7064		Quarterly	1,000,000.00	1,000,000.00	1,005,330.00	1,013,220.00	4,846.53
LC159742	SunBank 4.8 14 Dec 2027 Fixed	14 Dec 2027	14 Dec 2022	14 Dec 2023	14 Jun 2024	77	4.8000		Semi Annual	1,500,000.00	1,500,000.00	1,485,900.00	1,512,990.00	15,189.04
										91,035,830.70	91,035,830.70		92,413,842.36	1,821,200.65

Notes:

1. Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.
2. Accrued Interest is calculated as Current Face Value x Coupon Rate ( Adjusted by Franking Credit Rate ) x ( Days Since Prior Coupon or Issue Date / 365).
3. The accrued interest component of the Market Value does not consider the franking credit rate and is instead based upon market prices.
4. Immaterial differences in Accrued Interest and the accrued interest portion of Market Value may arise because Market Value is calculated using a rounded "price per 100" value.

## 5. Portfolio Valuation As At 29 February 2024

Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
<b>31 Day Notice Account</b>											
AMP Kempsey 31 Day Ntc	S&P ST A2		2,758,943.55	2,758,943.55	100.000		0.000	<b>2,758,943.55</b>	2.85%	3.55%	
			2,758,943.55	2,758,943.55				<b>2,758,943.55</b>	2.85%		3.55%
<b>At Call Deposit</b>											
BOQ Kempsey Shire Council At Call	Moodys A3		1,162,107.54	1,162,107.54	100.000		0.000	<b>1,162,107.54</b>	1.20%	4.35%	
NAB Kempsey At Call	S&P ST A1+		1,864,779.61	1,864,779.61	100.000		0.000	<b>1,864,779.61</b>	1.93%	3.10%	
			3,026,887.15	3,026,887.15				<b>3,026,887.15</b>	3.13%		3.58%
<b>Fixed Rate Bond</b>											
MACQ 1.7 12 Feb 2025 Fixed	S&P A+	AU3CB0270387	1,000,000.00	1,000,000.00	97.157		0.079	<b>972,360.00</b>	1.00%	1.66%	
NTTC 1 15 Dec 2024 - Issued 12 August 2021 - Kempsey Shire Council Fixed	Moodys Aa3		1,000,000.00	1,000,000.00	100.000		0.208	<b>1,002,080.00</b>	1.03%	1.00%	
NTTC 0.9 15 Jun 2025 - Issued 04 Feb 2021 - Kempsey Shire Council Fixed	Moodys Aa3		2,000,000.00	2,000,000.00	100.000		0.639	<b>2,012,780.00</b>	2.08%	0.90%	
NTTC 0.9 15 Jun 2025 - Issued 11 Feb 2021 Fixed - Kempsey Shire Council Fixed	Moodys Aaa		1,000,000.00	1,000,000.00	100.000		0.639	<b>1,006,390.00</b>	1.04%	0.90%	
SunBank 1.85 30 Jul 2024 Fixed	S&P A+	AU3CB0265403	1,000,000.00	1,000,000.00	98.827		0.152	<b>989,790.00</b>	1.02%	1.80%	
SunBank 2.5 25 Jan 2027 Fixed	S&P A+	AU3CB0285955	2,000,000.00	2,000,000.00	93.794		0.240	<b>1,880,680.00</b>	1.94%	2.64%	
SunBank 4.8 14 Dec 2027 Fixed	S&P A+	AU3CB0294957	1,500,000.00	1,500,000.00	99.856		1.010	<b>1,512,990.00</b>	1.56%	4.86%	
			9,500,000.00	9,500,000.00				<b>9,377,070.00</b>	9.68%		2.06%
<b>Floating Rate Deposit</b>											
BOQ 0.52 25 Mar 2025 1461DAY FRD	Moodys A3		3,000,000.00	3,000,000.00	100.000		0.857	<b>3,025,696.95</b>	3.12%	4.89%	
BOQ 0.64 29 Jul 2026 1826DAY FRD	Moodys A3		2,500,000.00	2,500,000.00	100.000		0.424	<b>2,510,608.80</b>	2.59%	5.00%	
			5,500,000.00	5,500,000.00				<b>5,536,305.75</b>	5.72%		4.94%
<b>Floating Rate Note</b>											
Auswide 0.6 22 Mar 2024 FRN	Moodys Baa2	AU3FN0059317	1,500,000.00	1,500,000.00	100.001		0.939	<b>1,514,100.00</b>	1.56%	4.97%	
Auswide 0.75 14 Feb 2025 FRN	Moodys Baa2	AU3FN0066320	2,000,000.00	2,000,000.00	99.951		0.209	<b>2,003,200.00</b>	2.07%	5.10%	
Auswide 1.5 07 Nov 2025 FRN	Moodys Baa2	AU3FN0073037	750,000.00	750,000.00	100.538		0.353	<b>756,682.50</b>	0.78%	5.85%	
BOQ 0.63 06 May 2026 FRN	S&P BBB+	AU3FN0060406	2,000,000.00	2,000,000.00	99.260		0.314	<b>1,991,480.00</b>	2.06%	4.98%	
BOQ 0.8 27 Oct 2026 FRN	S&P BBB+	AU3FN0063764	2,500,000.00	2,500,000.00	99.383		0.438	<b>2,495,525.00</b>	2.58%	5.16%	
BENAU 1.35 27 Jan 2027 FRN	S&P BBB+	AU3FN0074563	1,000,000.00	1,000,000.00	100.837		0.485	<b>1,013,220.00</b>	1.05%	5.68%	
CUA 0.68 22 Apr 2026 FRN	Moodys Baa1	AU3FN0059721	2,000,000.00	2,000,000.00	98.772		0.523	<b>1,985,900.00</b>	2.05%	5.03%	
MACQ 0.48 09 Dec 2025 FRN	S&P A+	AU3FN0057709	2,000,000.00	2,000,000.00	99.694		1.061	<b>2,015,100.00</b>	2.08%	4.86%	
MYS 0.6 22 Nov 2024 FRN	Moodys Baa2	AU3FN0064705	1,750,000.00	1,750,000.00	99.908		0.095	<b>1,750,052.50</b>	1.81%	4.94%	
MYS 0.65 16 Jun 2025 FRN	Moodys Baa2	AU3FN0061024	2,500,000.00	2,500,000.00	99.637		1.003	<b>2,516,000.00</b>	2.60%	5.01%	
MYS 1.3 13 Oct 2025 FRN	Moodys Baa2	AU3FN0072369	2,500,000.00	2,500,000.00	100.450		0.697	<b>2,528,675.00</b>	2.61%	5.65%	

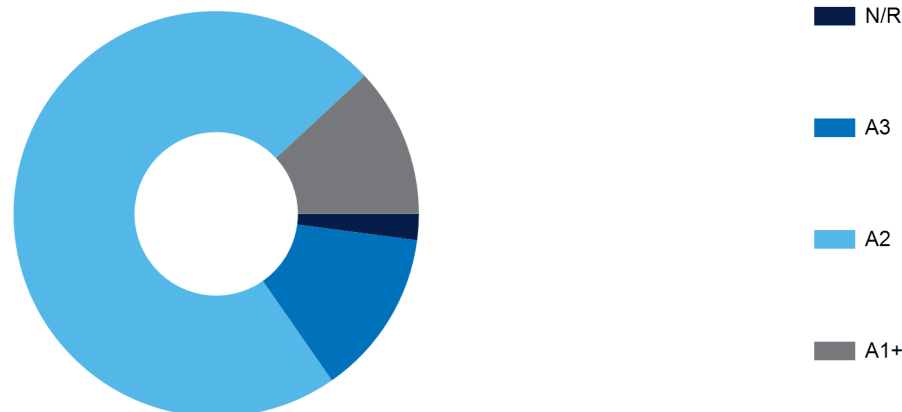
Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
NAB 0.41 24 Aug 2026 FRN	S&P AA-	AU3FN0062659	2,500,000.00	2,500,000.00	99.418		0.039	2,486,425.00	2.57%	4.75%	
Qld Police 1.35 19 May 2025 FRN	S&P BBB-	AU3FN0069175	1,250,000.00	1,250,000.00	100.070		0.156	1,252,825.00	1.29%	5.69%	
SunBank 0.48 15 Sep 2026 FRN	S&P A+	AU3FN0062964	2,000,000.00	2,000,000.00	99.285		1.006	2,005,820.00	2.07%	4.83%	
			26,250,000.00	26,250,000.00				26,315,005.00	27.18%		5.11%
Term Deposit											
AMP 4.85 11 Apr 2024 365DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		4.292	5,214,595.90	5.39%	4.85%	
AMP 5.8 09 Jul 2024 365DAY TD	S&P ST A2		1,500,000.00	1,500,000.00	100.000		3.718	1,555,775.34	1.61%	5.80%	
AMP 5.5 26 Jul 2024 364DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		3.255	5,162,739.75	5.33%	5.50%	
AMP 5.5 30 Jul 2024 365DAY TD	S&P ST A2		1,000,000.00	1,000,000.00	100.000		3.210	1,032,095.89	1.07%	5.50%	
AMP 5.15 24 Oct 2024 365DAY TD	S&P ST A2		1,000,000.00	1,000,000.00	100.000		1.792	1,017,919.18	1.05%	5.15%	
AMP 5.3 01 Nov 2024 364DAY TD	S&P ST A2		1,500,000.00	1,500,000.00	100.000		1.713	1,525,701.38	1.58%	5.30%	
AUBANK 5.75 08 Jul 2024 369DAY TD	S&P ST A2		1,000,000.00	1,000,000.00	100.000		3.765	1,037,650.68	1.07%	5.75%	
Auswide 5.35 28 May 2024 182DAY TD	Moodys ST P-2		1,000,000.00	1,000,000.00	100.000		1.363	1,013,631.51	1.05%	5.35%	
BOQ 5.05 01 Mar 2024 364DAY TD	Moodys ST P-2		2,000,000.00	2,000,000.00	100.000		5.022	2,100,446.58	2.17%	5.05%	
BOQ 5.05 06 Mar 2024 365DAY TD	Moodys ST P-2		2,000,000.00	2,000,000.00	100.000		4.967	2,099,339.72	2.17%	5.05%	
BVIC 5 15 Mar 2024 365DAY TD	S&P ST A2		3,000,000.00	3,000,000.00	100.000		4.795	3,143,835.63	3.25%	5.00%	
BVIC 5.35 21 May 2024 181DAY TD	S&P ST A2		1,500,000.00	1,500,000.00	100.000		1.451	1,521,766.44	1.57%	5.35%	
CCU 5.15 11 Apr 2024 182DAY TD	Moodys ST P-3		2,000,000.00	2,000,000.00	100.000		1.975	2,039,506.84	2.11%	5.15%	
CCU 5.5 11 Dec 2024 365DAY TD	Moodys ST P-3		2,000,000.00	2,000,000.00	100.000		1.190	2,023,808.22	2.09%	5.50%	
DFB 5.4 29 Oct 2024 365DAY TD	S&P ST A2		2,000,000.00	2,000,000.00	100.000		1.805	2,036,098.64	2.10%	5.40%	
PCCU 5.55 26 Jul 2024 364DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		3.284	5,164,219.20	5.33%	5.55%	
JUDO 5.1 19 Apr 2024 182DAY TD	S&P ST A3		1,500,000.00	1,500,000.00	100.000		1.844	1,527,665.76	1.58%	5.10%	
JUDO 5.1 28 May 2024 365DAY TD	S&P ST A3		1,000,000.00	1,000,000.00	100.000		3.856	1,038,564.38	1.07%	5.10%	
NAB 5.25 13 May 2024 182DAY TD	S&P ST A1+		1,000,000.00	1,000,000.00	100.000		1.553	1,015,534.25	1.05%	5.25%	
NAB 5.25 01 Aug 2024 365DAY TD	S&P ST A1+		2,000,000.00	2,000,000.00	100.000		3.035	2,060,698.64	2.13%	5.25%	
NAB 5.2 13 Aug 2024 365DAY TD	S&P ST A1+		1,000,000.00	1,000,000.00	100.000		2.835	1,028,350.68	1.06%	5.20%	
SCC 5.55 12 Jun 2024 365DAY TD	Unrated ST UR		1,000,000.00	1,000,000.00	100.000		3.969	1,039,686.30	1.07%	5.55%	
			44,000,000.00	44,000,000.00				45,399,630.91	46.89%		5.28%
Unit Trust											
NSWTC IM Short Term Income Fund UT	Unrated UR				0.971	3,306,176.820		3,210,793.62	3.32%		
NSWTC Medium Term Growth Fund UT	Unrated UR				1.018	1,180,669.870		1,201,839.28	1.24%		
								4,412,632.90	4.56%		
Total Portfolio			91,035,830.70	91,035,830.70				96,826,475.25	100.00%		4.77%



## 6. Portfolio Valuation By Categories As At 29 February 2024

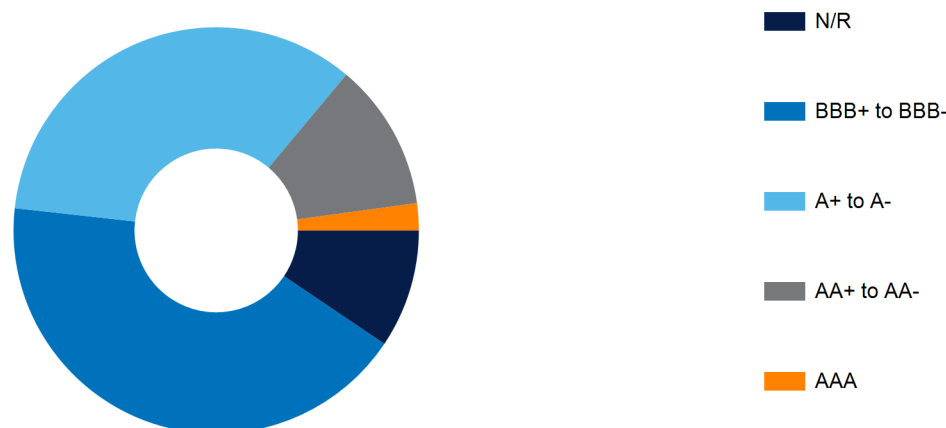
Short Term Issuer/Security Rating Group	Market Value	% Total Value
N/R	1,039,686.30	1.07%
A3	6,629,545.20	6.85%
A2	36,384,759.39	37.58%
A1+	5,969,363.18	6.17%
Portfolio Total	50,023,354.07	51.66%

Market Value by Security Rating Group (Short Term)



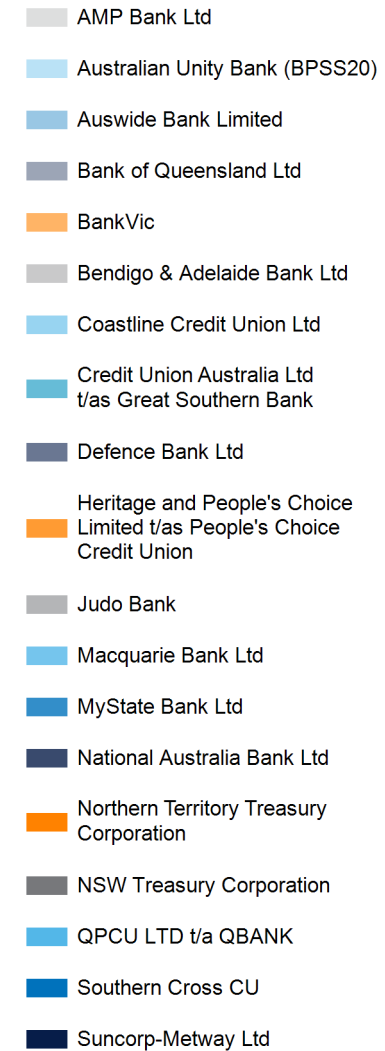
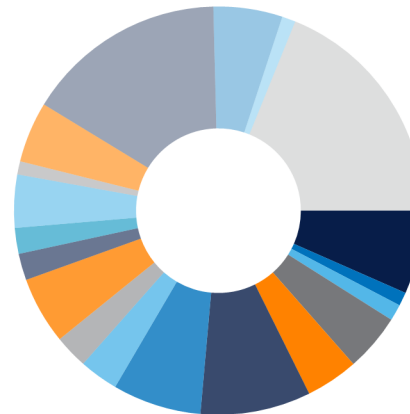
Long Term Issuer/Security Rating Group	Market Value	% Total Value
N/R	4,412,632.90	4.56%
BBB+ to BBB-	19,807,660.00	20.46%
A+ to A-	16,075,153.29	16.60%
AA+ to AA-	5,501,285.00	5.68%
AAA	1,006,390.00	1.04%
Portfolio Total	46,803,121.19	48.34%

Market Value by Security Rating Group (Long Term)



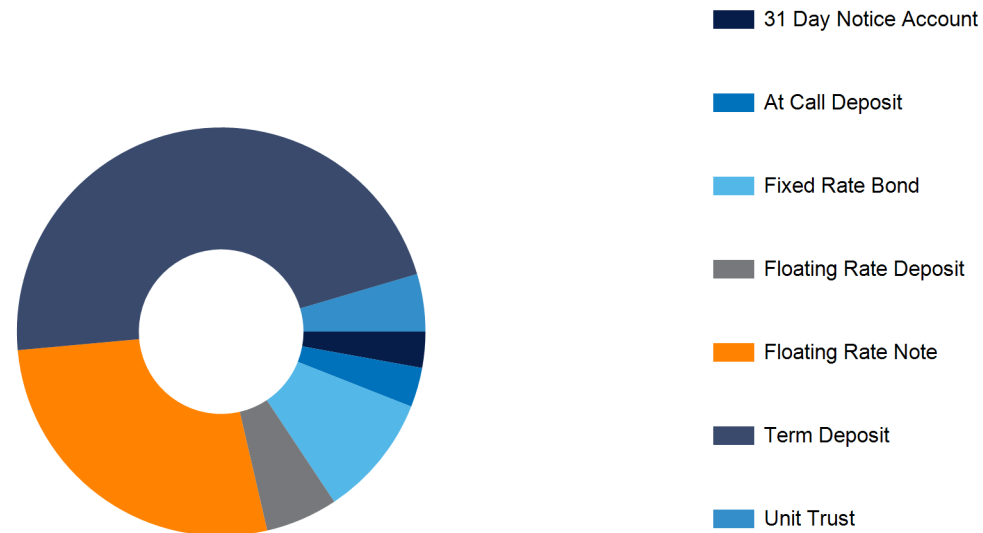
Issuer	Market Value	% Total Value
AMP Bank Ltd	18,267,770.99	18.87%
Australian Unity Bank (BPSS20)	1,037,650.68	1.07%
Auswide Bank Limited	5,287,614.01	5.46%
Bank of Queensland Ltd	15,385,204.59	15.89%
BankVic	4,665,602.07	4.82%
Bendigo & Adelaide Bank Ltd	1,013,220.00	1.05%
Coastline Credit Union Ltd	4,063,315.06	4.20%
Credit Union Australia Ltd t/as Great Southern Bank	1,985,900.00	2.05%
Defence Bank Ltd	2,036,098.64	2.10%
Heritage and People's Choice Limited t/as People's Choice Credit Union	5,164,219.20	5.33%
Judo Bank	2,566,230.14	2.65%
Macquarie Bank Ltd	2,987,460.00	3.09%
MyState Bank Ltd	6,794,727.50	7.02%
National Australia Bank Ltd	8,455,788.18	8.73%
Northern Territory Treasury Corporation	4,021,250.00	4.15%
NSW Treasury Corporation	4,412,632.90	4.56%
QPCU LTD t/a QBANK	1,252,825.00	1.29%
Southern Cross CU	1,039,686.30	1.07%
Suncorp-Metway Ltd	6,389,280.00	6.60%
Portfolio Total	96,826,475.25	100.00%

## Market Value by Issuer



Security Type	Market Value	% Total Value
31 Day Notice Account	2,758,943.55	2.85%
At Call Deposit	3,026,887.15	3.13%
Fixed Rate Bond	9,377,070.00	9.68%
Floating Rate Deposit	5,536,305.75	5.72%
Floating Rate Note	26,315,005.00	27.18%
Term Deposit	45,399,630.91	46.89%
Unit Trust	4,412,632.90	4.56%
Portfolio Total	96,826,475.25	100.00%

### Market Value by Security Type



Term Remaining	Market Value	% Total Value
0 to < 1 Year	63,829,677.00	65.92%
1 to < 3 Years	31,483,808.25	32.52%
3 to < 5 Years	1,512,990.00	1.56%
Portfolio Total	96,826,475.25	100.00%

Note: Term Remaining is calculated using a weighted average life date (WAL) where appropriate and available otherwise the interim (initial) maturity date is used.

## Market Value by Term Remaining





## 7. Performance Statistics For Period Ending 29 February 2024

Trading Book	1 Month	3 Month	12 Month	Since Inception
Kempsey Shire Council				
Portfolio Return (1)	0.46%	1.41%	4.75%	2.05%
Performance Index (2)	0.34%	1.09%	4.10%	1.76%
Excess Performance (3)	0.12%	0.32%	0.65%	0.29%

### Notes

- 1 Portfolio performance is the rate of return of the portfolio over the specified period
- 2 The Performance Index is the Bloomberg AusBond Bank Bill Index (Bloomberg Page BAUBIL)
- 3 Excess performance is the rate of return of the portfolio in excess of the Performance Index

Trading Book	Weighted Average Running Yield
Kempsey Shire Council	4.77

## 9. Realised Gains (Losses) - Fixed Interest Dealing For 1 February 2024 to 29 February 2024

No realised gains or losses from fixed interest dealing to report for entered period.

## **9b. Realised Gains (Losses) - Share Dealing For 1 February 2024 to 29 February 2024**

No realised gains or losses from share dealing to report for entered period.

## 10. Realised Gains (Losses) - Principal Repayments For 1 February 2024 to 29 February 2024

No realised gains or losses from principal repayments to report for entered period.

Total Realised Gains (Losses)

Fixed Interest Dealing	Principal Repayments	Total	Notes (1) The Acquisition Gross Price includes any accrued interest included in the purchase price.
		0.00	

## 11. Unrealised FI Capital Gains (Losses) As At 29 February 2024

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
Auswide 0.6 22 Mar 2024 FRN														
	LC103797	16 Mar 2021	0.600000	1,500,000.00	1,500,000.00	1.00000000	1,500,000.00	100.000	1,500,000.00	100.001000	100.001000	1,500,015.00	1,500,015.00	15.00
					1,500,000.00		1,500,000.00	100.000	1,500,000.00			1,500,015.00	1,500,015.00	15.00
Auswide 0.75 14 Feb 2025 FRN														
	LC133978	7 Feb 2022	0.750000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	99.951000	99.951000	1,999,020.00	1,999,020.00	(980.00)
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			1,999,020.00	1,999,020.00	(980.00)
Auswide 1.5 07 Nov 2025 FRN														
	LC157244	27 Oct 2022	1.500000	750,000.00	750,000.00	1.00000000	750,000.00	100.000	750,000.00	100.538000	100.538000	754,035.00	754,035.00	4,035.00
					750,000.00		750,000.00	100.000	750,000.00			754,035.00	754,035.00	4,035.00
BENAU 1.35 27 Jan 2027 FRN														
	LC160785	30 Jan 2023	1.220000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.468	1,004,680.00	100.837000	100.837000	1,008,370.00	1,008,370.00	3,690.00
					1,000,000.00		1,000,000.00	100.468	1,004,680.00			1,008,370.00	1,008,370.00	3,690.00
BOQ 0.63 06 May 2026 FRN														
	LC106017	29 Apr 2021	0.630000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	99.260000	99.260000	1,985,200.00	1,985,200.00	(14,800.00)
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			1,985,200.00	1,985,200.00	(14,800.00)
BOQ 0.8 27 Oct 2026 FRN														
	LC113975	20 Oct 2021	0.800000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.000	2,500,000.00	99.383000	99.383000	2,484,575.00	2,484,575.00	(15,425.00)
					2,500,000.00		2,500,000.00	100.000	2,500,000.00			2,484,575.00	2,484,575.00	(15,425.00)
CUA 0.68 22 Apr 2026 FRN														
	LC105451	13 Apr 2021	0.680000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	98.772000	98.772000	1,975,440.00	1,975,440.00	(24,560.00)
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			1,975,440.00	1,975,440.00	(24,560.00)
MACQ 0.48 09 Dec 2025 FRN														
	LC106973	25 May 2021	0.550000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	99.692	1,993,840.00	99.694000	99.694000	1,993,880.00	1,993,880.00	40.00
					2,000,000.00		2,000,000.00	99.692	1,993,840.00			1,993,880.00	1,993,880.00	40.00
MACQ 1.7 12 Feb 2025 Fixed														
	LC105422	13 Apr 2021	1.000000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	102.623	1,026,230.00	97.157000	97.157000	971,570.00	971,570.00	(54,660.00)
					1,000,000.00		1,000,000.00	102.623	1,026,230.00			971,570.00	971,570.00	(54,660.00)
MYS 0.6 22 Nov 2024 FRN														
	LC114938	10 Nov 2021	0.600000	1,750,000.00	1,750,000.00	1.00000000	1,750,000.00	100.000	1,750,000.00	99.908000	99.908000	1,748,390.00	1,748,390.00	(1,610.00)
					1,750,000.00		1,750,000.00	100.000	1,750,000.00			1,748,390.00	1,748,390.00	(1,610.00)
MYS 0.65 16 Jun 2025 FRN														
	LC107745	7 Jun 2021	0.650000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.000	2,500,000.00	99.637000	99.637000	2,490,925.00	2,490,925.00	(9,075.00)
					2,500,000.00		2,500,000.00	100.000	2,500,000.00			2,490,925.00	2,490,925.00	(9,075.00)

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
MYS 1.3 13 Oct 2025 FRN														
	LC155074	6 Oct 2022	1.300000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.000	2,500,000.00	100.450000	100.450000	2,511,250.00	2,511,250.00	11,250.00
					2,500,000.00		2,500,000.00	100.000	2,500,000.00			2,511,250.00	2,511,250.00	11,250.00
NAB 0.41 24 Aug 2026 FRN														
	LC110980	17 Aug 2021	0.410000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.000	2,500,000.00	99.418000	99.418000	2,485,450.00	2,485,450.00	(14,550.00)
					2,500,000.00		2,500,000.00	100.000	2,500,000.00			2,485,450.00	2,485,450.00	(14,550.00)
NTTC 0.9 15 Jun 2025 - Issued 04 Feb 2021 - Kempsey Shire Council Fixed														
	LC101865	3 Feb 2021	0.900000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	100.000000	100.000000	2,000,000.00	2,000,000.00	0.00
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			2,000,000.00	2,000,000.00	0.00
NTTC 0.9 15 Jun 2025 - Issued 11 Feb 2021 Fixed - Kempsey Shire Council Fixed														
	LC102184	10 Feb 2021	0.900000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.000	1,000,000.00	100.000000	100.000000	1,000,000.00	1,000,000.00	0.00
					1,000,000.00		1,000,000.00	100.000	1,000,000.00			1,000,000.00	1,000,000.00	0.00
NTTC 1 15 Dec 2024 - Issued 12 August 2021 - Kempsey Shire Council Fixed														
	LC110807	11 Aug 2021	1.000000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.000	1,000,000.00	100.000000	100.000000	1,000,000.00	1,000,000.00	0.00
					1,000,000.00		1,000,000.00	100.000	1,000,000.00			1,000,000.00	1,000,000.00	0.00
Qld Police 1.35 19 May 2025 FRN														
	LC143211	10 May 2022	1.350000	1,250,000.00	1,250,000.00	1.00000000	1,250,000.00	100.000	1,250,000.00	100.070000	100.070000	1,250,875.00	1,250,875.00	875.00
					1,250,000.00		1,250,000.00	100.000	1,250,000.00			1,250,875.00	1,250,875.00	875.00
SunBank 0.48 15 Sep 2026 FRN														
	LC112403	8 Sep 2021	0.480000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.000	2,000,000.00	99.285000	99.285000	1,985,700.00	1,985,700.00	(14,300.00)
					2,000,000.00		2,000,000.00	100.000	2,000,000.00			1,985,700.00	1,985,700.00	(14,300.00)
SunBank 1.85 30 Jul 2024 Fixed														
	LC108349	21 Jun 2021	0.860000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	103.024	1,030,240.00	98.827000	98.827000	988,270.00	988,270.00	(41,970.00)
					1,000,000.00		1,000,000.00	103.024	1,030,240.00			988,270.00	988,270.00	(41,970.00)
SunBank 2.5 25 Jan 2027 Fixed														
	LC137869	31 Mar 2022	3.680000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	94.839	1,896,780.00	93.794000	93.794000	1,875,880.00	1,875,880.00	(20,900.00)
					2,000,000.00		2,000,000.00	94.839	1,896,780.00			1,875,880.00	1,875,880.00	(20,900.00)
SunBank 4.8 14 Dec 2027 Fixed														
	LC159742	6 Jan 2023	5.100000	1,500,000.00	1,500,000.00	1.00000000	1,500,000.00	98.704	1,480,560.00	99.856000	99.856000	1,497,840.00	1,497,840.00	17,280.00
					1,500,000.00		1,500,000.00	98.704	1,480,560.00			1,497,840.00	1,497,840.00	17,280.00
														(175,645.00)
Note: The summary values for Acquisition Capital Price are the weighted average acquisition capital prices based upon the Balance Face Value Current for each security.														

## 11b. Unrealised Unit/Share Capital Gains (Losses) As At 29 February 2024

Security	Acquisition Deal	Acquisition Date	Acquisition Price	Acquisition Unit/Share Count	Unit/Share Count Not Yet Disposed	Balance Unit/Share Holding	Unit/Share Price As At Period End	Unit/Share Price Change	Unrealised Capital Gain (Loss)
NSWTC IM Short Term Income Fund UT									
	UDA16124	29 Feb 2024	0.971440	15,802.1900	15,802.1900			(0.0003)	(4.58)
	UDA16120	31 Jan 2024	0.971430	15,208.6500	15,208.6500			(0.0003)	(4.26)
	UDA16119	31 Dec 2023	0.971590	11,756.0600	11,756.0600			(0.0004)	(5.17)
	UDA16062	30 Nov 2023	0.970800	13,879.5600	13,879.5600			0.0003	4.86
	UDA16046	31 Oct 2023	0.970490	13,121.4100	13,121.4100			0.0007	8.66
	UDA15858	30 Sep 2023	0.971000	23,847.4700	23,847.4700			0.0001	3.58
	UDA15860	1 Sep 2023	0.973770	17,365.9000	17,365.9000			(0.0026)	(45.50)
	UDA15719	1 Jul 2023	0.973150	21,475.6900	21,475.6900			(0.0020)	(42.95)
	UDA15664	31 May 2023	0.973440	11,893.4200	11,893.4200			(0.0023)	(27.24)
	UDA15624	28 Apr 2023	0.973190	21,081.7700	21,081.7700			(0.0020)	(43.01)
	UDA15601	31 Mar 2023	0.976420	24,855.0000	24,855.0000			(0.0053)	(130.99)
	UDA15575	28 Feb 2023	0.981040	11,325.5000	11,325.5000			(0.0099)	(112.01)
	UDA15526	31 Jan 2023	0.981200	10,262.8500	10,262.8500			(0.0101)	(103.14)
	UDA15505	30 Dec 2022	0.980161	4,662.0400	4,662.0400			(0.0090)	(42.01)
	UDA15477	30 Nov 2022	0.978639	5,304.5800	5,304.5800			(0.0075)	(39.73)
	UDA15446	31 Oct 2022	0.976619	4,880.9900	4,880.9900			(0.0055)	(26.69)
	UDA15140	30 Jun 2022	0.969480	9,893.3729	9,893.3729			0.0017	16.52
	UDA14968	31 May 2022	0.973600	3,024.3940	3,024.3940			(0.0025)	(7.41)
	UDA14927	30 Apr 2022	0.974780	1,354.4902	1,354.4902			(0.0036)	(4.92)
	UDA14889	31 Mar 2022	0.977600	3,239.2799	3,239.2799			(0.0065)	(20.89)
	UDA14718	31 Jan 2022	0.981830	1,805.0477	1,805.0477			(0.0107)	(19.28)
	UDA14678	31 Dec 2021	0.983459	4,876.3800	4,876.3800			(0.0123)	(60.02)
	UDA14603	30 Nov 2021	0.984090	1,324.2488	1,324.2488			(0.0129)	(17.14)
	UDA14506	31 Oct 2021	0.983120	3,313.3493	3,313.3493			(0.0120)	(39.66)
	UDA14212	30 Sep 2021	0.986270	5,517.4851	5,517.4851			(0.0151)	(83.42)
	UDA13992	31 Aug 2021	0.988120	5,271.2525	5,271.2525			(0.0170)	(89.45)
	UDA13751	31 Jul 2021	0.989640	981.7509	981.7509			(0.0185)	(18.15)
	UDA13670	30 Jun 2021	0.989170	683.7045	683.7045			(0.0180)	(12.32)
	UDA13626	31 May 2021	0.988680	1,980.8533	1,980.8533			(0.0175)	(34.72)
	UDA13584	30 Apr 2021	0.989070	1,346.3152	1,346.3152			(0.0179)	(24.13)
	UDA13583	31 Mar 2021	0.989000	1,496.9464	1,496.9464			(0.0179)	(26.72)
	UDA13582	28 Feb 2021	0.989800	3,221.4892	3,221.4892			(0.0187)	(60.08)

Security	Acquisition Deal	Acquisition Date	Acquisition Price	Acquisition Unit/Share Count	Unit/Share Count Not Yet Disposed	Balance Unit/Share Holding	Unit/Share Price As At Period End	Unit/Share Price Change	Unrealised Capital Gain (Loss)
NSWTC IM Short Term Income Fund UT	UDA13581	31 Jan 2021	0.991440	1,616.1543	1,616.1543			(0.0203)	(32.79)
	UDA13390	31 Dec 2020	0.991391	5,060.7100	5,060.7100			(0.0202)	(102.43)
	UDA13359	30 Nov 2020	0.992350	3,023,446.5158	3,023,446.5158			(0.0212)	(64,097.07)
			0.990914		3,306,176.8200	3,306,176.8200	0.9712		(65,344.26)
NSWTC Medium Term Growth Fund UT									
	UDA15720	1 Jul 2023	0.972310	14,198.5200	14,198.5200			0.0456	647.74
	UDA15141	30 Jun 2022	0.919380	28,593.7876	28,593.7876			0.0986	2,817.92
	UDA13733	30 Jun 2021	1.007120	62,721.6221	62,721.6221			0.0108	678.02
	UDA13360	30 Nov 2020	1.018210	1,075,155.9403	1,075,155.9403			(0.0003)	(301.04)
			1.014675		1,180,669.8700	1,180,669.8700	1.0179		3,842.64
									(61,501.62)
Note: The summary values for Acquisition Unit/Share Price are the weighted average acquisition prices based upon the Unit/Share Count Not Yet Disposed for each security.									



## **12. Associated Cash Statement for Settlement Period 1 February 2024 to 29 February 2024 inclusive**

No associated cash transactions to report for entered period.

### 13. Tax Summary For 1 February 2024 to 29 February 2024

Interest Income	310,590.38
Realised Gains (Losses) - Fixed Interest Dealing	0.00
Realised Gains (Losses) - Principal Repayments	0.00
Total	310,590.38

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Report Code: TEPACK020EXT-01.87  
Report Description: Investment Report Pack  
Parameters:  
Trading Entity: Kempsey Shire Council  
Trading Book: Kempsey Shire Council  
Settlement Date Base  
History Start Date: 1 Jan 2000  
Income Expense Status: Authorised  
FI Deal Status: Contract  
Exclude Cash  
Exclude Unallocated Cash  
Exclude Negative Unit Holdings

# Monthly Investment Report

## Kempsey Shire Council

February 2024

Laminar Capital Pty Ltd – Part of the Perpetual Group  
ABN 33 134 784 740  
AFSL 476686

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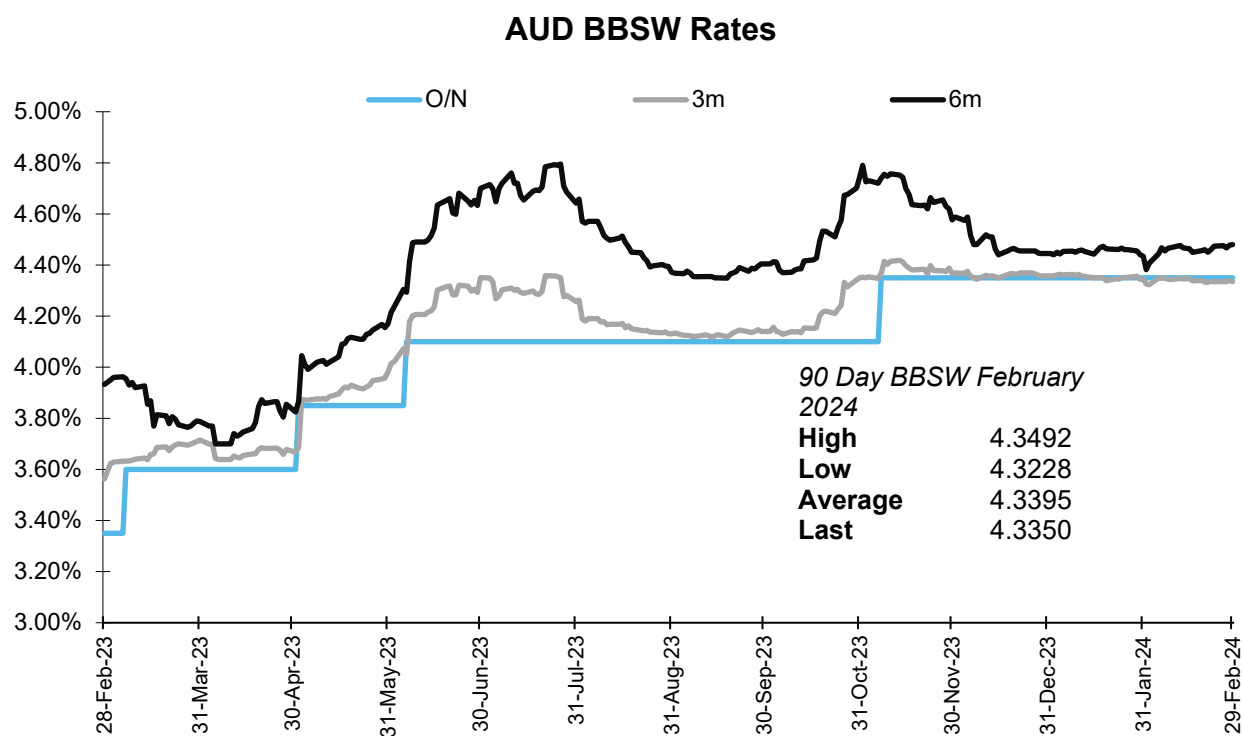
# Market Commentary

## Market Update

The RBA maintained the cash rate target at 4.35% at the February meeting but have not ruled out further rate hikes. Whilst higher rates have had an impact on reducing inflation, levels are still too high, and forecasts are not expecting it to fall back inside the target range until mid-2025. While we are seeing softening of consumer spending and the labour market, we will still need to see improvement in productivity and wage data before any changes are made to the cash rate.

The three-month Bank Bill Swap Rate (BBSW) closed at 4.3350% at the end of February, slightly down from 4.3460% at the end of the previous month and six-month BBSW closed the month higher at 4.4800% from 4.4345% as at the end of January.

Figure 1 RBA Cash vs 3 Month vs 6 Month BBSW



\*Source Bloomberg

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Over February we started to see more non-major banks experiencing increased liquidity as lending growth continues to be challenging, combined with retail deposit inflows. The Majors continue to lead the market in TD pricing which is likely to continue for some time yet. Albeit, from March we may see some of the regional banks start to selectively compete for wholesale deposits again. Term deposit rates issued by rated ADIs on average ranged from 4.90% to 5.00% for 90 days and 5.00% to 5.10% for 180 days. We also saw unrated ADI TD rates increase slightly on average to around 5.00% and 5.10% for 90 and 180 days respectively.

Issuer	S&P Rating	NCD margin to 90-day BBSW	Term Deposit margin to 90-day BBSW
Major Bank	AA- / A1+	Flat	+65
Regional Bank	A- / A2	+40	+65
Foreign Bank	A / A1	+45	+75
Mutual Bank / Credit Union	BBB / A2	+45	+75

# Credit Commentary

## Market Commentary

Equities and credit continued their bullish run, whilst commodities mostly fell. Equities jumped in China (9.4%), Japan (7.9%), the US (5.2%), Europe (4.9%) and emerging markets (4.6%), but Australia (0.2%) was close to flat. Credit spreads fell somewhat across investment grade, high-yield, and emerging markets. Commodity prices were mixed again with small gains for US oil (3.2%) and gold (0.8%), a small loss for copper (-1.5%) and meaningful losses for US natural gas (-11.4%) and iron ore (-12.3%).

Government bond yields shifted higher in all major jurisdictions, except for Japan. Expectations of rate cuts continued to be pushed back with global inflation falling steadily but still above target levels. Rate cuts are likely to occur in the second half of the year in the US and Europe, but Australia faces a more uncertain pathway with a more rigid labour market likely to see above normal wage inflation last longer than other developed economies. This drags down productivity growth, which remains stagnant in Australia, a factor the RBA regularly raises as a key concern. The US ten-year yield rose from 3.91% to 4.25% and the Australian equivalent rose from 4.01% to 4.12% during February.

The RBA's decision to hold the Cash Rate at 4.35% was widely expected. However, the release of the minutes showed that the RBA Board members considered another increase, which surprised many who had pencilled in rate cuts as soon as the second quarter. Markets are now pricing in 0.41% of rate cuts this year, with the year-end rate at 3.94%.

Indices	1 Month	3 Month	6 Month	12 Month
Bloomberg AusBond Bank Bill Index	0.34%	1.10%	2.15%	4.10%
Bloomberg AusBond Composite Bond Index 0+ Years Index	-0.30%	2.44%	2.53%	3.51%
Bloomberg AusBond Credit FRN 0+ Years Index	0.53%	1.52%	2.73%	5.19%

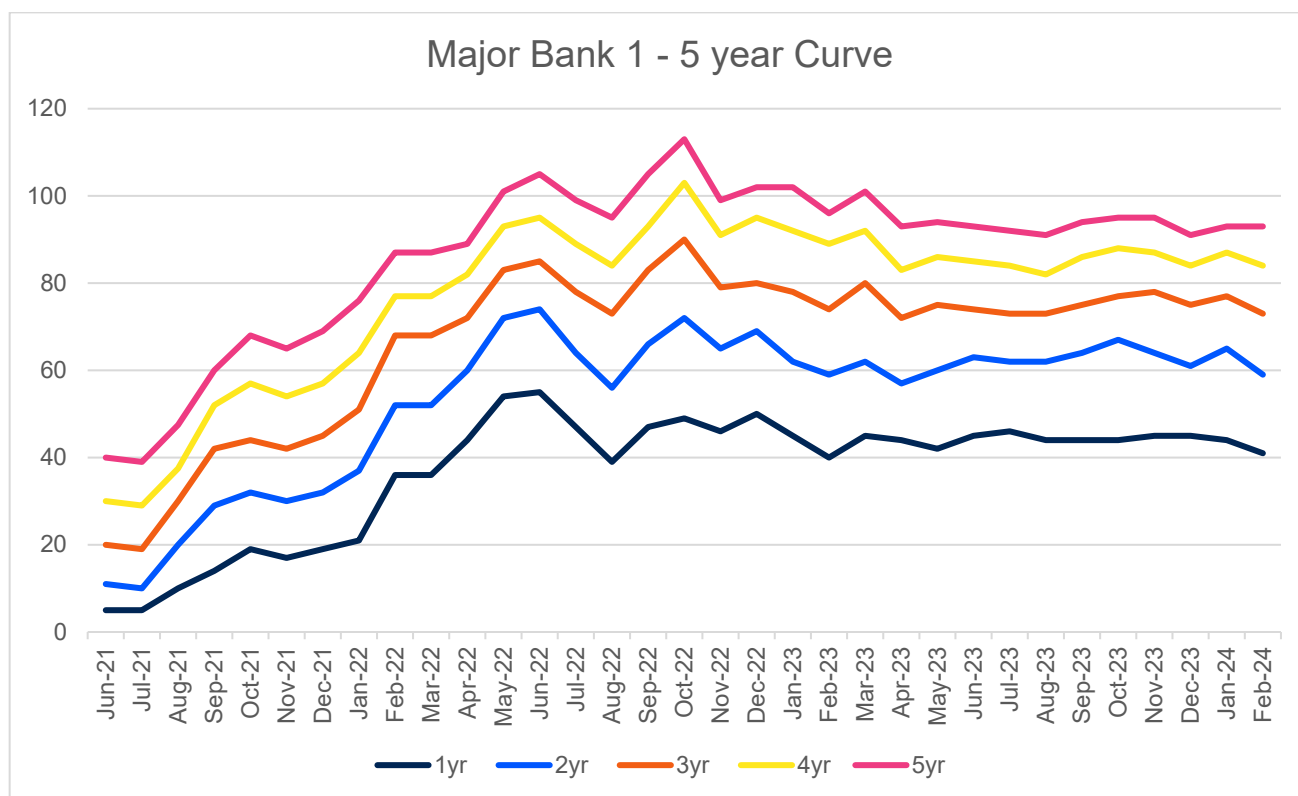
**Index Performance as at 29 February 2024**



## Major Bank Curve

Senior financial spreads of major Australian banks were slightly tighter across the curve as a plethora of new issuance flooded the market this month. Demand was high and deals were well absorbed which shows the resilience of this market and the volume of funds to put to work. 1-year spreads were 3 tighter and closed at +41, 2-years were 6bps tighter at +59bps, 3-years closed at +73bps which is 4bps tighter than last month. 4-year spreads closed 3bps tighter at +84bps and 5-year spreads closed at +93bps, the same level as the end of January. A new 5-year major bank senior unsecured issue would likely come around the +93bps area if issued today.

Curve Majors		Feb-24
1yr	-3	41
2yr	-6	59
3yr	-4	73
4yr	-3	84
5yr	0	93



## New Issuance

There was significant activity in bank issuance from both domestic and offshore names this month with multiple deals daily from financials, corporates, and securitised issuers. Demand was strong with most deals over-subscribed and substantial scaling ensued. Whilst none of the majors issued new senior deals, domestic regional banks as well as offshore names kept the market busy with deals across 3-, 4- and 5-year tenors. Lloyds Banking Group also issued two tranches of 6NC5 senior non preferred deals.

Domestic deals came from Members Banking Group (RACQ Bank) who issued 70m of 3-year FRNs while Bank Australia issued \$300.0m of 4-year FRNs and Newcastle Greater Mutual Group issued \$400m of 5-year FRNs.

Rabobank issued a total of \$2.150bn across 4 tranches in both 3 and 5-year securities, BNP Paribas issued 5-year paper and OCBC 3-year FRNs. DBS Bank issued both fixed and floating 3-year deals and MUFG issued \$1.20bn of 3 and 5-year deals.

### Senior Financials

Name	S&P/ Moody	Tenor	ISIN	Printed d (m)	Margin/ Yield	Type	Maturity	[IPT]/TM	[IPT]/ASW	Demand
BANK AUSTRALIA LTD	BBB	4 Yr	AU3FN0085031	300	1.70	FLOATING	21/02/2028	BBSW +175		> 655m
BNP PARIBAS	A+	5 Yr	AU3FN0084836	500	1.37	FLOATING	15/02/2029	BBSW +145		> 880m
BNP PARIBAS	A+	5 Yr	AU3CB0306629	700	5.29	FIXED	15/02/2029		S/Q ASW +145	> 1.27bn
DBS BANK LTD/AUSTRALIA	AA-	3 Yr	AU3FN0085130	900	0.77	FLOATING	26/02/2027	BBSW +82		> 2.25bn
DBS BANK LTD/AUSTRALIA	AA-	3 Yr	AU3CB0306835	350	4.75	FIXED	26/02/2027		S/Q ASW +82	> 900m
LLOYDS BANKING GROUP PLC	BBB+	6NC5	AU3CB0307338	450	1.68	VARIABLE	6/03/2030		S/Q ASW +180	> 1.65bn
LLOYDS BANKING GROUP PLC	BBB+	6NC5	AU3FN0085296	150	1.68	FLOATING	6/03/2030	BBSW +180		> 590m
MUFG BANK LTD SYDNEY	A	3 Yr	AU3FN0085189	600	0.85	FLOATING	5/03/2027	BBSW +90		> 1.42bn
MUFG BANK LTD SYDNEY	A	5 Yr	AU3FN0085197	600	0.99	FLOATING	5/03/2029	BBSW +106		> 2.095bn
NEWCASTLE GTR MUTL GRP	BBB	5 Yr	AU3FN0085023	400	1.85	FLOATING	14/02/2029	BBSW +195		> 1.210bn
OCBC/SYDNEY	AA-	3 Yr	AU3FN0085312	500	0.72	FLOATING	8/03/2027	BBSW +78		> 1.75bn
RABOBANK UA/AU	A+	3 Yr	AU3CB0306959	300	4.84	FIXED	26/02/2027		S/Q ASW +92	> 500m
RABOBANK UA/AU	A+	3 Yr	AU3FN0085155	600	0.87	FLOATING	26/02/2027	BBSW +92		> 930m
RABOBANK UA/AU	A+	5 Yr	AU3CB0306983	450	5.05	FIXED	26/02/2029		S/Q ASW +108	> 1.0bn
RABOBANK UA/AU	A+	5 Yr	AU3FN0085163	800	1.03	FLOATING	26/02/2029	BBSW +108		> 1.70bn
MEMBERS BANKING GRP LTD	Baa1	3 Yr	AU3FN0085288	70	1.60	FLOATING	5/03/2027	BBSW +165		> 95m

In subordinated deals, Macquarie Bank issued a dual tranche 10NC5 deal totalling \$1.25bn at BBSW/ASW +195 which was 20bps tighter than IPT. Secondary spreads tightened off the back of the deal.

Curve T2	Change	Feb-24
1yr - 2023	-10	112
2yr - 2024	-14	134
3yr - 2025	-10	152
4yr - 2026	-2	169
5yr - 2027	-6	181

### Subordinated Financials

Name	S&P/ Moody	Tenor	ISIN	Printed d (m)	Margin/ Yield	Type	Maturity	[IPT]/TM	[IPT]/ASW	Demand
MACQUARIE BANK LTD	BBB	10NC5	AU3FN0085171	650	1.95	FLOATING	1/03/2034	BBSW +215		> 2.56bn
MACQUARIE BANK LTD	BBB	10NC5	AU3CB0307023	600	5.95	VARIABLE	1/03/2034		S/Q ASW +215	> 2.40bn

There were no Government or Semi-Government deals launched in February

It was also a busy month for corporate issuance with strong demand for Telstra paper in 7.5 years and 10 years as well as many other names that we haven't seen come to market in recent times.

Corporates										
Name	S&P/ Moody	Tenor	ISIN	Printed d (m)	Margin/ Yield	Type	Maturity	[IPT]/TM	[IPT]/ASW	Demand
ASX LTD	AA-	3 Yr	AU3FN0085148	275	0.93	FLOATING	26/02/2027	BBSW +95		>630m
ORIX AUSTRALIA CORP LTD	A-	3 Yr	AU3CB0307296	150	5.28	FIXED	4/03/2027		S/Q ASW +140-145	
PERTH AIRPORT PTY LTD	BBB	7 Yr	AU3CB0307015	300	5.62	FIXED	5/03/2031		S/Q ASW +165	> 2.2bn
REGION RETAIL TRUST	Baa1	7 Yr	AU3CB0307304	300	5.60	FIXED	5/03/2031		S/Q ASW +160-165	> 1.46bn
TELSTRA GROUP LTD	A-	7.5 Yr	AU3CB0307379	450	5.28	FIXED	6/09/2031		S/Q ASW +125	> 2.0bn
TELSTRA GROUP LTD	A-	10 Yr	AU3CB0307387	750	5.67	FIXED	6/03/2034		S/Q ASW +150-155	> 2.85bn
VOLKSWAGEN FIN SERV AUST	BBB+	3 Yr	AU3CB0306470	500	5.38	FIXED	9/02/2027		S/Q ASW +160-165	> 715m

In the Securitised space, deals rolled out constantly over the month with Prime RMBS, Prime and non-conforming RMBS as well as Personal loans and Auto and Equipment deals.

RMBS		
Name	Amount	Type
Blackwattle		RMBS Mandate
BOQ REDS	1.0bn	Prime RMBS
Firstmac	2.0bn	Prime RMBS
IMB Illawarra	500.0m	Prime RMBS
La Trobe Financial	1.25bn	RMBS
Mortgage House Osmium	750m	RMBS
Athena Olympus	400m	Prime RMBS
Orde Financial	1.0bn	RMBS
Pepper PRS 39	750m	RMBS
Plenti PL & Green	375m	Personal Loans
Resimac AF		Auto & Equip Mandate
ScotPac Gears	300m	Auto & Equip
Columbus Capital Triton	1.40bn	Prime RMBS

# Economic Update

## Economic Roundup

The rally in risk assets continued strongly in February with almost all major share and credit markets making gains. The further rally was helped by more signs of soft economic landing for the US as well as hope of government initiatives to prime growth in China. Markets continued to look towards central banks starting to lower official interest rates later this year although slowing progress reducing inflation is causing central banks to caution that rate cuts are some ways down the track. The tempering of rate cut expectations caused government bond yields to push higher in February.

Major share markets in February ranged from flat performance (0.0% change) for Britain's FTSE 100 to a 9.3% gain for China's CSI. The big gain in China's share market came after several months of decline and reflected some official intervention as well as hope of policy change towards stimulating growth. Most major share markets made big gains in February including Europe's Eurostoxx 50, up 4.9%; the US S&P 500, up 5.2%; Australia's ASX 200, up 6.2%; and Japan's Nikkei, up 8.8%. Several markets made record highs in the month including the US, Japanese and Australian share markets.

The strong performance by share markets carried through to credit markets notwithstanding problems showing in the US commercial real estate market and the general problem of too much supply and weak demand continuing to beset China's property sector.

In the US, continuing signs of unexpectedly strong economic growth in the face of high interest rates continued to limit credit quality concerns in February. Australian credit spreads also narrowed in February even though Australian households carry a much higher debt burden than elsewhere and mostly at variable interest. Sharply rising Australian house prices mean that default rates are likely to rise relatively slowly as economic growth slows.

An increasing issue is whether the rallies in risk assets so far this year are sustainable as they still appear to be built partly on expectations of lower official interest rates. In the US, economic growth is resilient, 3.2% annualised in Q4 2023, and is still generating strong employment growth, a low unemployment rate and annual wage growth above 4% y-o-y – too rapid for the Federal Reserve to achieve its 2% inflation target in a reasonable time frame. Indeed, the US economy looks as if it has been through a shallow softer phase and is starting to recover.

If the US economy is in early-stage recovery it is likely that progress reducing US inflation still hovering around 3% y-o-y will stall providing almost no leeway for the Federal Reserve to start cutting the 5.50% funds rate in 2024 and even raising the possibility it may need to hike rates further. In February, the US bond market still clung onto albeit diminishing hope that modest rate cuts lie ahead later in 2024. In February the US 12-months bond yield rose by 29 basis points (bps) to 5.00% while the 2-year yield rose by 42bps to 4.26%. These shorter-dated US bond yields may rise further over coming months if relatively strong US economic reports continue and reduce further the possibility of lower official interest rates this year.

Relatively greater upward adjustment may be needed by longer term US bond yields. Firming US growth prospects usually go together with a positively shaped US bond yield curve. While the US 10-year bond yield and 30-year yield both rose in February by respectively 35bps and 21bps to 4.26% and 4.38% these yields sit below shorter-dated bond yields. A negatively shaped bond yield curve implies much weaker economic growth ahead promoting substantial cuts to official interest rates. The opposite seems to be occurring in the US early in 2024 opening the possibility that longer-term US bond yields could push up to 5.00% and more this year.

In Australia, economic growth is much softer than in the US mostly because household spending growth is under greater stress in Australia compared with the US. Australian Q4 GDP out this week is expected to show an increase of only 0.3% q-o-q reducing annual growth to around 1.5% y-o-y from 2.1% in Q3 2023. Employment growth took a noticeably weaker turn late in 2023 and the unemployment rate has started to rise. Wage growth above 4% y-o-y and inflation hovering well above 3% y-o-y are preventing the RBA from starting to cut its 4.35% cash rate, but the prospects of a rate cut later this year are higher than for the US.

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Australian bond yields rose in February but by less than US counterparts. The Australian 2-year bond yield rose by 19bps to 3.79%, while the 10-year bond yield also rose by 19bps to 4.13%. The RBA at its first policy meeting for 2024 in early February reminded the market that the bar is still set high for starting to cut official interest rates requiring signs of moderating annual wage growth and rising labour productivity. While the bar could be cleared, it is unlikely to occur until later this year at earliest.

The softer growth outlook for Australia compared with the US growth outlook means that Australian bond yields will not be under pressure to rise much further and could rally sustainably later in the year if weaker economic growth and labour market signs persist. We pencil in one RBA rate cut late in the year taking the cash rate down to 4.10% by year end, but that first rate cut could be delayed by untoward wage growth (sticking above 4% y-o-y) or too little improvement in productivity.

# Interest Rate Outlook

## Rate and Yield Curve Commentary

The RBA left the cash rate unchanged at 4.35% at its February policy meeting but indicated in the new, extensive communication after the meeting that further rate hikes could not be ruled out. Even though good progress had been made reducing inflation, it was still too high at over 4% y-o-y (4.1% y-o-y in the Q4 2023 CPI report). The RBA's latest economic forecasts in the quarterly Monetary Policy Statement show that it expects inflation to fall back inside 2-3% target range by mid-2025 but that forecast is contingent upon substantial improvement in labour productivity as well as wage growth receding from above 4% y-o-y (4.2% y-o-y in Q4 2023) to nearer 3.5% later this year. While consumer spending and the labour market appear to be softening helping the RBA to achieve its inflation target over the next year or so it will need to see sharp improvement in productivity and the topping out of wage growth over the first half of 2024. To see the progress the RBA requires in productivity and wage data will take until September at least. We see no opportunity for the RBA to start cutting the cash rate until then and more likely a month or two later. A first cash rate cut is likely late 2024, or early 2025. The market had built in the likelihood of earlier and more aggressive rate cuts in 2024 late last year and early this year but those expectations are changing under the latest guidance from the RBA. We see the cash rate on hold at 4.35% through to December and perhaps a 25bps rate cut to 4.10% by year end. Bond markets, after rallying strongly in the closing months of 2023 have backed up in yield in January and February by around 30bps. Bond yields still look too low around 3.85% to 4.30% given the likelihood that the cash rate will be no lower than 4.35% much, if not all of this year.

In terms of the yield curve, one more Australian cash rate hike cannot be ruled out and then a protracted stay at the top of the interest rate cycle. Short-term bond yields should lift more than long-term bond yields over the next month or two flattening the curve. A higher for longer forecast cash rate implies a higher risk of weak Australian growth bordering recession developing in late 2024 or 2025. It is likely that long bond yields will start to fall more consistently from mid-2024, but from a yield in the first half of 2024 that may touch up towards 5.0% again.

## Laminar Capital Investment Strategy

We see fixed rates steady to lower with some appetite for extending duration on the back of recent weak data prints pointing to the end of RBA rate rises. We see highly rated bank credit spreads steady in the near term while structured credit is likely to outperform. Geopolitical events and the unwinding of central bank intervention continue to pose some risks. We continue to maintain a positive view on adding additional long dated floating rate investments to portfolios with tactical interest in fixed rate investments.

# Portfolio Performance

## Monthly Performance

The portfolio achieved a return of 0.46% for the month of February which was 0.12% above the benchmark AusBond Bank Bill Index return of 0.34%. The weighted average running yield on the portfolio is 4.77%.

Investment Policy Compliance		
Legislative Requirements	✓	Fully compliant
Portfolio Credit Rating Limit	✓	Fully compliant
Institutional Exposure Limits	✓	Fully compliant
Term to Maturity Limits	✓	Fully compliant

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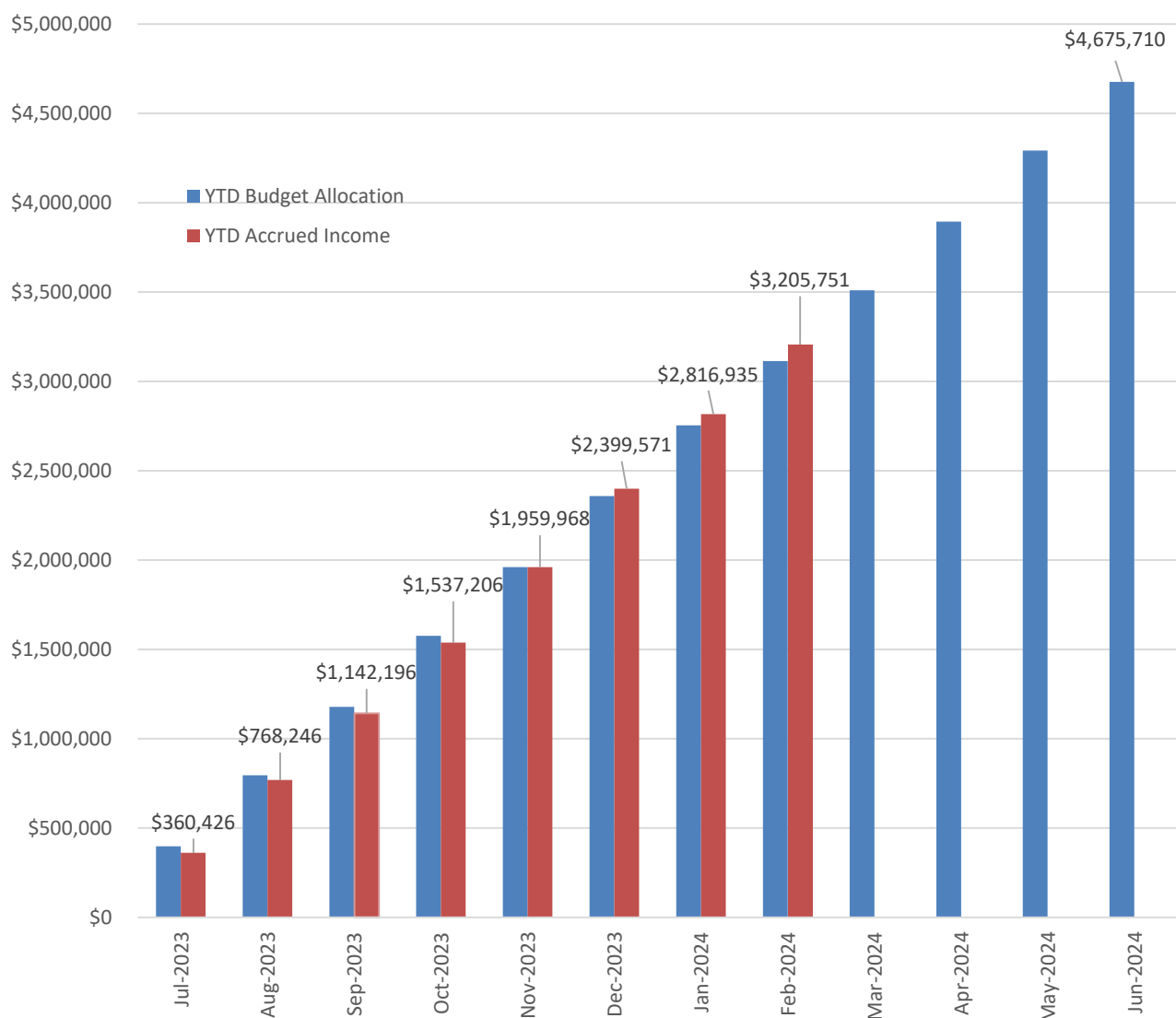
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## Accrued Investment Income vs Budget



In accordance with Regulation NO 212, clause 1(b), I certify that the investments have been made in accordance with the Act, Regulations and Council's investment policies.

Stephen Mitchell  
Responsible Accounting Officer