

CLAUSE **CL08**

TITLE **Investments as at 29 February 2024**

FROM **Vanessa Edwards, Finance Manager**

TRIM REF **24/4366**

SUMMARY

This report details Council's investments performance at the month of February 2024

RECOMMENDATION

The report be noted by Council.

REPORT

In accordance with Section 212 of the Local Government (General) Regulation 2021, it is hereby certified that the investments detailed in the attached schedules have been made in accordance with Section 625 of the Local Government Act 1993, its Regulations and Council's current Investment Policy and Strategy which were last amended and adopted on 14 July 2023.

Management is striving to continuously build up cash and investment returns to ensure ongoing financial stability and liquidity into the future.

OPTIONS

OPTION 1

As per the Recommendation.

OPTION 2

Any other Recommendation of Council.

POLICY IMPLICATIONS

The actions taken comply with Council's current investment policy and strategy, and the Ministerial Order as provided by the NSW Office of Local Government.

FINANCIAL IMPLICATIONS

As at the 29 February 2024, Council had received a total of \$1,739,896 in interest coupon payments.

The overall net interest income recognised (when combining both interest received and mark-to-market entries) at 29 February 2024 was \$2,365,567. The annual original adopted budget for 2023/24 was \$2,108,000. The annual revised budget for 2023/2024 is \$2,808,000.

Council has a mix of growth and fixed income investments in the portfolio and at certain times growth assets are exposed to equity market fluctuations (volatility) as well as rises in interest rates and may incur non-cash valuation reductions that can impact on reported profits. These are long term assets and Council has no intention of divesting any of these assets when at cyclical lows and therefore crystallising any losses. Invariably, these assets will regain and increase their values over time and they make up a valuable diversity in Council's portfolio overall.

Due to the high volatility across investment markets, it is difficult to obtain cash yields whilst maintaining appropriate diversification of investments and not be exposed to potential fluctuations in the carrying value of these assets. Council's investments are diversified primarily across TCorp Managed Funds, term deposits, fixed income bonds and floating rate notes which are largely determined by the restrictions in place by the Minister's Order. Council's investments are diversified, all highly rated and of high quality.

LEGAL/STATUTORY IMPLICATIONS

Section 212 of the Local Government (General) Regulation 2021.

ENVIRONMENTAL IMPLICATIONS

Not Applicable

COMMUNITY IMPLICATIONS

Not Applicable

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item: 1.1 Provide clear, accessible, relevant information.

CONSULTATION

Senior Management Team

LEGAL/STATUTORY IMPLICATIONS

Section 212 of the Local Government (General) Regulation 2021.

ENVIRONMENTAL IMPLICATIONS

Not Applicable

COMMUNITY IMPLICATIONS

Not Applicable

LINK TO STRATEGIC PLAN

This item links to Council's Strategic Plan item 1.1 Provide clear, accessible, relevant information.

CONSULTATION

Senior Management Team

ATTACHMENTS

- (a) Statement of Funds 29 February 2024
- (b) Investments Returns Analysis - 12 Months Annualised
- (c) TCorp Monthly Economic Report - February 2024