

Investment Facility

The Investment Facility is available to assist Western Australian State Government Agencies, Public Universities and Local Governments to efficiently manage their short to medium term cash surpluses.

Overview The Investment Facility is designed to provide clients with a practical and competitive alternative to leaving funds in low interest bank accounts due to concerns on break provisions for bank term deposits. WATC has extensive experience and expertise in managing investments with in excess of \$9.9 billion in investment funds managed its own name and for clients.

- Benefits**
- **Maturities on any Business Day** - We are able to provide investments maturing on any business day to suit client needs.
 - **Market Interest Rates** - WATC prices investments based on prevailing financial market rates.
 - **Guaranteed by the Treasurer** - All deposits under the Investment Facility are guaranteed by the Treasurer on behalf of the State of Western Australia.
 - **Secure Online Platform** - The WATC Client Portal provides a secure online platform for clients to transact and access account information.
 - **No Fees** - WATC does not charge establishment or management fees for client investments.
 - **Maintain Control of Your Investment** - WATC investments are redeemable at call or at short notice.

Investment Products

Overnight Cash Deposit Facility (OCDF)

Allows funds to be invested overnight. The outstanding balance can be increased or decreased on a daily basis. Interest is calculated on the daily balance and either paid out or reinvested monthly. The interest rate is linked to the Reserve Bank of Australia's target cash rate.

Term Deposit Facility (TDF)

Enables funds to be invested at a fixed rate, for any term ranging from 7 to 365 days. Upon maturity, principal and/or interest can be reinvested, paid to a nominated bank account or transferred to an OCDF. Term deposits are redeemable at short notice, subject to a potential early termination adjustment.

Product Accessibility

The Investment Facility is available to all WATC clients. An information brochure outlining the terms and conditions of the Investment Facility, which includes an application form to establish an Investment Facility, is available from your WATC Relationship Manager.

Practical Application



About This Practical Application

The below has been provided for illustrative purposes only. An early termination may result in an Early Termination Adjustment, which, if applicable, will reduce accrued interest payable to the client, and may also result in a reduction to the original deposit.

Using the Investment Facility - A Practical Application

Authority X currently keeps surplus funds that are unlikely to be needed for business purposes in the very short-term in its low interest bearing transaction account.

Authority X's primary concern is the risk associated in placing funds in higher yielding term deposits given the significant notice period and bank interest penalties that apply if circumstances change and

Practical Application Continued

the funds were required sooner.

After Authority X's Finance Manager learnt of WATC's flexible At Call & Term Deposits, Authority X established an Investment Facility with WATC.

When Authority X had \$10 million in surplus cash six weeks before the money was anticipated to be spent, the Finance Manager decided to place it in a WATC Term Deposit:

Amount of Deposit:	\$10,000,000
Date of Deposit:	20 August
Maturity Date:	1 October
Interest Rate:	1.88%
Term:	42 Days
Interest due on Maturity Date:	\$21,632

Ten days after placing the investment, Authority X incurred a significant unbudgeted expenditure that was payable in seven days. The Finance Manager contacted their WATC Client Relationship Manager, requesting a calculation for termination of the Term Deposit:

Amount of Deposit:	\$10,000,000
Date of Deposit:	20 August
Termination Date:	5 September
Interest Rate:	1.88%
Accrued Interest to Termination Date:	\$8,241
Early Termination Adjustment:	(\$238)

Amount Receivable on Termination Date \$10,008,003

The Finance Manager authorised the termination on this basis, and as the unbudgeted expenditure payment deadline was set for 7 September, the \$10,008,003 proceeds were held in Authority X's At Call - WATC OCDF account earning an extra 1.50% for the two final days:

Transaction Amount:	\$10,008,003
Interest Rate:	1.50%
Number of Days:	2
Interest for September (Paid 1 October):	\$822

This information is descriptive and general in nature and does not take into account your organisation's specific financial objectives, situation and needs. Please contact your Client Relationship Manager before making any decisions in relation to WATC's products and services, so they can provide information and advice on which options are suited to your organisation's requirements.

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Accessing WATC Services

Our services are available to all Western Australian State government entities, local governments and public universities. Contact us to discuss your specific business requirements.

Corporate Treasury Services

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