



Town of Newmarket  
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## **Second Quarter 2025 Investment Summary Information Report**

Report Number: INFO-2025-16

Department(s): Financial Services

Author(s): Andrea Tang, Director of Financial Services / Treasurer

Distribution Date: August 14, 2025

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### **Purpose**

To inform the second quarter 2025 investment results.

### **Background**

Financial Services reports on the Town's financial results every quarter. As recommended by the Fiscal Strategy, investment results are shown separately from the general quarterly financial update.

Investments are categorized as short-term and long-term. Expectation for short-term investments is to meet the annual budget of \$1.2 million. For long-term investments, return on investments are measured against the Non-Residential Construction Price Index as the benchmark.

### **Discussion**

The Investment return for the six months ending June 30, 2025, was performing higher than the benchmark by \$1.1 million.

### **Short-Term Investments**

Short-term investments had a \$0.4 million surplus when compared to the year-to-date budget. Interest earned on bank balances averaged 3.59%. It is important to note that as the Bank of Canada interest rate comes down, interest earned from bank balances will decline.

## Long-Term Investments

Long-term investments were \$0.7 million above the benchmark at 3.7% (based on the second quarter 2025 non-residential construction price index).

At the end of the second quarter of 2025, the fair market value (FMV) of our investments exceeded their principal value.

The long-term investment portfolio of \$106.9 million as of June 30, 2025, included:

- i) \$32.2 million (30.2%) in Guaranteed Investment Certificates (“GIC”) with major banks
- ii) \$28.0 million (26.2%) in Canadian equities
- iii) \$20.0 million (18.7%) Principal-Protected Notes (“PPN”)
- iv) \$20.0 million (18.7%) in Bonds
- v) \$6.7 million (6.2%) in non-traditional investments (internal loans)

Guaranteed Investment Certificates (GIC) include purchases on the secondary market (cost \$32.2 million against Fair Market Value (FMV) \$33.5 million).

Canadian Equities are a basket of shares that are actively bought and sold by ONE Investment (cost \$28.0 million against FMV \$34.0 million). Capital gains or losses are recognized when units are sold.

Principal-Protected Notes (PPN) have a guaranteed rate, and a potential capital gain is realized based on their underlying products – usually a stock market index (cost \$20.0 million against FMV \$24.7 million). Capital gains are recognized at maturity.

Bonds are similar to Canadian equities with an active market, but only the principal is guaranteed at maturity. They are also similar to PPNs with underlying products where the unrealized gains may fluctuate. Gains are recognized at maturity (cost \$20.0 million against FMV \$21.3 million).

Non-traditional investments are 20-year internal loans with no FMV. Repayment of the loans for solar panel installations across multiple sites, as well as the streetlight projects, is anticipated by 2033. The Ray Twinney solar panel initiative is expected to be repaid by 2034, while the Magna solar panel project is scheduled for full repayment by 2035.

## Consultation

Not applicable.

## Conclusion

In the opinion of the Treasurer, all investments made were in line with the investment policies, strategies and goals adopted by the Town. As per the goals approved in staff report 2022-09, the Town’s investment in the equity market does not exceed 40% of the total investment portfolio.

## **Council Priority Association**

This report aligns with Council's core values for Financial Sustainability.

## **Human Resource Considerations**

Not applicable.

## **Budget Impact**

All investment returns on reserves have been allocated to the corresponding reserves.

## **Attachments**

**Attachment 1** – Investment Summary for the Six Months Ending June 30, 2025

**Attachment 2** – Investment Details for the Six Months Ending June 30, 2025

## **Approval for Distribution**

Andrea Tang, CPA, CA

Director, Financial Services / Treasurer

Esther Armchuk, LL. B

Commissioner, Corporate Services

## **Report Contact**

For more information on this report, contact [info@newmarket.ca](mailto:info@newmarket.ca).

Attachment 1: Investment Summary for the Six Months Ended June 30, 2025												
	Short-term Investments				Long-term Investments				Consolidated			
	Principal June 30, 2025	Return on Investment	Benchmark	Incremental Income	Principal June 30, 2025	Return on Investment	Benchmark	Incremental Income	Principal June 30, 2025	Return on Investment	Benchmark	Incremental Income
Active Investments:												
Guaranteed Investment Certificates (GIC)			\$	-	\$ 32,177,047	\$ 822,309	\$ 410,377	\$ 411,932	\$ 32,177,047	\$ 822,309	\$ 410,377	\$ 411,932
Canadian Equities				-	28,005,173	513,837	513,837	-	28,005,173	513,837	513,837	-
Principal-Protected notes (PPN)				-	19,999,865	533,079	366,956	166,122	19,999,865	533,079	366,956	166,122
Bonds				-	20,000,000	495,890	366,959	128,932	20,000,000	495,890	366,959	128,932
Non-traditional Investments (Internal Loans)				-	6,677,273	103,962	122,514	- 18,552	6,677,273	103,962	122,514	- 18,552
Total Active Investments	\$ -	\$ -	\$ -	\$ -	\$ 106,859,358	\$ 2,469,078	\$ 1,780,644	\$ 688,433	\$ 106,859,358	\$ 2,469,078	\$ 1,780,644	\$ 688,433
Passive Investments:												
Bank account interest	\$	992,145	\$ 592,500	\$ 399,645			\$	-	\$	992,145	\$ 592,500	\$ 399,645
Total Passive Investments	\$ -	\$ 992,145	\$ 592,500	\$ 399,645	\$ -	\$ -	\$ -	-	\$ -	\$ 992,145	\$ 592,500	\$ 399,645
Total Investments	\$ -	\$ 992,145	\$ 592,500	\$ 399,645	\$ 106,859,358	\$ 2,469,078	\$ 1,780,644	\$ 688,433	\$ 106,859,358	\$ 3,461,223	\$ 2,373,144	\$ 1,088,078

## Attachment 2: Investment Details for the Six Months Ended June 30, 2025

### LONG-TERM INVESTMENTS:

GUARANTEED INVESTMENT CERTIFICATES (GIC)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank	\$9,885,030	\$10,177,021	\$10,295,713	2017-09-21	Various	Various	Various	\$287,143	\$6,722	\$280,421
CIBC - Callable	\$6,000,000	\$6,000,026	\$6,409,860	2023-12-22	2028-12-22	5 years	5.05%	\$150,255	\$110,088	\$40,167
CANACORD GENUITY CORP - DUCA FINANCIAL - GIC	\$2,000,000	\$2,000,000	\$2,172,635	2023-12-15	2028-12-15	5 years	5.50%	\$54,548	\$36,696	\$17,852
CANACORD GENUITY CORP - DUCA FINANCIAL - GIC	\$2,000,000	\$2,000,000	\$2,175,834	2023-12-15	2027-12-15	4 years	5.60%	\$55,540	\$36,696	\$18,844
CANACORD GENUITY CORP - DUCA FINANCIAL - GIC	\$2,000,000	\$2,000,000	\$2,182,240	2023-12-15	2026-12-15	3 years	5.80%	\$57,523	\$36,696	\$20,827
CANACORD GENUITY CORP - DUCA FINANCIAL - GIC	\$2,000,000	\$2,000,000	\$2,188,653	2023-12-15	2025-12-15	2 years	6.00%	\$59,507	\$36,696	\$22,811
CANACORD GENUITY CORP - GENERAL BANK OF CANADA	\$2,000,000	\$2,000,000	\$2,038,985	2024-12-16	2026-12-16	2 years	3.63%	\$36,002	\$36,696	-\$694
NATIONAL BANK - BMO	\$4,000,000	\$4,000,000	\$4,090,040	2024-11-01	2026-11-01	2 Years	4.14%	\$82,119	\$73,392	\$8,728
CIBC - SENIOR NOTES	\$2,000,000	\$2,000,000	\$1,980,240	2024-11-18	2030-11-18	6 Years	4.00%	\$39,671	\$36,696	\$2,975
<b>Sub-Total</b>	<b>\$31,885,030</b>	<b>\$32,177,047</b>	<b>\$33,534,201</b>					<b>\$822,309</b>	<b>\$410,377</b>	<b>\$411,932</b>
CANADIAN EQUITIES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
ONE INVESTMENT	\$28,005,173	\$28,005,173	\$33,953,467					\$513,837	\$513,837	\$0
<b>Sub-Total</b>	<b>\$28,005,173</b>	<b>\$28,005,173</b>	<b>\$33,953,467</b>					<b>\$513,837</b>	<b>\$513,837</b>	<b>\$0</b>
PRINCIPAL PROTECTED NOTES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
CIBC	\$10,000,000	\$10,000,000	\$12,326,000	2023-11-09	2030-11-12	7 Years	5.80%	\$287,616	\$183,479	\$104,137
National Bank (Royal Bank)	\$10,000,000	\$9,999,865	\$12,407,000	2023-12-07	2033-12-07	10 Years	4.95%	\$245,462	\$183,477	\$61,985
<b>Sub-Total</b>	<b>\$20,000,000</b>	<b>\$19,999,865</b>	<b>\$24,733,000</b>					<b>\$533,079</b>	<b>\$366,956</b>	<b>\$166,122</b>

**Attachment 2: Investment Details for the Six Months Ended June 30, 2025**

BONDS										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
ROYAL BANK - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,642,500	2023-12-22	2031-12-22	8 years	4.95%	\$245,466	\$183,479	\$61,986
ROYAL BANK - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,649,222	2023-12-22	2032-12-22	9 years	5.05%	\$250,425	\$183,479	\$66,945
<b>Sub-Total</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$21,291,722</b>					<b>\$495,890</b>	<b>\$366,959</b>	<b>\$128,932</b>
NON-TRADITIONAL INVESTMENTS (Internal loans)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Internal Loan -Solar Panels (2013, Various Facilities)	\$139,849	\$133,986		2013-12-01	2033-12-01	20 years	3.00%	\$2,168	\$2,458	-\$291
Internal Loan - RJT Solar Panels (2014)	\$368,449	\$353,378		2015-01-01	2035-01-01	20 years	3.00%	\$6,225	\$6,484	-\$258
Internal Loan - Magna Solar Panels (2015)	\$917,960	\$883,605		2016-01-01	2036-01-01	20 years	2.70%	\$13,826	\$16,212	-\$2,386
Internal Loan - Honeywell Streetlights Retrofit Project	\$5,491,755	\$5,306,304		2013-12-10	2033-12-10	20 years	2.70%	\$81,743	\$97,360	-\$15,617
<b>Sub-Total</b>	<b>\$6,918,013</b>	<b>\$6,677,273</b>						<b>\$103,962</b>	<b>\$122,514</b>	<b>-\$18,552</b>
SHORT TERM INVESTMENTS:										
PASSIVE INVESTMENTS (Bank account interest)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to June 30, 2025			
	2025-01-01	2025-06-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Bank Account Interest	-	-	-	-	-	-	Prime - 1.5%	\$992,145	\$592,500	\$399,645
<b>Grand Total</b>	<b>\$106,808,216</b>	<b>\$106,859,358</b>						<b>\$3,461,223</b>	<b>\$2,373,144</b>	<b>\$1,088,078</b>