



Town of Newmarket
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Third Quarter 2025 Investment Summary Information Report

Report Number: INFO-2025-22

Department(s): Financial Services

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

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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 third 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 nine months ending September 30, 2025, was performing higher than the benchmark by \$2.1 million.

Short-Term Investments

Short-term investments had a \$0.9 million surplus when compared to the year-to-date budget. Interest earned on bank balances averaged 3.53%. 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 \$1.2 million above the benchmark at 3.4% (based on the third quarter of 2025 non-residential construction price index).

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

The long-term investment portfolio of \$106.7 million as of September 30, 2025, included:

- i) \$32.2 million (30.2%) in Guaranteed Investment Certificates (“GIC”) with major banks
- ii) \$28.0 million (26.3%) in Canadian equities
- iii) \$20.0 million (18.7%) Principal-Protected Notes (“PPN”)
- iv) \$20.0 million (18.7%) in Bonds
- v) \$6.5 million (6.1%) 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) \$33.7 million).

Canadian Equities are a basket of shares that are actively bought and sold by ONE Investment (cost \$28.0 million against FMV \$36.7 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 \$26.8 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 \$21.7 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

Detail the internal departments and / or external groups or interested parties that contributed to the content of this report.

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 the following Council Priority: Insert Council Priority.

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 Nine Months Ending September 30, 2025

Attachment 2: Investment Details for the Nine Months Ending September 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.

Attachment 1: Investment Summary for the Nine Months Ended September 30, 2025												
	Short-term Investments				Long-term Investments				Consolidated			
	Principal September 30, 2025	Return on Investment	Benchmark	Incremental Income	Principal September 30, 2025	Return on Investment	Benchmark	Incremental Income	Principal September 30, 2025	Return on Investment	Benchmark	Incremental Income
Active Investments:												
Guaranteed Investment Certificates (GIC)				\$ -	\$ 32,248,685	\$ 1,224,737	\$ 537,546	\$ 687,191	\$ 32,248,685	\$ 1,224,737	\$ 537,546	\$ 687,191
Canadian Equities				-	28,005,173	712,175	712,175	-	28,005,173	712,175	712,175	-
Principal-Protected notes (PPN)				-	20,000,000	804,041	508,603	295,438	20,000,000	804,041	508,603	295,438
Bonds				-	20,000,000	747,945	508,603	239,342	20,000,000	747,945	508,603	239,342
Non-traditional Investments (Internal Loans)				-	6,523,477	135,778	165,893	- 30,115	6,523,477	135,778	165,893	- 30,115
Total Active Investments	\$ -	\$ -	\$ -	\$ -	\$ 106,777,335	\$ 3,624,676	\$ 2,432,820	\$ 1,191,857	\$ 106,777,335	\$ 3,624,676	\$ 2,432,820	\$ 1,191,857
Passive Investments:												
Bank account interest	\$	1,640,712	\$ 770,250	\$ 870,462				\$ -	\$	1,640,712	\$ 770,250	\$ 870,462
Total Passive Investments	\$ -	\$ 1,640,712	\$ 770,250	\$ 870,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,640,712	\$ 770,250	\$ 870,462
Total Investments	\$ -	\$ 1,640,712	\$ 770,250	\$ 870,462	\$ 106,777,335	\$ 3,624,676	\$ 2,432,820	\$ 1,191,857	\$ 106,777,335	\$ 5,265,389	\$ 3,203,070	\$ 2,062,319

Attachment 2: Investment Details for the Nine Months Ended September 30, 2025

LONG-TERM INVESTMENTS:

GUARANTEED INVESTMENT CERTIFICATES (GIC)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank	\$9,885,030	\$10,248,659	\$10,213,809	2017-09-21	Various	Various	Various	\$417,554	-\$21,918	\$439,471
CIBC - Callable	\$6,000,000	\$6,000,026	\$6,474,780	2023-12-22	2028-12-22	5 years	5.05%	\$226,628	\$152,581	\$74,047
National Bank - BMO	\$4,000,000	\$4,000,000	\$4,155,680	2024-11-01	2026-11-01	2 Years	4.14%	\$123,860	\$101,721	\$22,139
CIBC - Senior Notes	\$2,000,000	\$2,000,000	\$1,987,580	2024-11-18	2030-11-18	6 Years	4.00%	\$59,836	\$50,860	\$8,975
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,201,886	2023-12-15	2028-12-15	5 years	5.50%	\$82,274	\$50,860	\$31,414
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,205,646	2023-12-15	2027-12-15	4 years	5.60%	\$83,770	\$50,860	\$32,910
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,213,174	2023-12-15	2026-12-15	3 years	5.80%	\$86,762	\$50,860	\$35,901
Canacord Genuity Corp. - Generan Bank of Canada	\$2,000,000	\$2,000,000	\$2,057,284	2024-12-16	2026-12-16	2 years	3.63%	\$54,301	\$50,860	\$3,441
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,220,715	2023-12-15	2025-12-15	2 years	6.00%	\$89,753	\$50,860	\$38,893
Sub-Total	\$31,885,030	\$32,248,685	\$33,730,553					\$1,224,737	\$537,546	\$687,191

CANADIAN EQUITIES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
One Investment	\$28,005,173	\$28,005,173	\$36,669,106					\$712,175	\$712,175	\$0
Sub-Total	\$28,005,173	\$28,005,173	\$36,669,106					\$712,175	\$712,175	\$0

PRINCIPAL PROTECTED NOTES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
CIBC	\$10,000,000	\$10,000,000	\$13,187,000	2023-11-09	2030-11-12	7 Years	5.80%	\$433,808	\$254,301	\$179,507
National Bank (Royal Bank)	\$10,000,000	\$10,000,000	\$13,616,000	2023-12-07	2033-12-07	10 Years	4.95%	\$370,233	\$254,301	\$115,932
Sub-Total	\$20,000,000	\$20,000,000	\$26,803,000					\$804,041	\$508,603	\$295,438

Attachment 2: Investment Details for the Nine Months Ended September 30, 2025

BONDS										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,826,350	2023-12-22	2031-12-22	8 years	4.95%	\$370,233	\$254,301	\$115,932
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,842,872	2023-12-22	2032-12-22	9 years	5.05%	\$377,712	\$254,301	\$123,411
Sub-Total	\$20,000,000	\$20,000,000	\$21,669,222					\$747,945	\$508,603	\$239,342
NON-TRADITIONAL INVESTMENTS (Internal loans)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Internal Loan -Solar Panels (2013, Various Facilities)	\$139,849	\$130,231		2013-12-01	2033-12-01	20 years	3.00%	\$2,755	\$3,312	-\$557
Internal Loan - RJT Solar Panels (2014)	\$368,449	\$343,531		2015-01-01	2035-01-01	20 years	3.00%	\$7,942	\$8,736	-\$794
Internal Loan - Magna Solar Panels (2015)	\$917,960	\$861,693		2016-01-01	2036-01-01	20 years	2.70%	\$17,883	\$21,913	-\$4,030
Internal Loan - Honeywell Streetlights Retrofit Project	\$5,491,755	\$5,188,022		2013-12-10	2033-12-10	20 years	2.70%	\$107,198	\$131,932	-\$24,734
Sub-Total	\$6,918,013	\$6,523,477						\$135,778	\$165,893	-\$30,115
SHORT TERM INVESTMENTS:										
PASSIVE INVESTMENTS (Bank account interest)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to September 30, 2025			
	2025-01-01	2025-09-30					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Bank Account Interest	-	-	-	-	-	-	Prime - 1.5%	\$1,640,712	\$770,250	\$870,462
Grand Total	\$106,808,217	\$106,777,335						\$5,265,389	\$3,203,070	\$2,062,319