



Town of Newmarket
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Fourth Quarter 2025 Investment Summary Information Report

Report Number: INFO-2026-08

Department(s): Financial Services

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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

The purpose of this report is to inform the fourth quarter 2025 investment results.

Background

The Town's investment financial results are reported every quarter.

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 twelve months ending December 31, 2025, was performing higher than the benchmark by \$2.3 million.

Short-Term Investments

Short-term investments had a \$1.0 million surplus when compared to the year-to-date budget. Interest earned on bank balances averaged 3.4%.

Long-Term Investments

Long-term investments were \$1.3 million above the benchmark at 4.1% (based on the fourth quarter of 2025 non-residential construction price index).

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

The long-term investment portfolio of \$109.7 million as of December 31, 2025, included:

- i) \$31.3 million (28.6%) in Guaranteed Investment Certificates (“GIC”) with major banks
- ii) \$32.0 million (29.2%) in Canadian equities
- iii) \$20.0 million (18.2%) Principal-Protected Notes (“PPN”)
- iv) \$20.0 million (18.2%) in Bonds
- v) \$6.4 million (5.8%) in non-traditional investments (internal loans)

Guaranteed Investment Certificates (GIC) include purchases on the secondary market (cost \$31.3 million against Fair Market Value (FMV) \$32.0 million).

Canadian Equities are a basket of shares that are actively bought and sold by ONE Investment (cost \$32.0.0 million against FMV \$37.0 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 \$28.4 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 \$20.7 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: Financial Sustainability

Human Resource Considerations

Describe human resource considerations.

Budget Impact

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

Attachments

Attachment 1: Investment Summary for the Twelve Months Ending December 31, 2025

Attachment 2: Investment Details for the Twelve Months Ending December 31, 2025

Approval for Distribution

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 Twelve Months Ended December 31, 2025

	Short-term Investments				Long-term Investments				Consolidated			
	Principal December 31, 2025	Return on Investment	Benchmark	Incremental Income	Principal December 31, 2025	Return on Investment	Benchmark	Incremental Income	Principal December 31, 2025	Return on Investment	Benchmark	Incremental Income
Active Investments:												
Guaranteed Investment Certificates (GIC)				\$ -	\$ 31,347,582	\$ 1,748,543	\$ 779,890	\$ 968,654	\$ 31,347,582	\$ 1,748,543	\$ 779,890	\$ 968,654
Canadian Equities				-	31,992,206	1,229,946	1,229,946	-	31,992,206	1,229,946	1,229,946	-
Principal-Protected notes (PPN)				-	20,000,000	1,075,000	820,000	255,000	20,000,000	1,075,000	820,000	255,000
Bonds				-	20,000,000	1,000,000	820,000	180,000	20,000,000	1,000,000	820,000	180,000
Non-traditional Investments (Internal Loans)				-	6,386,828	181,037	261,860	80,823	6,386,828	181,037	261,860	80,823
Total Active Investments	\$ -	\$ -	\$ -	\$ -	\$ 109,726,616	\$ 5,234,527	\$ 3,911,696	\$ 1,322,831	\$ 109,726,616	\$ 5,234,527	\$ 3,911,696	\$ 1,322,831
Passive Investments:												
Bank account interest		\$ 2,177,217	\$ 1,185,000	\$ 992,217				\$ -	\$ 2,177,217	\$ 1,185,000	\$ 992,217	\$ 992,217
Total Passive Investments	\$ -	\$ 2,177,217	\$ 1,185,000	\$ 992,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,177,217	\$ 1,185,000	\$ 992,217
Total Investments	\$ -	\$ 2,177,217	\$ 1,185,000	\$ 992,217	\$ 109,726,616	\$ 5,234,527	\$ 3,911,696	\$ 1,322,831	\$ 109,726,616	\$ 7,411,744	\$ 5,096,696	\$ 2,315,048

Attachment 2: Investment Details for the Twelve Months Ended December 31, 2025

LONG-TERM INVESTMENTS:

GUARANTEED INVESTMENT CERTIFICATES (GIC)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank	\$9,885,030	\$11,347,556	\$10,524,017	2017-09-21	Various	Various	Various	\$541,794	-\$40,111	\$581,905
CIBC - Callable	\$6,000,000	\$6,000,026	\$6,513,086	2023-12-22	2028-12-22	5 years	5.05%	\$303,001	\$246,001	\$57,000
National Bank - BMO	\$4,000,000	\$4,000,000	\$4,204,080	2024-11-01	2026-11-01	2 Years	4.14%	\$165,600	\$164,000	\$1,600
CIBC - Senior Notes	\$2,000,000	\$2,000,000	\$1,968,560	2024-11-18	2030-11-18	6 Years	4.00%	\$80,000	\$82,000	-\$2,000
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,231,417	2023-12-15	2028-12-15	5 years	5.50%	\$110,000	\$82,000	\$28,000
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,235,747	2023-12-15	2027-12-15	4 years	5.60%	\$112,000	\$82,000	\$30,000
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,244,420	2023-12-15	2026-12-15	3 years	5.80%	\$116,000	\$82,000	\$34,000
Canacord Genuity Corp. - Generan Bank of Canada	\$2,000,000	\$2,000,000	\$2,075,692	2024-12-16	2026-12-16	2 years	3.63%	\$72,600	\$82,000	-\$9,400
Canacord Genuity Corp. - DUCA Financial - GIC - MATURED	\$2,000,000	\$0	\$0	2023-12-15	2025-12-15	2 years	6.00%	\$247,548	\$0	\$247,548
Sub-Total	\$31,885,030	\$31,347,582	\$31,997,019					\$1,748,543	\$779,890	\$968,654

CANADIAN EQUITIES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
One Investment	\$28,005,173	\$31,992,206	\$36,964,313					\$1,229,946	\$1,229,946	\$0
Sub-Total	\$28,005,173	\$31,992,206	\$36,964,313					\$1,229,946	\$1,229,946	\$0

PRINCIPAL PROTECTED NOTES										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
CIBC	\$10,000,000	\$10,000,000	\$13,913,000	2023-11-09	2030-11-12	7 Years	5.80%	\$580,000	\$410,000	\$170,000
National Bank (Royal Bank)	\$10,000,000	\$10,000,000	\$14,531,000	2023-12-07	2033-12-07	10 Years	4.95%	\$495,000	\$410,000	\$85,000
Sub-Total	\$20,000,000	\$20,000,000	\$28,444,000					\$1,075,000	\$820,000	\$255,000

Attachment 2: Investment Details for the Twelve Months Ended December 31, 2025

BONDS										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,364,000	2023-12-22	2031-12-22	8 years	4.95%	\$495,000	\$410,000	\$85,000
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,367,622	2023-12-22	2032-12-22	9 years	5.05%	\$505,000	\$410,000	\$95,000
Sub-Total	\$20,000,000	\$20,000,000	\$20,731,622					\$1,000,000	\$820,000	\$180,000
NON-TRADITIONAL INVESTMENTS (Internal loans)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Internal Loan -Solar Panels (2013, Various Facilities)	\$139,849	\$126,777		2013-12-01	2033-12-01	20 years	3.00%	\$3,673	\$5,198	-\$1,525
Internal Loan - Honeywell Streetlights Retrofit Project	\$5,491,755	\$5,080,807		2013-12-10	2033-12-10	20 years	2.70%	\$142,930	\$208,313	-\$65,383
Internal Loan - RJT Solar Panels (2014)	\$368,449	\$335,583		2015-01-01	2035-01-01	20 years	3.00%	\$10,590	\$13,759	-\$3,169
Internal Loan - Magna Solar Panels (2015)	\$917,960	\$843,662		2016-01-01	2036-01-01	20 years	2.70%	\$23,844	\$34,590	-\$10,746
Sub-Total	\$6,918,013	\$6,386,828						\$181,037	\$261,860	-\$80,823
SHORT TERM INVESTMENTS:										
PASSIVE INVESTMENTS (Bank account interest)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to December 31, 2025			
	2025-01-01	2025-12-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Bank Account Interest	-	-	-	-	-	-	Prime - 1.5%	\$2,177,217	\$1,185,000	\$992,217
Grand Total	\$106,808,217	\$109,726,616						\$7,411,744	\$5,096,696	\$2,315,048