



Town of Newmarket
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First Quarter 2026 Investment Summary Information Report

Report Number: INFO-2026-17

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 first quarter 2026 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 Building Construction Price Index ("NRBPCI") (formerly known as the Non-Residential Construction Price Index) as the benchmark.

Discussion

The Investment return for the three months ending March 31, 2026, was performing higher than the benchmark by \$0.3 million.

Short-Term Investments

Short-term investments had a \$0.2 million surplus when compared to the year-to-date budget. Interest earned on bank balances averaged 2.9%.

Long-Term Investments

Long-term investments were \$0.1 million above the benchmark at 3.6% (based on the first quarter of 2026 NRBPCI).

At the end of the first quarter of 2026, the fair market value (“FMV”) exceeded the book value.

The long-term investment portfolio of \$108.6 million as of March 31, 2026, included:

- i) \$30.4 million (28.0%) in Guaranteed Investment Certificates (“GICs”) with major banks
- ii) \$32.0 million (29.4%) in Canadian equities
- iii) \$20.0 million (18.4%) Principal Protected Notes (“PPNs”)
- iv) \$20.0 million (18.4%) in Bonds
- v) \$6.2 million (5.8%) in non-traditional investments (internal loans)

GICs include purchases on the secondary market (cost \$30.4 million against FMV \$32.2 million).

Canadian Equities are a basket of shares that are actively bought and sold by ONE Investment (cost \$32.0 million against FMV \$37.5 million).

PPNs 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 \$29.2 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 (cost \$20.0 million against FMV \$20.8 million). Capital gains are recognized at maturity.

Non-traditional investments are 20-year internal loans and are not subject to market valuation. 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

The Town’s investment portfolio is in compliance with the Investment Policy, which caps equity holdings at 40% of the total portfolio, ensuring a prudent and balanced approach to risk management and capital preservation.

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 Three Months Ending March 31, 2026

Attachment 2: Investment Details for the Three Months Ending March 31, 2026

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 Three Months Ended March 31, 2026

	Short-term Investments				Long-term Investments				Consolidated			
	Principal March 31, 2026	Return on Investment	Benchmark	Incremental Income	Principal March 31, 2026	Return on Investment	Benchmark	Incremental Income	Principal March 31, 2026	Return on Investment	Benchmark	Incremental Income
Active Investments:												
Guaranteed Investment Certificates (GIC)				\$ -	\$ 30,371,048	\$ 273,970	\$ 299,113	-\$ 25,143	\$ 30,371,048	\$ 273,970	\$ 299,113	-\$ 25,143
Canadian Equities				-	31,992,206	283,986	283,986	-	31,992,206	283,986	283,986	-
Principal-Protected notes (PPN)				-	20,000,000	265,068	177,534	87,534	20,000,000	265,068	177,534	87,534
Bonds				-	20,000,000	246,575	177,534	69,041	20,000,000	246,575	177,534	69,041
Non-traditional Investments (Internal Loans)				-	6,256,236	41,759	55,535	- 13,776	6,256,236	41,759	55,535	- 13,776
Total Active Investments	\$ -	\$ -	\$ -	\$ -	\$ 108,619,489	\$ 1,111,358	\$ 993,702	\$ 117,656	\$ 108,619,489	\$ 1,111,358	\$ 993,702	\$ 117,656
Passive Investments:												
Bank account interest		\$ 363,965	\$ 177,750	\$ 186,215				\$ -	\$ 363,965	\$ 177,750	\$ 186,215	
Total Passive Investments	\$ -	\$ 363,965	\$ 177,750	\$ 186,215	\$ -	\$ -	\$ -	\$ -	\$ 363,965	\$ 177,750	\$ 186,215	\$ 186,215
Total Investments	\$ -	\$ 363,965	\$ 177,750	\$ 186,215	\$ 108,619,489	\$ 1,111,358	\$ 993,702	\$ 117,656	\$ 108,619,489	\$ 1,475,323	\$ 1,171,452	\$ 303,871

Attachment 2: Investment Details for the Three Months Ended March 31, 2026

LONG-TERM INVESTMENTS:

GUARANTEED INVESTMENT CERTIFICATES (GIC)

Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2026-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank	\$11,347,556	\$10,371,022	\$10,589,417	2017-09-21	Various	Various	Various	\$37,455	\$121,579	-\$84,124
CIBC - Callable	\$6,000,026	\$6,000,026	\$6,547,380	2023-12-22	2028-12-22	5 years	5.05%	\$74,713	\$53,261	\$21,452
National Bank - BMO	\$4,000,000	\$4,000,000	\$4,198,920	2024-11-01	2028-11-01	4 Years	4.14%	\$40,833	\$35,507	\$5,326
CIBC - Senior Notes	\$2,000,000	\$2,000,000	\$1,958,700	2024-11-18	2030-11-18	6 Years	4.00%	\$19,726	\$17,753	\$1,973
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,261,606	2023-12-15	2028-12-15	5 years	5.50%	\$27,123	\$17,753	\$9,370
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,266,543	2023-12-15	2027-12-15	4 years	5.60%	\$27,616	\$17,753	\$9,863
Canacord Genuity Corp. - DUCA Financial - GIC	\$2,000,000	\$2,000,000	\$2,276,437	2023-12-15	2026-12-15	3 years	5.80%	\$28,603	\$17,753	\$10,849
Canacord Genuity Corp. - Generan Bank of Canada	\$2,000,000	\$2,000,000	\$2,094,243	2024-12-16	2026-12-16	2 years	3.63%	\$17,901	\$17,753	\$148
Sub-Total	\$31,347,582	\$30,371,048	\$32,193,246					\$273,970	\$299,113	-\$25,143

CANADIAN EQUITIES

Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2025-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
One Investment	\$31,992,206	\$31,992,206	\$37,512,465					\$283,986	\$283,986	\$0
Sub-Total	\$31,992,206	\$31,992,206	\$37,512,465					\$283,986	\$283,986	\$0

PRINCIPAL PROTECTED NOTES

Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2025-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
CIBC	\$10,000,000	\$10,000,000	\$14,612,000	2023-11-09	2030-11-12	7 Years	5.80%	\$143,014	\$88,767	\$54,247
National Bank (Royal Bank)	\$10,000,000	\$10,000,000	\$14,584,000	2023-12-07	2033-12-07	10 Years	4.95%	\$122,055	\$88,767	\$33,288
Sub-Total	\$20,000,000	\$20,000,000	\$29,196,000					\$265,068	\$177,534	\$87,534

Attachment 2: Investment Details for the Three Months Ended March 31, 2026

BONDS										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2025-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,381,950	2023-12-22	2031-12-22	8 years	4.95%	\$122,055	\$88,767	\$33,288
Royal Bank - Bonds Callable 5Y+1Y	\$10,000,000	\$10,000,000	\$10,384,672	2023-12-22	2032-12-22	9 years	5.05%	\$124,521	\$88,767	\$35,753
Sub-Total	\$20,000,000	\$20,000,000	\$20,766,622					\$246,575	\$177,534	\$69,041
NON-TRADITIONAL INVESTMENTS (Internal loans)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2026-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Internal Loan -Solar Panels (2013, Various Facilities)	\$126,777	\$123,593	\$ 123,593.24	2013-12-01	2033-12-01	20 years	3.00%	\$832	\$1,097	-\$265
Internal Loan - Honeywell Streetlights Retrofit Project	\$5,080,807	\$4,980,267	\$ 4,980,267.15	2013-12-10	2033-12-10	20 years	2.70%	\$33,057	\$44,208	-\$11,151
Internal Loan - RJT Solar Panels (2014)	\$335,583	\$327,339	\$ 327,338.87	2015-01-01	2035-01-01	20 years	3.00%	\$2,404	\$2,906	-\$502
Internal Loan - Magna Solar Panels (2015)	\$843,662	\$825,037	\$ 825,036.63	2016-01-01	2036-01-01	20 years	2.70%	\$5,465	\$7,324	-\$1,858
Sub-Total	\$6,386,828	\$6,256,236	\$6,256,236					\$41,759	\$55,535	-\$13,776
LONG-TERM INVESTMENTS:	\$109,726,616	\$108,619,489	\$125,924,569					\$1,111,358	\$993,702	\$117,656
SHORT TERM INVESTMENTS:										
PASSIVE INVESTMENTS (Bank account interest)										
Description	Principal Amount		FMV	Starting Date	Maturity Date	Term	January 1 to March 31, 2026			
	2026-01-01	2026-03-31					Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Bank Account Interest	\$ -	\$ -	\$ -	-	-	-	Prime - 1.5%	\$363,965	\$177,750	\$186,215
SHORT TERM INVESTMENTS:	\$ -	\$ -						\$ 363,964.54	\$ 177,750.00	\$ 186,214.54
Grand Total	\$109,726,616	\$108,619,489	\$125,924,569					\$1,475,323	\$1,171,452	\$303,871