



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

Email: [info@newmarket.ca](mailto:info@newmarket.ca) | Website: [newmarket.ca](http://newmarket.ca) | Phone: 905-895-5193

## **Q1 2023 Investment Summary Information Report**

Report Number: INFO-2023-17

Department(s): Financial Services

Author(s): Andrea Tang, Manager, Finance & Accounting / Deputy Treasurer

Date: June 27, 2023

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 2023 first quarter investment results.

### **Background**

Financial Services reports on the Town's financial results on a quarterly basis. This report provides a summary on the 2023 first quarter investment results.

### **Discussion**

The average weighted yield on reserve fund money market investments was 2.19% (2022 – 1.97%) compared to a weighted average benchmark of 5.13% for the three months ending March 31, 2023. Investment returns on short and long-term investments resulted in total investment income of \$1.5 million against the benchmark return of \$0.9 million. As some of the Town's investments were made and locked in prior to the rising interest rates in 2022, this resulted in the actual return to-date being lower than the benchmark.

At the end of March 31, 2023, the reserve fund investment portfolio included:

- i) \$34.5 million (50.0%) Guaranteed Investment Certificates ("GIC") with major banks.
- ii) \$22.8 million (33.0%) in Canadian equities.
- iii) \$7.8 million (11.3%) in non-traditional investments (internal loans).
- iv) \$4.0 million (5.7%) Principal-Protected Notes ("PPN").

At the end of the first quarter 2023, investments in Canadian Equities were valued at \$22.8 million against the 2022 year-end market value of \$21.6 million with a return of 5.5%. The S&P/TSX Composite is a widely quoted benchmark for the Canadian Equity market. For the first quarter 2023, the index returned 3.7%.

### **Passive investments**

Total interest earned in the first quarter from the Town's operating bank accounts was \$0.6 million against year-to-date March budget of \$0.1 million.

### **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.

### **Business Plan and Strategic Plan Linkages**

All investment returns on reserves have been allocated to the corresponding reserves. It aligns with Council's vision for Long Term Financial Sustainability.

### **Consultation**

Not applicable.

### **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 3 Months Ended March 31, 2023.

### **Approval**

Mike Mayes, CPA, CGA, DPA  
Director, Financial Services / Treasurer

Esther Armchuk, LL. B  
Commissioner, Corporate Services

## Contact

Andrea Tang, CPA, CA

Manager, Finance & Accounting / Deputy Treasurer, [atang@newmarket.ca](mailto:atang@newmarket.ca) (ext. 2014)

**Investment Summary for the 3 Months Ended March 31, 2023**

Description	Principal Amount		Starting Date	Term	January 1 to March 31, 2023			
	2023-01-01	2023-03-31			Interest Rate	Return on Investment	Benchmark Return*	Incremental Income
Royal Bank	\$28,383,448	\$28,507,883	2017-09-21	Various	various	\$124,435	\$360,310	-\$235,875
CIBC	\$6,000,000	\$6,000,000	2018-12-10	5 years	3.55%	\$52,521	\$75,904	-\$23,384
Internal Loan -Solar Panels (2013, Various Facilities)	\$163,303	\$160,371	2013-12-01	20 years	3.00%	\$1,084	\$2,029	-\$945
Internal Loan - RJT Solar Panels (2014)	\$428,732	\$421,197	2015-01-01	20 years	3.00%	\$3,113	\$5,328	-\$2,215
Internal Loan - Magna Solar Panels (2015)	\$1,055,380	\$1,038,203	2016-01-01	20 years	2.70%	\$6,913	\$13,134	-\$6,221
Internal Loan - Honeywell Streetlights Retrofit Project	\$6,233,559	\$6,140,833	2013-12-10	20 years	2.70%	\$40,871	\$77,686	-\$36,815
<b>Sub-Total</b>	<b>\$42,264,422</b>	<b>\$42,268,487</b>				<b>\$228,937</b>	<b>\$534,391</b>	<b>-\$305,455</b>

\* Average Benchmark Return = Weighted CIBC Prime Rate - 1.5%