

Investment Holdings and Performance

Portfolio Holdings

On December 31, 2025, the Capital Regional District (CRD) held \$386.2 million in short-term and long-term investments, as detailed in Table 1 below.

Table 1: CRD Investment Holdings – Dec 31, 2025

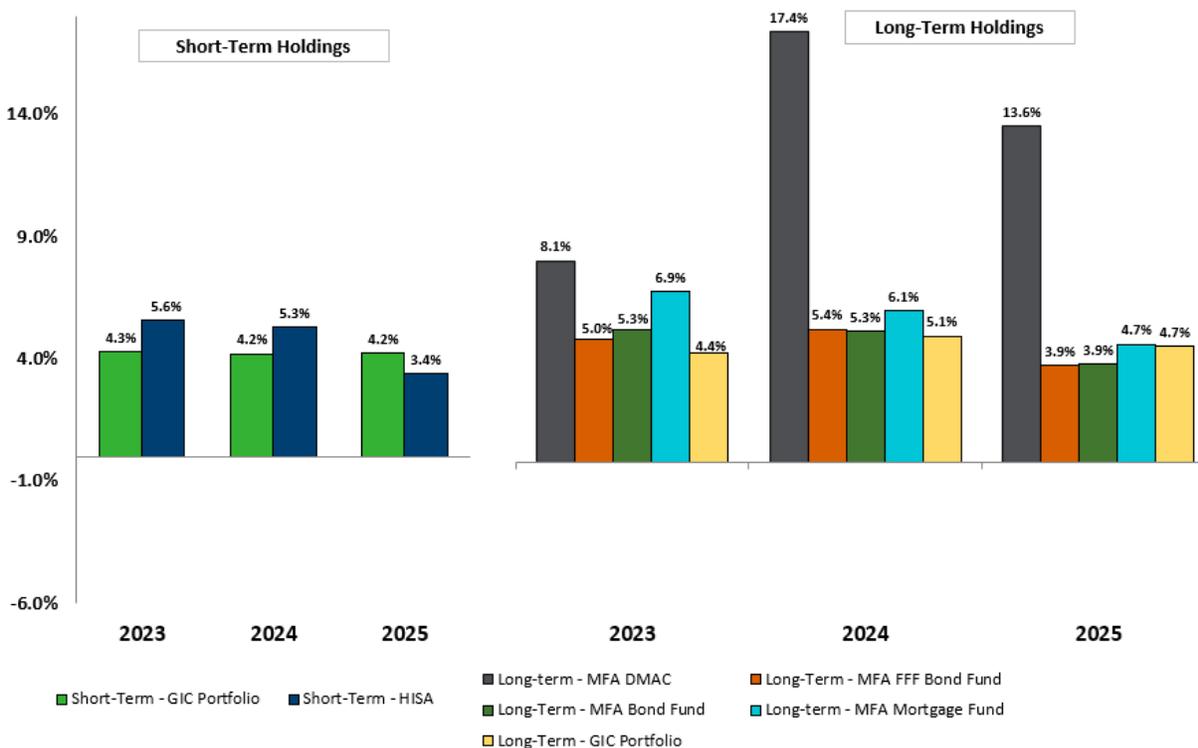
Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)		
High Interest Savings Accounts	150.3	38.9%
Guaranteed Investment Certificates	90.1	23.3%
Total Short-term:	240.4	62.2%
Investments Long-Term (more than 2 years)		
MFA DMAC Fund	20.5	5.3%
MFA Pooled Mortgage Fund	19.5	5.1%
MFA FFF Bond Fund	33.1	8.6%
MFA Short-Term Bond Fund	37.6	9.7%
Guaranteed Investment Certificates	35.1	9.1%
Total Long-term:	145.8	37.8%
Total Investments:	\$386.2	100%

The portfolio was allocated between short-term and long-term investments in a 62%/38% split. Consistent with the Investment Policy, investments with maturities of less than two years are classified as short-term, while investments with maturities beyond two years are classified as long-term.

Performance

Graph 1 provides a detailed report on investment returns in 2025.

Graph 1: CRD Investment Results



Short-Term Investments

Short-term investments are managed to preserve liquidity and support near-term operating and capital expenditures. These investments may include high interest savings accounts (HISAs) and guaranteed investment certificates (GICs) with varying terms, structured to align to forecast cash flow requirements.

In 2025, short-term GIC rates began the year above deposit yields but declined steadily through the year, ending slightly below deposit yields by year-end. Despite this trend, short-term investment performance remained strong.

For holdings with terms under two years, the short-term GIC portfolio generated a return of 4.2%, exceeding the benchmark of 3.6%. HISA accounts returned 3.4% compared to a benchmark of 3.0%. On a combined basis, the short-term portfolio (HISAs and GICs with under two years remaining term) achieved a return of 3.9%, outperforming the benchmark return of 3.3%.

Long-Term Investments

Long-term investments consist primarily of long-term capital reserves invested in long-term GICs and Municipal Finance Authority (MFA) pooled funds.

The long-term GIC portfolio generated a return of 4.7%, exceeding the passive benchmark of 3.5%, reflecting active GIC placements that locked in higher rates earlier in the cycle.

APPENDIX C

In 2025, MFA pooled funds delivered the following returns: MFA Bond Fund 3.9%, MFA Fossil-Fuel-Free (FFF) Bond Fund 3.9%, MFA Mortgage Fund 4.7%, and MFA Diversified Multi-Asset Class (DMAC) Fund 13.6%.

Results were supported in part by the inverse relationship between interest rates and bond prices. As market yields declined and stabilized at lower levels through 2025, fixed-income holdings generated capital gains. At the same time, yields remained relatively elevated versus prior years, supporting higher ongoing coupon income.

On a combined basis, MFA pooled funds returned 5.7% compared to a benchmark of 5.4%. The overall long-term portfolio (MFA pooled funds and GICs with more than two years remaining term) returned 5.4% versus a benchmark of 4.8%. Excluding MFA pooled funds, the total portfolio returned 4.0%, indicating that MFA pooled funds provided a positive contribution to overall results.