

Investment Holdings and Performance

Portfolio Holdings

On December 31, 2024, the Capital Regional District (CRD) held \$371.3 million in short-term and long-term investments, as detailed in Table 1 below.

Table 1: CRD Investment Holdings – Dec 31, 2024

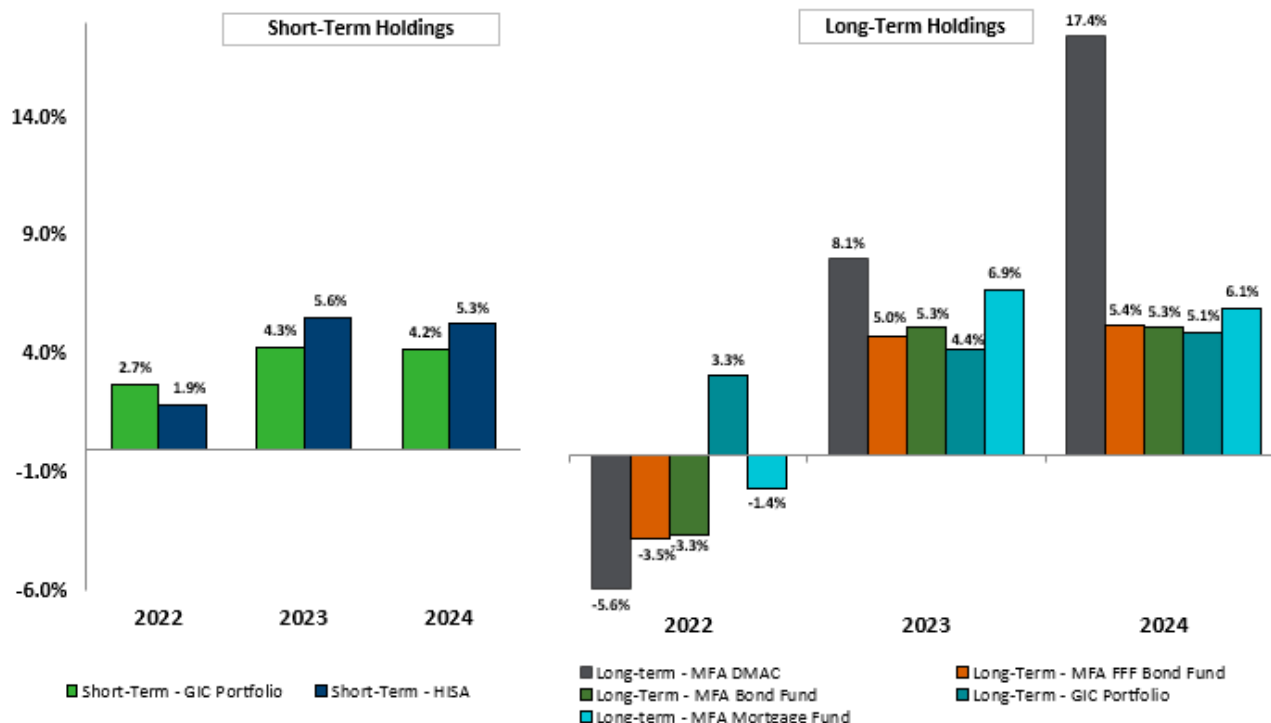
Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)		
High Interest Savings Accounts	52.1	14.0%
Guaranteed Investment Certificates	152.0	40.9%
Total Short-term:	204.2	55.0%
Investments Long-Term (more than 2 years)		
MFA DMAC Fund	18.0	4.9%
MFA Pooled Mortgage Fund	18.6	5.0%
MFA FFF Bond Fund	31.9	8.6%
MFA Short-Term Bond Fund	36.2	9.7%
Guaranteed Investment Certificates	62.4	16.8%
Total Long-term:	167.1	45.0%
Total Investments:	\$371.3	100%

The portfolio was distributed between short-term and long-term investments in a 55%/45% split. As per Investment Policy, investments with maturities or approaching maturities less than two years are classified as short-term and investments with maturity and divestiture dates beyond two years are classified as long term.

Performance

Graph 1 provides a detailed report on investment returns in 2024.

Graph 1: CRD Investment Results



Short-Term Investments

These funds focus on liquidity and are monies needed for near-term expenditures in operating and capital. The funds are invested in a mix of High Interest Savings Accounts (HISA) and Guaranteed Investment Certificates (GIC) with varying terms throughout the year in alignment to cashflow needs. GIC rates began 2024 above deposit yields but fell steadily, ending slightly below them by year’s end.

For short-term holdings (terms less than two years), the short-term GIC portfolio yielded a 4.2% return, exceeding the 3.7% benchmark. The HISA accounts exceed their benchmark of 4.3% with a 5.3% return. The combined short-term portfolio (HISAs plus GICs under 2-years in remaining term) returned 4.4% versus a benchmark of 3.9%.

Long-Term Investments

Funds invested in long-term GICs and Municipal Finance Authority (MFA) pooled funds are primarily long-term capital reserves. The long-term GIC portfolio returned 5.1% exceeding the passive benchmark of 3.1% due to active long-term GIC placements in 2024 at higher rates.

In 2024, the MFA Bond Fund produced a 5.3% return while the MFA Fossil-Fuel-Free (FFF) Bond Fund returned 5.4%, the MFA Mortgage Fund returned 6.1%, the MFA Diversified Multi-Asset Class (DMAC) Fund returned 17.4% all benefiting from the inverse relationship between interest

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rates and long-term bond yields. The combined MFA pooled fund return was 7.4%. As interest rates decreased rapidly from their peak in the last quarter of the year, the bond funds, mortgage fund and fixed income DMAC holdings generated capital gains. Furthermore, despite the decline from peak, interest rates remained relatively high contributing to increased annual bond coupon income compared to previous years.

The combined long-term portfolio (MFA pooled funds plus GICs over 2-years in remaining term) returned 6.6% versus a benchmark of 5.3%.