

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 04, 2026**

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**SUBJECT**     **Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update**

**ISSUE SUMMARY**

To provide an annual update on the Capital Region Housing Corporation (CRHC) investments held and performance for the period ended December 31, 2025.

**BACKGROUND**

The Capital Regional District (CRD) invests its operating, capital and reserve funds in accordance with the *Local Government Act, Community Charter* and Board approved Investment Policy (Appendix A). The Investment Policy governs the investment activities of all funds held by the CRD, the CRHC and the Capital Regional Hospital District (CRHD). All investment decisions are guided by four fundamental objectives: preservation of principal, liquidity, responsible investing and optimizing return on investment in alignment with policy requirements.

The policy also establishes minimum credit rating thresholds for eligible investments. Currently, investments with chartered banks or savings institutions must carry a minimum rating of R-1 for short-term and A- for long-term investments, as published by major credit rating agencies. These ratings are generally regarded as reflecting strong credit quality and a high degree of safety on investments.

Investment holdings are actively monitored to ensure alignment with the appropriate strategy and evolving economic conditions. The CRHC investments may include high-interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) pooled funds. As of December 31, 2025, CRHC holdings consisted of HISAs and the MFA Bond Fund, with no GIC holdings. Investment placements and divestitures are aligned with forecasted cashflow requirements.

Investments through 2025 have been made in alignment with the Board approved Investment Policy. Although economic and market conditions drove fluctuations and uncertainty in the portfolio, performance exceeded the benchmark rate, as detailed in the report.

**IMPLICATIONS**

*Financial Implications*

**Portfolio Holdings**

As of December 31, 2025, the CRHC investment portfolio totaled \$28.7 million, as outlined in Table 1.

**Table 1: CRHC Investment Holdings – as of December 31, 2025**

Investments	Balance (\$millions)	% Share
Investments Short-Term (less than 2 years)	18.8	65.6%
Investments Long-Term (more than 2 years)	9.9	34.4%
<b>Total Investments:</b>	<b>\$28.7</b>	<b>100.0%</b>

As shown in Table 1, the CRHC investment portfolio as of December 31, 2025, was allocated 66% to short-term investments and 34% to long-term investments. As detailed in the Board approved Investment Policy, products with maturities less than two years are classified as short-term while those greater than two years are classified as long-term.

**Performance**

The total effective return on investments during 2025 was \$0.7 Million, representing a return of 3.7%. Performance was primarily driven by higher interest rates in the first half of the year, positively impacting the returns on HISAs and the MFA Bond Fund.

Table 2 below shows the three-year trend on investment income.

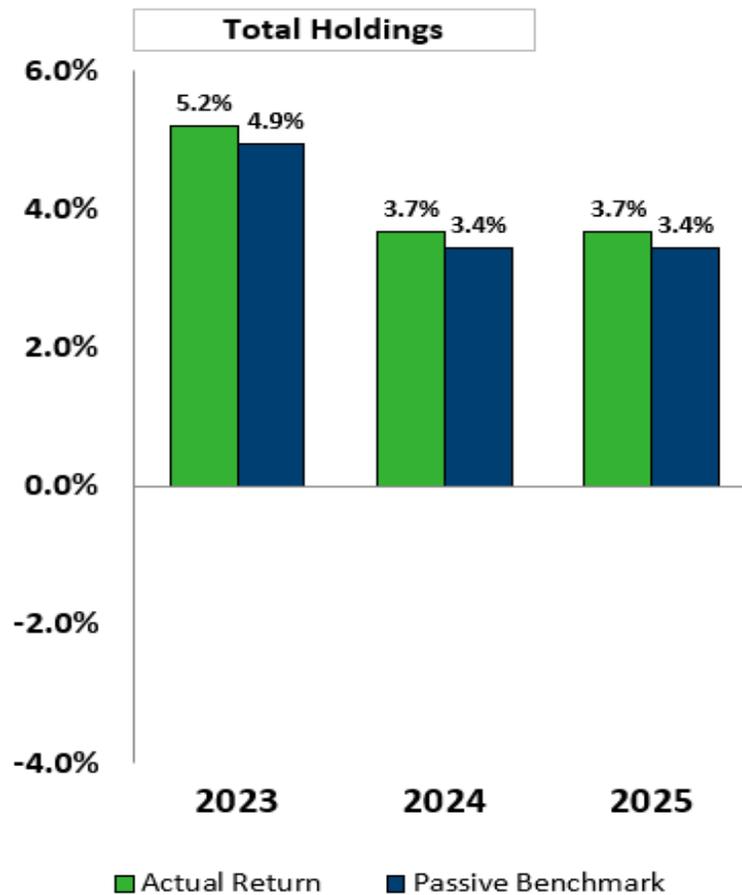
**Table 2: CRHC Investment Income Three-Year Trend (\$ Millions)**

	2023		2024		2025	
Passive Benchmark	4.5%	\$0.6	4.9%	\$0.6	3.5%	\$0.6
Active Management	1.0%	\$0.1	0.3%	\$0.1	0.2%	\$0.1
<b>Total</b>	<b>5.5%</b>	<b>\$0.7</b>	<b>5.2%</b>	<b>\$0.7</b>	<b>3.7%</b>	<b>\$0.7</b>

As shown in Table 2, the passive benchmark approach reflects investment returns that would be achieved without active management. The benchmark is calculated using the weighted average of holdings across investment categories including HISAs and MFA pooled funds. This methodology provides a more accurate representation of portfolio holdings, accounting for differences in passive investment returns based on their respective category.

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

Graph 1: CRHC Investment Results - 2025:



In 2025, the Bank of Canada reduced the overnight interest rate four times, lowering the policy rate from 3.25% at the start of the year to 2.25% by October, where it remained through year-end. Additional information can be found in Appendix B.

During 2025, monthly expenditures for operating, capital and financing activities averaged \$5.4 million. Notable capital projects included the Michigan project, Caledonia, the Carey Lane Building Envelope Remediation project, the Verdier site acquisition and initial demolition and the Campus View and Village on Green redevelopments.

Strong cash flow forecasting and an active investment management strategy led to the rebalancing of the portfolio throughout the year to manage performance. Further details regarding investment holdings and performance can be found in Appendix C.

**CONCLUSION**

Overall, the CRHC portfolio of investments reflects the four fundamental objectives of safety of principal, liquidity, responsible investment and return on investment. Investments have been made in keeping with requirements under the Investment Policy and investment performance generally exceeded expectations for the year ending December 31, 2025.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

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**ATTACHMENTS**

- Appendix A: Investment Policy
- Appendix B: Market Analysis
- Appendix C: Investment Holdings and Performance