

The District of North Saanich



PORTFOLIO REVIEW

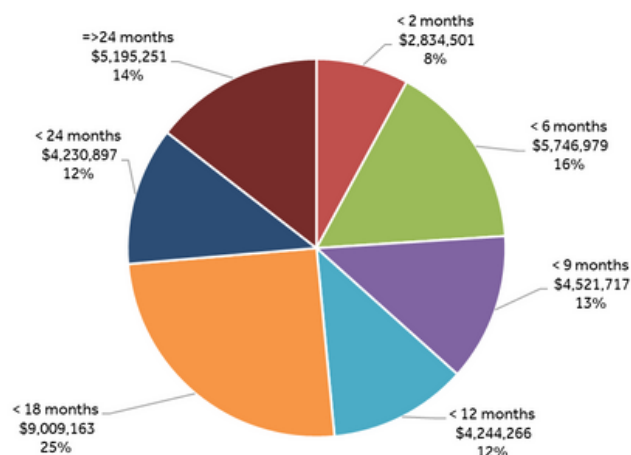
December 31st, 2023

Current Portfolio – District of North Saanich

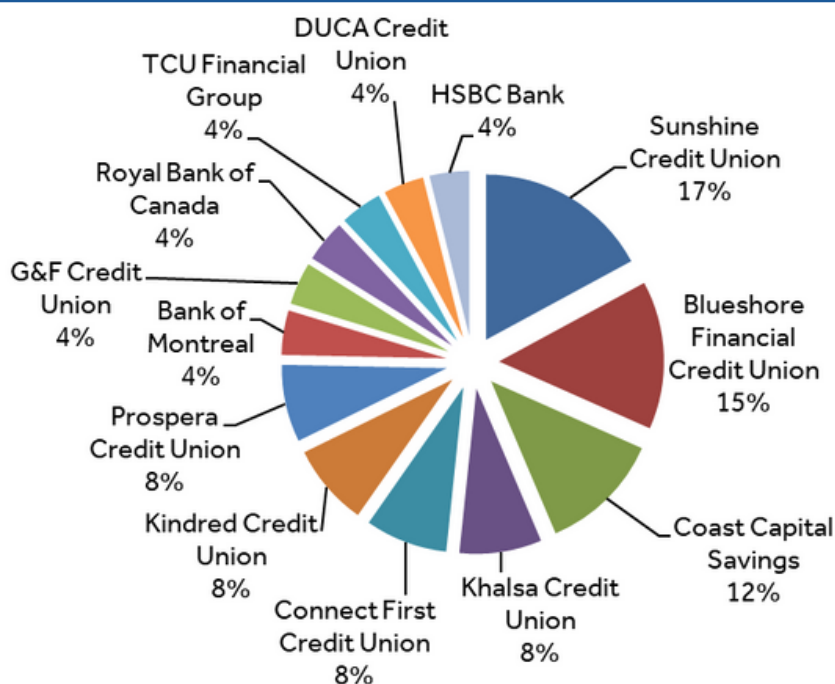
Top 10 Holdings

Issuer	Market Value	%
1 SUNSHINE COAST GIC 4.96% 28APR25	\$4,657,433	13%
2 BSHORE GIC 4.95% 04MAY26	\$4,130,918	12%
3 BMO BANK GIC 5.55% 19AUG24	\$1,560,352	4%
4 G&F CU GIC 4.8% 16SEP24	\$1,494,117	4%
5 RBC GIC 3.89% 21MAY24	\$1,485,353	4%
6 TCUF GIC 5.3CA 18NOV24	\$1,470,324	4%
7 SUNSHINE COAST GIC 4.4% 18JUL24	\$1,467,248	4%
8 KHALSA CU GIC 5.4% 23JAN25	\$1,459,319	4%
9 KINDRED SRI GIC 5.2% 17MAR25	\$1,448,268	4%
10 CCS GIC 5.5% 14JUL25	\$1,445,218	4%
Total	\$20,618,550	58%

Maturity Allocation



Counterparty Exposure



Portfolio Characteristics

	December 31st, 2022	December 31st, 2023	Difference
Market Value	\$ 30,379,257	\$ 35,782,775	\$ 5,403,518
WAM - Days	304	427	123
WAM - Months	10.1	14	4.1
WAM - Years	0.83	1.17	0.34
WAY	3.18%	4.90%	1.72%
Holdings	21	21	0

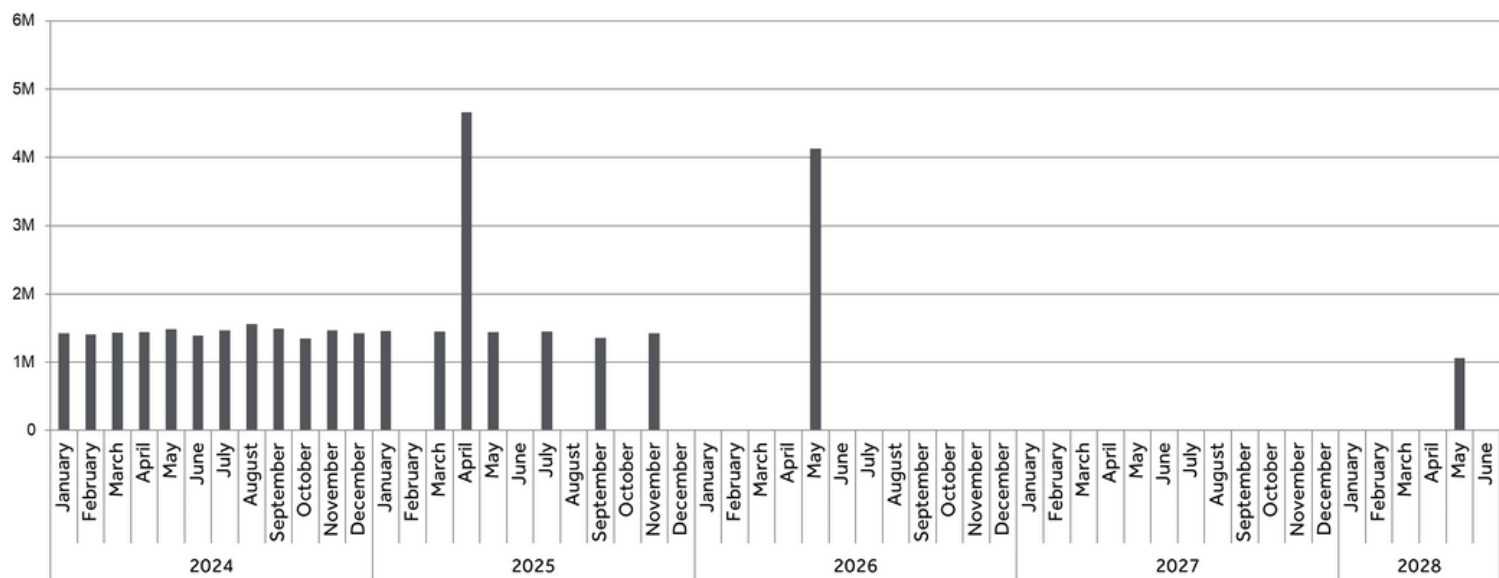
* All data is current as of December 31st, 2023

WAM = Weighted Average Term to Maturity

WAY = Weighted Average Yield

Current Portfolio – District of North Saanich

Liquidity Schedule (millions)



In 2023, we continued to refine the District of North Saanich's laddered investment strategy, enhancing its portfolio to adapt to the evolving economic landscape. With a keen focus on liquidity and yield, the District increased the Weighted Average Term to Maturity from 10.1 months (PY) to 14 months (CY) and the Weighted Average Yield from 3.18% (PY) to 4.90% (CY), indicating a more robust and forward-looking investment approach that responds adeptly to changing market conditions.

The District of North Saanich timed investments well during the peak of the interest rate market and locked in multiple investments yielding above 5.00% which we believe will look attractive in the District's portfolio as rates are on the decline.

The District's portfolio is strategically diversified across 13 financial institutions, encompassing both Credit Unions and Banks. This approach fulfills the District's investment return and liquidity requirements, by optimizing terms and maximizing yields.

Since July of 2023, the Bank of Canada has taken a more conservative approach to interest rates, holding rates stable at 5.00%. The Market is pricing in a 70% chance that rates will be cut by April of this year, with rates expected to fall below 4% before Q1 of 2025 (Source: Bloomberg, January 3rd, 2023).

The Bank is also continuing its policy of quantitative tightening. Inflation in many countries is easing in the face of lower energy prices, normalizing global supply chains, and tighter monetary policy. At the same time, labor markets remain tight and measures of core inflation in many advanced economies suggest persistent price pressures, especially for services.

Both the Bank of Canada and the FED continue to monitor inflation and unemployment numbers, as the latest announcement shows that both Canada and US inflation has slowed to the 3.1% range, with stickier core inflation.

We continue to recommend to our clients to follow a yield preservation strategy to guarantee yields before any further decline in long-term rates. If we see rate cuts next year as the market predicts, we would expect overnight accounts which have yields typically linked to prime to start dropping. Should The District of North Saanich have additional funds to invest and as current investments mature, we recommend continuing to monitor your cash flow and locking in funds as long as possible.