



Canaccord Genuity

CASH
MANAGEMENT
GROUP



SAULT STE. MARIE

PORTFOLIO REVIEW

December 31st, 2024

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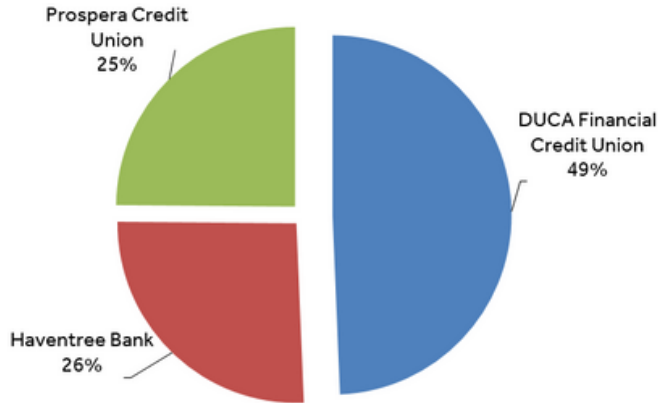


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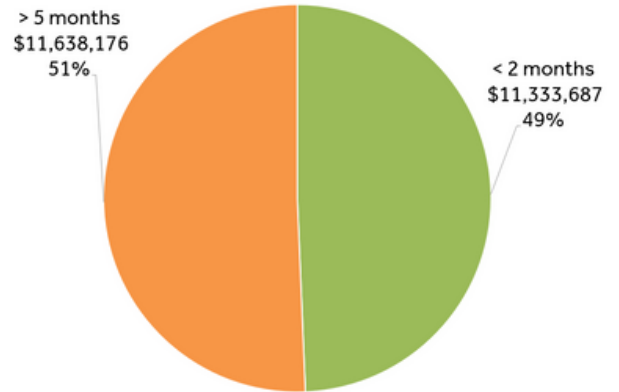
Holdings

Issuer		Market Value		
1	DUCA GIC 5.5% 24FEB25	\$	11,333,687	49.3%
2	HAVENTREE BK GIC 5% 16JUN25	\$	5,926,062	25.8%
3	PROSPERA CSH GIC 4.5% 13JUN25	\$	5,712,114	24.9%
Total		\$	22,971,863	100%

Counterparty Exposure



Maturity Allocation

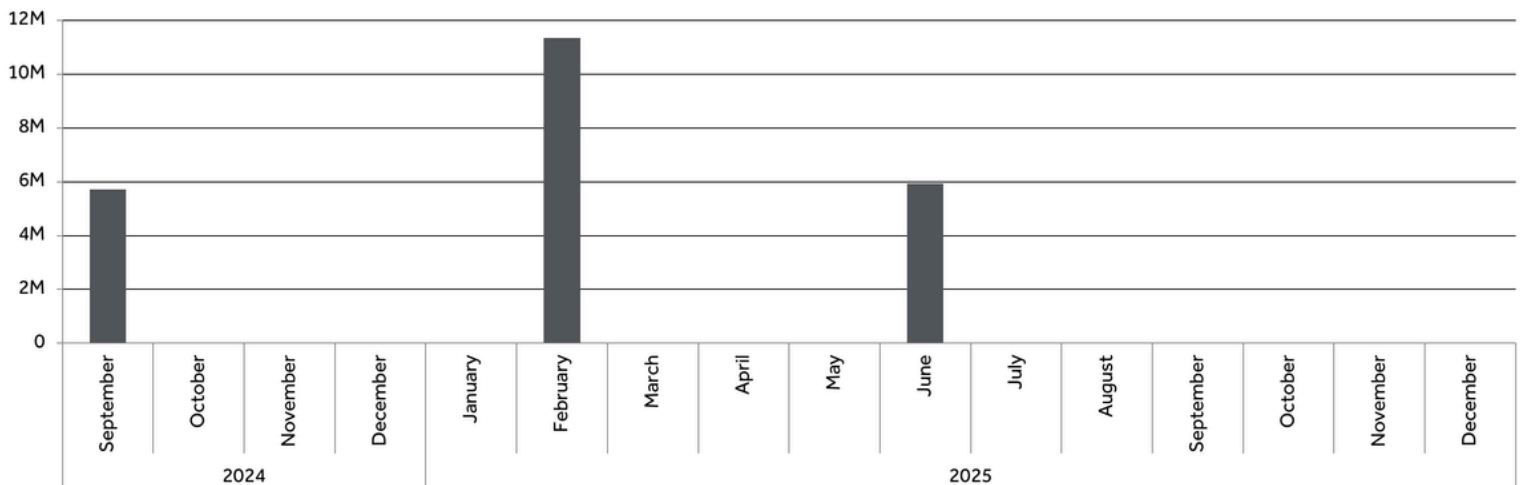


Portfolio Characteristics

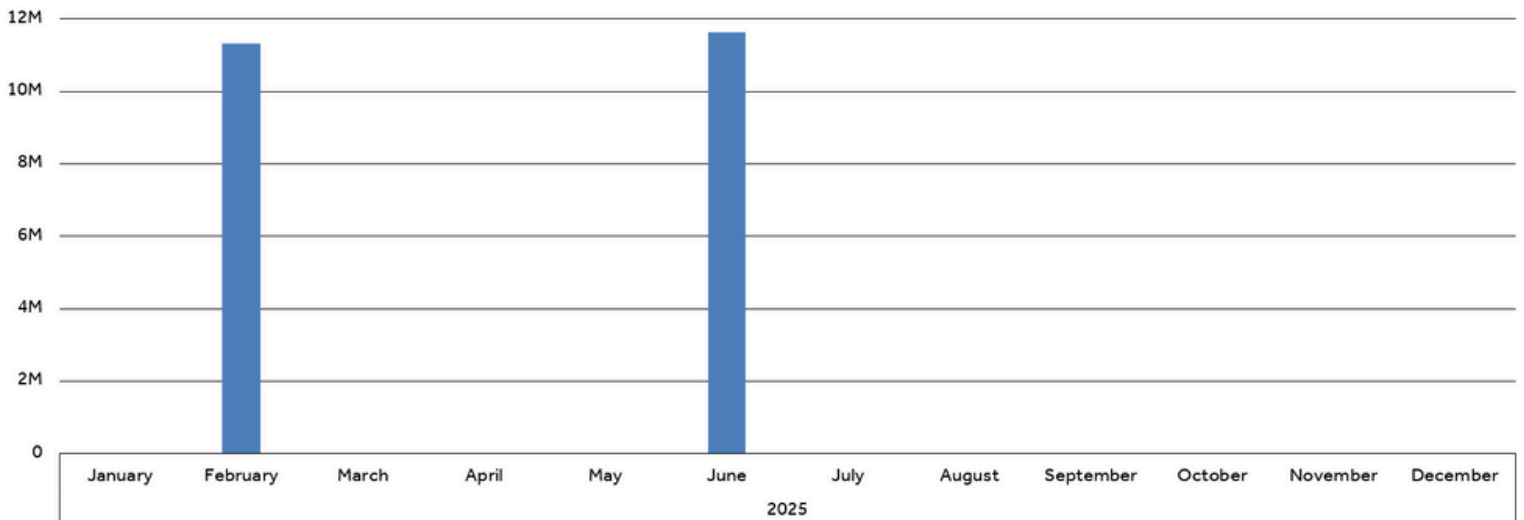
	December 31st, 2023	December 31st, 2024	Difference
Market Value	\$21,876,416	\$22,971,863	\$1,095,448
Weighted Average Term to Maturity (Days)	92	111	19
Weighted Average Term to Maturity (Months)	3.1	3.7	0.6
Weighted Average Term to Maturity (Years)	0.25	0.30	0.05
Weighted Average Yield	4.62%	5.12%	0.50%
Holdings	4	3	-1

* All data is current as of December 31st, 2024

Liquidity Schedule



Maturity Schedule



Market Commentary / Recommendation

Following the December 11th rate cut of 50 basis-points, the market started Q1 of 2025 with uncertainty for additional rate cuts in the short term. With the recent inflation numbers for both Canada and USA showing a gradual slow down in inflation, the market is now pricing in a 85% probability of a 25-basis-point rate cut in the upcoming January 29th, 2025, meeting. This would mark the sixth consecutive rate cut by the Bank of Canada, moving the policy interest rate from 3.25% to 3.00% (Source: Bloomberg, January 21st, 2025). The Bank of Canada continues to monitor inflation and unemployment numbers, with inflation decreasing to 1.80% in December and the latest unemployment data showing higher than expected new jobs added. There are increased expectations for the Bank of Canada to continue decreasing rates into the third quarter of 2025.

In 2024, we have seen the yield curve begin to slowly normalize in the longer terms, with 3- to 5-year yields slowly adjusting upwards. As the market adjusts to the consecutive rate cuts, shorter-term rates have continued to fall in anticipation of further changes to the policy rate. We recommended that clients take advantage of yields while they remained high, and the City successfully invested at the interest rate peak, increasing the portfolio's weighted average yield to 5.12%.

We continue to recommend to our clients to monitor their cash flow needs and lock in longer-term yields before any further decline in rates. If we see additional rate cuts in the following months as the market predicts, we would expect overnight accounts and HISAs, which have yields typically linked to prime, to continue to fall.