



INVESTMENT ADVISORY COMMITTEE MEETING MINUTES

November 12, 2025, 8:30 a.m.

A meeting of the Investment Advisory Committee took place on Wednesday, November 12, 2025, at Town Hall, 354 Main Street, Kentville.

Present: Councillor Cate Savage, Chairperson
Deputy Mayor Debra Crowell
Chris Maynard, Public Member
Logan Morse, Public Member (8:44 a.m.)
Christopher MacRae, Investment Advisor
Wanda Matthews, Director of Finance
Chris McNeill, Chief Administrative Officer

1. Call to Order

The Chairperson called the meeting to order at 8:33 a.m.

2. Approval of the Agenda

It was moved by Chris Maynard and seconded by Deputy Mayor Crowell that the agenda be approved. Motion Carried Unanimously.

3. Approval of Minutes - October 8, 2025

It was moved by Deputy Mayor Crowell, seconded by Chris Maynard that the agenda be approved. Motion Carried Unanimously.

4. Advisor's Report - November 2025

Christopher MacRae stated that October was not a big month for the portfolio.

Within the political context, the recent Canadian budget was debt intensive. Then led to a big drop in the Canadian dollar which quickly corrected itself. The budget provided more incentives for corporate investments similar to

what the United States is doing as what Trump is doing has been good for the United States economy.

We know the proposed federal budget will pass with one big change seeing depreciation able to be written off in one year in some instances. This is estimated to free up 11% of cash flow for those businesses. This change gives financial industries hope, but it is not felt to go far enough as it would be too similar to Trump's policies.

Credit markets were a black eye last week with bonds. Public debt and syndicated debt are challenging now as money is cheap. Christopher MacRae felt the syndicates made a rushed decision. He is not concerned, but cautious.

Recently, the election of a socialist mayor in New York by a landslide was strange. The new mayor is already talking about public grocery stores. On the opposite end of the spectrum is the approval of a \$1 trillion pay package for Elon Musk.

In the markets and economies, US unemployment is muddy with the recent shutdown and unemployment is on the rise in Canada after a short decrease with unknown reasons. The US auto sector had a big spike down and the tech sector is expecting larger losses.

Public Member Logan Morse arrived at this time.

Earnings can go higher when unemployment rises. AI is expected to continue to affect labour costs.

Chairperson Savage questioned what industries would be hit the hardest with AI? Christopher MacRae suggested transportation like trucking and taxicabs will take big hits because of automation, as well as manufacturing automation. This will lead to a fight with unions.

Chris Maynard mentioned that AI is now being used in the medical profession. Christopher MacRae agreed and said some jobs like radiologists will soon be redundant and the current workforce in that profession may be the last.

Christopher MacRae noted that no Kentville investments are directly linked to any AI investments.

Inflation continues to be the other hot topic related to tariff impacts in Canada and the US. This is leading to a cheap Canadian dollar.

Christopher MacRae shared that he is not too concerned with all time highs for some commodities as a lot of it is justified by earnings with S&P overwhelmingly meeting or exceeding its expectations this year with its best earnings in three year and this is not a Year 2000 bubble.

Chairperson Savage asked about our investment forecasting timeframe. Christopher MacRae answered that he expects a market pullback to come soon and so we will start leaning into stocks.

There has been a dramatic rise in government spending and personal spending.

Page 4 of Kentville's investment report shows dividend increases.

TD made no trades in Kentville's portfolio in October as things are going well. We are sitting good with cash and maturities to get our requested \$560,000 payment in the spring of 2026.

On page 6 of the investment report, Christopher MacRae highlighted our foreign bond income. He suggested we may want to change this soon as these companies are taking on too much US debt. They are flat on growth but still generating a nice yield.

Chairperson Savage asked if we sell off foreign bonds, when will that take place and where will the money be deployed? Christopher MacRae suggested some place similar with enhanced yields, but not susceptible to currency changes.

There was a discussion around our investment policy statement and whether we are in line with it. Chairperson Savage asked the committee what it wants to focus on going forward.

Wanda Matthews noted that she would like to see investment changes better shown compared to our policies. It was noted that some of this was shown on pages 13, 14, 15, 17, and 18.

Chris Maynard felt that with our annual income increase of \$463,000 projected now, we will need to erode capital to meet our investment policy targets. Christopher MacRae expressed hope that we would be close to our \$560,000 goal by the end of February. Logan Morse stated that with our focused weight on equities, that this was bound to happen. It is a trade-off between an increase in income and an increase in investments. Christopher MacRae shared that it will be hard to replace our bonds coming due soon

with similar investment incomes because of lower interest rates going forward.

Chris Maynard mentioned that we have over \$1 million in unrealized gains. Christopher MacRae agreed and said some days we are over \$15 million.

Chairperson Savage wondered if we should be increasing our revenue expectations in 2028 to \$660,000 or \$760,000. She asked the investment advisor for his advice. Christopher MacRae stated that in order to realize much bigger gains, we would need to maximize our equities and increase our risks. The Committee discussed what the sustainable outflow from the portfolio would be as the portfolio grows.

Chris Maynard questioned how we are going to explain all this to the public.

5. Next Meeting - December 10, 2025, 8:30 a.m.

It was agreed that the next meeting would be held on Wednesday, December 10, 2025, at 8:30 a.m. and will be held in person in the Council Chambers.

6. Adjournment

It was moved by Deputy Mayor Crowell, seconded by Chris Maynard, that the meeting adjourn at 9:19 a.m. Motion Carried Unanimously.

Approved:

Chairperson

Date