

Clause 7 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 19, 2016

7

2015 Annual Investment Report

Committee of the Whole recommends adoption of the following recommendation contained in the report dated April 27, 2016 from the Commissioner of Finance:

1. It is recommended that this report be received for information.
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Report dated April 27, 2016 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that this report be received for information.

2. Purpose

This report discusses the investment activities undertaken during 2015, as required by Ontario Regulation 438/97 (as amended) of the *Municipal Act, 2001* and the Region's Investment Policy.

3. Background

The Treasury Office manages both the General Fund and the Sinking Fund investment portfolios on behalf of the Region. As at December 31, 2015, these had a combined maturity value of approximately \$3.11 billion.

The General Fund investments are made in accordance with the Region's Investment Policy

The General Fund is comprised of investments held for the reserves and reserve funds, working capital and other funds of the corporation (Attachment 1). The maturity value of the investments held at year end includes fixed income securities of \$2,132 million, cash of \$171 million and equities of \$85 million, for a grand total of \$2,388 million.

General fund investments are made in accordance with the approved Investment Policy, which has the following objectives:

- Adherence to statutory requirements;
- Preservation of capital;
- Maintaining liquidity; and
- Earning a competitive rate of return.

In addition, all investments must meet the eligibility requirements set out by Ontario Regulation 438/97 (as amended) of the *Municipal Act, 2001*, which specifies limits for each type of investment that can be held.

As at December 31, 2015, approximately 96.4% of the General Fund's portfolio consisted of fixed income or interest producing investments. The remaining 3.6% consisted of equity investments that were managed by The ONE Investment Program, a fund sponsored by the Association of Municipalities of Ontario (AMO) and the Municipal Finance Officers Association of Ontario (MFOA).

The net realized rate of return on the portfolio (comprised of actual interest received and capital gains realized less overhead expenses) was 4.06% for 2015.

Sinking Funds have been established to repay the principal amount of debentures at their maturity

Sinking Funds are separately managed investment portfolios established using funds set aside each year as part of the annual Budget, in order to repay the principal amount of sinking fund debentures at their maturity. In 2015 there were 12 sinking fund debentures that will mature between 2016 and 2043. During the year, contributions of \$140.2 million were made to the Sinking Fund to meet actuarial requirements for the retirement of those debentures.

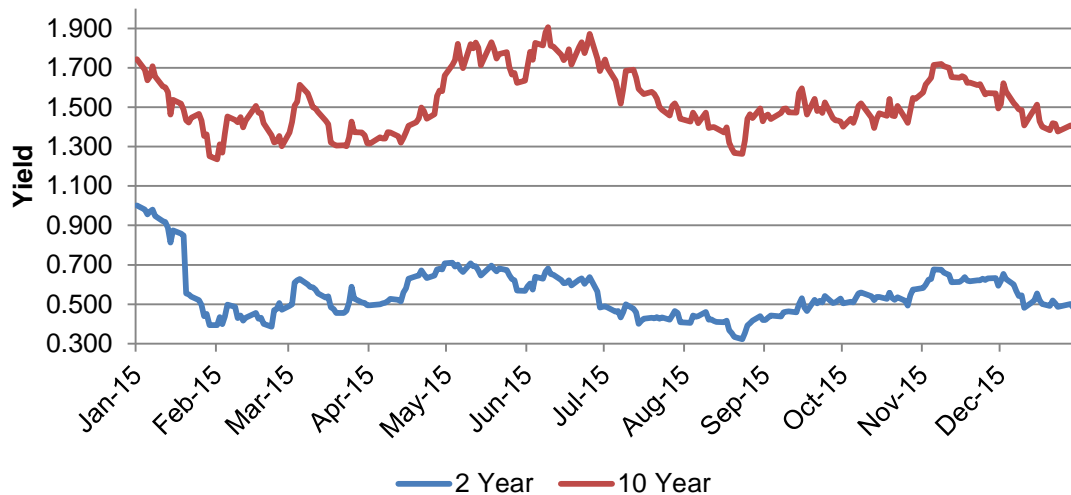
As at December 31, 2015, the Sinking Fund portfolio consisted of \$721 million of investments (Attachment 2), held in trust on behalf of the City of Vaughan, the Town of Newmarket, the Township of King, and York Region. Sinking Fund investments follow the policy established by the Sinking Fund Committee, which is similar to the Region's Investment Policy. An annual investment report detailing the sinking fund investment activities is submitted to and approved by the Sinking Fund Committee, which is chaired by the Commissioner of Finance.

#### 4. Analysis and Options

Divergent monetary policies in Canada and the US coupled with a global commodity sell-off took its toll on Canadian yields and the dollar

Canadian ten-year interest rates, which began the year at 1.74%, dropped to a low of 1.23% in February (Graph 1). This drop was in reaction to the Bank of Canada’s surprise rate cut as “insurance” against the negative economic consequences of the steep drop in oil prices and concern that Canada would slip into recession.

**Graph 1  
Canadian Interest Rates - 2015**



In the US, the Federal Reserve seemed committed to raising interest rates in 2015. Despite the Fed’s determination to raise rates, global events such as the re-emergence of the Greek crisis and turmoil in China’s equity markets stymied their efforts. Despite global concerns, the US continued to make solid gains in employment. US unemployment began the year at 5.7% and subsequently shaved seven tenths of a percent to end the year at 5.0%. The labour market metrics enabled the Fed to begin raising interest rates. The Federal Open Markets Committee initiated their first rate hike in nine and a half years on December 16<sup>th</sup> of 2015.

2015 investment strategy focused on liquidity management and flexibility

The investment strategy set out in last year's annual report centered on the following themes:

1. Manage the liquid portion of the portfolio to optimize returns while effectively meeting the corporation's cash flow needs;
2. Seek out value added investments and capitalize on market opportunities; and
3. Extend term when and if interest rates rise sufficiently to compensate for added term risk.

The strategy assumed the North American and global economies were putting the effects of the financial crisis further and further behind them. While short-term rates were expected to remain low, the US central bank (the Fed) was expected to tighten monetary policy by gradually eliminating its quantitative easing program. Expectations were that longer term rates would rise as a result. In anticipation of this, York Region's portfolio had a relatively short term to maturity and was therefore positioned to capitalize on any increase in market interest rates.

Realized investment returns for the General Fund total \$85.4 million with a realized rate of return of 4.08%

With long-term interest rates declining early in the year, there were few opportunities to extend the term of the portfolio meaningfully. However, by remaining flexible and reacting to short-term interest rate fluctuations, staff were able to capitalize on a number of market opportunities. Approximately \$42 million in capital gains were realized through proactive investment strategies. Enhanced cash flow procedures improved portfolio returns by a further \$3 million.

In 2015, the General Fund generated realized returns totalling \$85.4 million on an average fixed income portfolio balance of \$2.09 billion. This equates to a realized rate of return of 4.08%. Realized returns include actual interest income, dividend earnings and realized capital gains. These returns are referred to as "realized" as they represent all cash income realized and credited to the reserves, reserve funds and other accounts.

Another method of calculating investment returns is referred to as mark-to-market returns (also known as total returns). Mark-to-market investment returns include the same components as realized returns, but also take into account any change in the market value of securities held from one period to the next.

This change in market value (due to the change in interest rates and stock market values) is not realized in the form of cash income, but is rather a potential

gain or loss if all the investments being held were liquidated on the date of the calculation. Mark-to-market returns for 2015 totalled 3.27%.

**Table 1**  
**York Region General Fund Portfolio**  
**Comparison of Realized and Mark-to-Market Returns – 2014 and 2015**  
**(millions)**

Year	Average Assets	Realized Income Return*	Mark-To-Market** Adjustments	Mark-to-Market Income	Mark-to-Market Returns Return*
2015	\$2,093.8	\$85.4	4.08%	-\$16.9	3.27%
2014	\$2,010.0	\$74.2	3.69%	\$58.8	6.62%

\*These returns exclude program costs of approximately \$450,297 or 2 basis points

\*\*Market value (mark-to-market) adjustments reflect the gain or loss in value of securities if liquidated on that date

The return on the equity component of the portfolio for 2015 was approximately negative 0.60%, which compared favourably to the TSX composite index, which returned negative 8.37%. The total equity investment market value was \$85.2 million at the end of 2015.

After factoring in the approximately \$450,297 cost of operating the investment program (staff, safekeeping, market monitoring services, transaction costs, etc.), the net rate of return for the General Fund was 4.06%, a net difference of two basis points. The two basis points compares favorably to the management fee charged by the ONE Investment Program, which equates to a weighted average of approximately 35 basis points.

Realized investment returns for the Sinking Fund total \$19.6 million, exceeding requirements by \$6.2 million

In 2015, the Sinking Fund generated realized returns of \$19.6 million on a fixed income portfolio averaging \$554.1 million. This equates to a realized rate of return of 3.54%. The returns were \$6.2 million greater than the \$13.4 million required to meet the Sinking Fund actuarial requirement for 2015. Realized returns include actual interest income and realized capital gains. These returns are referred to as “realized” as they represent all cash income realized and credited to the Sinking Fund.

General Fund portfolio continues to exceed benchmarks

In the past, the investment performance of the General Fund Portfolio has been compared to two different types of benchmarks: a managed fund benchmark and

an index fund benchmark. Both benchmarks were considered fair references as they reflected the nature and scope of the mandate of the Region's investment program, as intended by the Investment Policy.

The managed fund benchmark was represented by the weighted composite returns of The ONE Investment Program's Money Market, Bond and Equity portfolios. Each of these funds is professionally managed by a different investment management firm selected and monitored by the ONE Investment Program.

The FTSE TMX Composite Index is the most appropriate performance benchmark

The Region measures its performance against some of the investment industry's most widely used and rigorous indices. The FTSE TMX Global Debt Capital Markets is the predominant provider of fixed income indices in Canada. FTSE (Financial Times Stock Exchange) Group is a British provider of stock market indices and associated data services and is wholly owned by the London Stock Exchange. FTSE TMX indices are used as benchmarks for approximately \$2 trillion in assets globally. The S&P/TSX (Standard and Poor's/Toronto Stock Exchange) Composite Index is designed to measure market activity of stocks listed on the Toronto Stock Exchange.

The Region's index-based benchmark consists of the weighted composite returns of the FTSE TMX Money Market, Short-Term Bond, Mid-Term Bond and Long-Term Bond indices and the S&P/TSX Composite Index. These indices reflect the returns earned on the passive investment of securities and can be easily tailored to reflect the changing nature of a portfolio over time. The FTSE TMX performance benchmark is the most relevant and is used as the primary yardstick when assessing the Region's portfolio performance. The composite return of these indices in 2015 was 2.33%. York Region's portfolio return of 3.27% exceeded that benchmark by 0.94%.

The ONE Investment Program is no longer used as a benchmark but can still be used as a reference measure

Until recently, the ONE Investment Program benchmark was considered appropriate, as it was geared to municipalities and complied with regulations set out by the Province, and its term and credit profile were similar to York Region's portfolio profile.

However, over the past few years, the term structure of the Region's portfolio has lengthened significantly, from an average of three and one-half years to its current term of approximately four and one-half years. This trend is expected to continue as more funds are put into long-term capital replacement reserves. The average term of the ONE Investment Program benchmark is only two and one-

half years. Due to the short-term nature of the ONE Investment Program benchmark, it will tend to out-perform portfolios with longer terms when interest rates rise and significantly under-perform when interest rates fall. Given these characteristics, the ONE Investment Program is no longer considered a particularly useful benchmark, but is still shown for reference purposes as it represents a default investment choice for many municipalities.

The 2015 results and comparisons for the prior ten years for both the ONE Investment Program and the FTSE TMX Composite Index are summarized in Table 2 and graphically depicted in Graph 3.

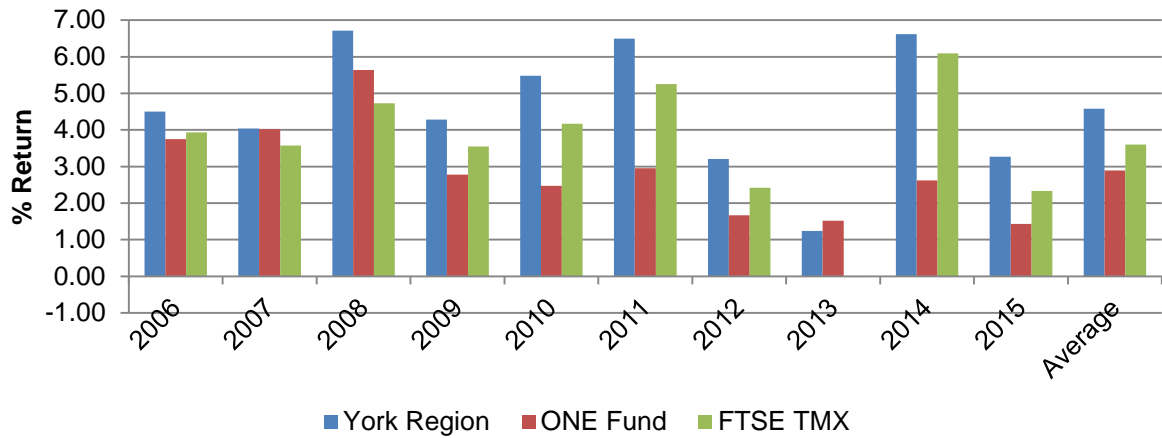
**Table 2**  
**Comparison of Mark-to Market Returns (%)**  
**General Fund versus FTSE TMX Indices and ONE Program**

Year	York Region		FTSE TMX*		ONE Program	
	Returns	Returns	Returns	Difference	Returns	Difference
2006	4.50	3.93	0.57		3.75	0.75
2007	4.04	3.57	0.47		4.02	0.02
2008	6.71	4.73	1.98		5.64	1.07
2009	4.28	3.55	0.73		2.78	1.5
2010	5.48	4.17	1.31		2.47	3.01
2011	6.49	5.25	1.24		2.95	3.54
2012	3.21	2.42	0.79		1.67	1.54
2013	1.24	-0.02	1.26		1.52	-0.28
2014	6.62	6.09	0.53		2.62	4.00
2015	3.27	2.33	0.94		1.43	1.84
<b>10 year average</b>	<b>4.58</b>	<b>3.61</b>	<b>0.97</b>		<b>2.89</b>	<b>1.69</b>

\*Statistics compiled since 2006 as this was the first year York Region recorded and compared total returns to the FTSE TMX Indices

As Table 2 and Graph 2 indicate, the Region's investment returns have exceeded the FTSE TMX Indices benchmark every year since 2006. In fact, portfolio returns have exceeded this benchmark every year since 2002. Over the most recent ten-year period, the Region has generated approximately \$158 million in additional investment income over the FTSE TMX benchmark indices. Compared to the ONE Investment Program returns, the Region's portfolio generated \$266.9 million in additional revenue over the same ten-year period.

**Graph 2  
Comparison of General Fund Total Investment Returns**



General Fund holdings of the Region's own debt increased in 2015

As at December 31, 2015, approximately 1.24% of the General Fund portfolio was invested in York Region securities, compared to 0.8% a year ago. This change was the result of purchases exceeding sales and maturities by \$10.9 million during the year. Purchases exceeded sales as York Region's holdings are treated in the same way as any other securities in the portfolio. That is, these securities are bought when returns are promising and sold when funds are needed or other opportunities arise. Information regarding these transactions is presented in Attachment 3.

Investment themes for 2016 are to manage liquidity, maintain investment discipline and seek out value opportunities

In 2015, global economic and political events dominated the investment landscape. Many of those same factors remain. There are still concerns with future growth in China and the outlook for commodities. The fallout from the steep drop in oil prices is also still having repercussions – good and bad. Rates have continued to drop as a result. The U.S. economy showed improvement in many areas and, notwithstanding international headwinds, this is expected to continue in 2016. The improvement in economic conditions should ultimately lead to higher interest rates, but the time frame for increases continues to be pushed out.



For 2016, York Region's portfolio is not expected to be extended meaningfully, given these circumstances. The level of interest rates currently prevailing represents more risk than reward, so patience will need to be exercised in order to preserve the value of the portfolio.

When or if interest rates rise meaningfully, staff will extend term to lock-in higher returns for the Region. In the meantime, any short-term gyrations in interest rates will be viewed as opportunities to enhance investment returns.

With that in mind, the following themes will guide the 2016 investment program:

1. Manage liquidity levels;
2. Look for value opportunities; and
3. Maintain discipline of the investment program.

Link to key Council-approved plans

The investment management function, under the approved Investment Policy, assists the Region in managing its finances prudently. This report demonstrates the Region's commitment to Vision 2051's call for open and responsive governance.

## 5. Financial Implications

The Region generated a realized investment return of \$85.4 million on the General Fund in 2015. The mark-to-market or total return was \$68.5 million. After costs, the total return was \$19.7 million higher than the principal benchmark, the FTSE TMX indices, and \$35.8 million higher than the ONE Investment Program. These returns help in defraying York Region's operating and capital costs over the longer term.

## 6. Local Municipal Impact

While the return earned on investments has no direct impact on area municipalities, the extra revenue earned contributes to York Region's reserves and decreases the longer term need for taxes and development charges.

## 7. Conclusion

The General Fund investment portfolio generated \$85.4 million for a realized return during 2015 of 4.08% and a mark-to-market return of 3.27%. This

## 2015 Annual Investment Report

exceeded the FTSE TMX, and ONE Program benchmarks by 94 basis points and 184 basis points respectively.

The Sinking Fund investment portfolio generated realized returns totalling \$19.7 million, which was \$6.2 million higher than the actuarial requirement for the year.

All investments met the requirements of the investment policies approved by Council and the Sinking Fund Committee.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at ext. 71644.

The Senior Management Group has reviewed this report. April 27, 2016

Attachments (5)

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Accessible formats or communication supports are available upon request.

**The Regional Municipality of York  
Investments By Fund  
General Fund**

As of December 31<sup>st</sup>, 2015

Face Value	Issuer	YTM	Maturity Date	Investment Type
170,656,361	TD Bank	1.050%	N/A	Bank Balance
40,000,000	TD Bank	1.101%	Jan 05, 2016	Term Deposit
40,000,000	TD Bank	1.101%	Jan 12, 2016	Term Deposit
20,000,000	TD Bank	1.120%	Jan 19, 2016	Term Deposit
20,000,000	TD Bank	1.130%	Jan 26, 2016	Term Deposit
15,000,000	ScotiaBank	0.800%	Jan 28, 2016	Bankers Accept.
20,000,000	TD Bank	1.131%	Feb 02, 2016	Term Deposit
30,000,000	TD Bank	1.137%	Feb 09, 2016	Term Deposit
20,000,000	TD Bank	1.149%	Feb 16, 2016	Term Deposit
40,000,000	TD Bank	1.164%	Feb 23, 2016	Term Deposit
30,000,000	TD Bank	1.169%	Mar 08, 2016	Term Deposit
40,000,000	TD Bank	1.179%	Mar 15, 2016	Term Deposit
50,000,000	BMO	1.735%	Apr 21, 2016	Bond
6,700,000	OMERS Realty	1.515%	May 05, 2016	Bond
22,000,000	Golden CCT	1.579%	May 15, 2016	Asset Backed
10,000,000	Cdn CC Trust	1.565%	May 15, 2016	Asset Backed
35,332,000	Hollis Receiv.	1.568%	Sep 26, 2016	Asset Backed
10,668,000	CIBC	1.286%	Nov 08, 2016	Bond
25,000,000	GE Capital	1.735%	Jan 17, 2017	Bond
30,000,000	Master CCT	1.760%	Jan 21, 2017	Asset Backed
50,000,000	Genesis Trust	1.522%	Feb 15, 2017	Asset Backed
20,900,000	Toyota	1.744%	Feb 27, 2017	Bond
31,000,000	ScotiaBank	1.134%	Feb 27, 2017	Bond
10,000,000	National Bank	1.220%	Apr 13, 2017	Bond
6,268,000	Ottawa M-C Airport	1.913%	May 02, 2017	Bond
13,600,000	Glacier CCT	1.272%	May 20, 2017	Bond
3,962,000	York Region	1.580%	May 30, 2017	Bond
18,344,000	Scotiabank	1.537%	Aug 03, 2017	Bond
4,100,000	GE Capital	1.226%	Aug 17, 2017	Bond
30,000,000	Royal Bank	1.301%	Sep 21, 2017	Bond
2,800,000	BMO	1.536%	Sep 26, 2017	Bond
6,800,000	Caisse Centrale	1.359%	Oct 05, 2017	Bond
30,000,000	CIBC	1.827%	Oct 18, 2017	Bond
50,000,000	BMO	1.537%	Dec 11, 2017	Bond
15,000,000	National Bank	1.379%	Dec 11, 2017	Bond
14,500,000	GE Capital	1.269%	Feb 08, 2018	Bond
23,175,000	CIBC	1.361%	Mar 07, 2018	Bond
30,000,000	Royal Bank	1.394%	Mar 12, 2018	Bond
1,515,000	Niagara Region	2.680%	Jul 17, 2018	Bond
9,500,000	Toyota	1.413%	Jul 18, 2018	Bond
10,000,000	ScotiaBank	1.486%	Aug 13, 2018	Bond
3,000,000	London	2.694%	Sep 03, 2018	Bond
4,000,000	Genesis Trust	1.675%	Sep 17, 2018	Bond
2,069,000	London	2.510%	Sep 24, 2018	Bond
1,546,000	Waterloo Region	2.000%	Nov 06, 2018	Bond
10,000,000	Glacier CCT	1.697%	Nov 20, 2018	Bond

\* Yield to Maturity

**The Regional Municipality of York**  
**Investments By Fund**  
**General Fund**  
As of December 31<sup>st</sup>, 2015

<b>Face Value</b>	<b>Issuer</b>	<b>YTM</b>	<b>Maturity Date</b>	<b>Investment Type</b>
1,240,000	Waterloo Region	2.575%	Nov 21, 2018	Bond
20,000,000	Master CCT	1.729%	Nov 21, 2018	Asset Backed
3,000,000	Waterloo Region	2.420%	Nov 26, 2018	Bond
3,030,000	London	2.306%	Dec 15, 2018	Bond
10,000,000	ScotiaBank	1.533%	Mar 14, 2019	Bond
10,000,000	TD Bank	1.479%	Apr 02, 2019	Bond
25,500,000	Genesis Trust	1.533%	May 15, 2019	Bond
3,308,000	York Region	1.244%	May 27, 2019	Bond
3,026,000	Halton Region	2.235%	Jun 03, 2019	Bond
19,900,000	Hollis Receiv.	1.762%	Jun 26, 2019	Asset Backed
1,674,000	Niagara Region	2.990%	Jul 17, 2019	Bond
3,000,000	London	2.992%	Sep 03, 2019	Bond
5,075,000	Ottawa	1.944%	Sep 10, 2019	Bond
3,000,000	NB Mun Fin	1.526%	Nov 06, 2019	Bond
9,900,000	OMERS Realty	1.619%	Nov 12, 2019	Bond
2,246,000	Waterloo Region	2.580%	Nov 21, 2019	Bond
2,753,000	Waterloo Region	2.580%	Nov 26, 2019	Bond
512,000	Waterloo Region	2.819%	Nov 30, 2019	Bond
3,124,000	Waterloo Region	1.334%	Dec 01, 2019	Bond
3,010,000	London	3.175%	Dec 15, 2019	Bond
200,000	Durham Region	2.882%	Dec 23, 2019	Bond
1,295,000	ScotiaBank	2.278%	Jan 13, 2020	Bond
15,000,000	Hollis Receiv.	1.673%	Feb 26, 2020	Bond
4,000,000	Caisse Centrale	1.748%	Mar 02, 2020	Bond
4,000,000	Cdn CC Trust	1.829%	Mar 24, 2020	Asset Backed
1,147,000	Waterloo Region	2.687%	Apr 04, 2020	Bond
7,200,000	Genesis Trust	1.905%	Apr 15, 2020	Bond
1,500,000	NB Mun Fin	2.144%	May 15, 2020	Bond
3,700,000	Vancouver	2.780%	Jun 01, 2020	Bond
4,300,000	NB Mun Fin	2.144%	Jun 02, 2020	Bond
3,500,000	Peel Region	2.533%	Jun 10, 2020	Bond
1,000,000	Peel Region	2.812%	Jun 20, 2020	Bond
1,734,000	Niagara Region	3.225%	Jul 17, 2020	Bond
4,000,000	Royal Bank	1.920%	Jul 17, 2020	Bond
3,000,000	London	3.245%	Sep 03, 2020	Bond
3,217,000	Ottawa	3.191%	Oct 22, 2020	Bond
4,862,000	Waterloo Region	2.328%	Nov 06, 2020	Bond
541,000	Waterloo Region	2.756%	Nov 21, 2020	Bond
1,538,000	Saskatoon	3.103%	Nov 27, 2020	Bond
272,000	Waterloo Region	3.158%	Dec 01, 2020	Bond
2,499,000	Saskatoon	2.399%	Dec 03, 2020	Bond
12,300,000	ScotiaBank	2.398%	Jan 11, 2021	Bond
1,178,000	Waterloo Region	2.970%	Apr 04, 2021	Bond
26,000,000	BMO	2.093%	Apr 23, 2021	Bond
2,000,000	Peel Region	3.001%	Jun 20, 2021	Bond
1,630,000	Niagara Region	2.793%	Jul 31, 2021	Bond
15,000,000	Prov of Manit	2.061%	Sep 05, 2021	Coupon

\* Yield to Maturity

**The Regional Municipality of York**  
**Investments By Fund**  
**General Fund**  
As of December 31<sup>st</sup>, 2015

<b>Face Value</b>	<b>Issuer</b>	<b>YTM</b>	<b>Maturity Date</b>	<b>Investment Type</b>
3,922,000	Durham Region	1.745%	Oct 16, 2021	Bond
1,000,000	Waterloo Region	1.863%	Nov 26, 2021	Bond
2,379,000	Prov of Sask	2.810%	Nov 30, 2021	Coupon
6,728,200	Prov of Ont	2.881%	Dec 02, 2021	Coupon
1,559,000	Saskatoon	2.623%	Dec 03, 2021	Bond
16,807,000	Prov of Sask	2.607%	Feb 04, 2022	Residual
4,300,000	Nfld Lab Hydro	1.885%	Feb 27, 2022	Coupon
35,000,000	Royal Bank	2.262%	Mar 02, 2022	Bond
5,000,000	BMO	2.126%	Mar 16, 2022	Bond
3,662,000	Prov of Nfld	3.166%	Apr 17, 2022	Coupon
3,872,000	Prov of Ont	2.862%	May 03, 2022	Coupon
7,000,000	Prov. Of N.B.	2.024%	May 04, 2022	Bond
3,440,000	NB Mun Fin	3.111%	May 15, 2022	Bond
3,555,000	Halton Region	3.139%	Jun 02, 2022	Bond
18,800,000	Prov of B.C.	2.042%	Jun 09, 2022	Residual
3,500,000	Peel Region	3.019%	Jun 10, 2022	Bond
4,000,000	Niagara Region	2.330%	Jul 09, 2022	Bond
1,000,000	Niagara Region	3.010%	Jul 31, 2022	Bond
21,012,000	Prov of Manit	2.489%	Sep 05, 2022	Coupon
1,054,000	Durham Region	3.581%	Oct 16, 2022	Bond
3,877,000	Prov of Ont	2.922%	Nov 03, 2022	Coupon
225,000	Waterloo Region	3.711%	Dec 01, 2022	Bond
20,000,000	Prov of Ont	2.429%	Dec 02, 2022	Coupon
3,060,000	Prov of B.C.	2.874%	Feb 23, 2023	Residual
20,603,000	Prov of Manit	2.874%	Mar 05, 2023	Coupon
4,022,000	Prov of Ont	3.047%	May 03, 2023	Coupon
4,100,000	Prov of Sask	3.582%	May 30, 2023	Coupon
25,000,000	Prov of Ont	2.441%	Jun 02, 2023	Coupon
4,780,000	Prov of Ont	3.036%	Jul 13, 2023	Coupon
5,000,000	Montreal	2.695%	Sep 01, 2023	Bond
14,000,000	Prov of B.C.	3.034%	Sep 08, 2023	Residual
391,000	Waterloo Region	3.881%	Dec 01, 2023	Bond
30,000,000	Prov of Ont	2.518%	Dec 02, 2023	Coupon
28,459,000	Prov of Ont	2.973%	Feb 07, 2024	Residual
62,686,000	Prov of B.C.	2.638%	Feb 23, 2024	Residual
9,000,000	Prov of Manit	2.575%	Mar 05, 2024	Coupon
46,000,000	Prov of Ont	2.495%	Jun 02, 2024	Coupon
10,000,000	Prov of Manit	2.213%	Jun 02, 2024	Bond
7,200,000	Hydro Quebec	2.670%	Jul 16, 2024	Coupon
10,000,000	TD Bank	2.796%	Jul 24, 2024	Bond
7,500,000	Hydro Quebec	2.714%	Jul 26, 2024	Coupon
13,200,000	Prov of B.C.	2.720%	Aug 23, 2024	Residual
5,164,000	Prov of Manit	3.187%	Sep 05, 2024	Coupon
6,000,000	Prov of Ont	2.307%	Sep 08, 2024	Coupon
15,000,000	Prov of Ont	2.201%	Dec 02, 2024	Coupon
10,000,000	Toronto	2.557%	Feb 06, 2025	Bond
10,516,000	Prov of Manit	2.848%	Mar 05, 2025	Coupon

\* Yield to Maturity

**The Regional Municipality of York**  
**Investments By Fund**  
**General Fund**  
As of December 31<sup>st</sup>, 2015

<b>Face Value</b>	<b>Issuer</b>	<b>YTM</b>	<b>Maturity Date</b>	<b>Investment Type</b>
11,400,000	Prov of Ont	2.638%	Mar 08, 2025	Coupon
50,073,000	Prov of Sask	2.979%	May 30, 2025	Residual
5,000,000	Prov of Ont	2.750%	Jun 02, 2025	Coupon
30,000,000	Prov of Nfld	3.234%	Jul 07, 2025	Residual
4,271,000	Prov of Nfld	2.805%	Jul 07, 2025	Bond
8,000,000	Montreal	2.926%	Sep 01, 2025	Bond
4,030,000	Prov of Manit	3.477%	Sep 05, 2025	Coupon
3,000,000	BCMFA	2.689%	Oct 02, 2025	Bond
3,896,000	Prov of Ont	2.499%	Nov 03, 2025	Coupon
22,365,000	York Region	2.890%	Dec 15, 2025	Bond
3,075,000	Prov of Manit	2.827%	Dec 22, 2025	Bond
2,085,000	Prov of Ont	2.523%	Jan 13, 2026	Coupon
9,531,000	Hydro Quebec	2.979%	Feb 02, 2026	Coupon
2,146,000	Prov of Nfld	2.872%	Feb 05, 2026	Bond
20,000,000	Nfld Lab Hydro	3.731%	Feb 27, 2026	Residual
3,754,000	Nfld Lab Hydro	2.639%	Feb 27, 2026	Residual
4,100,000	Nfld Lab Hydro	2.912%	Feb 27, 2026	Bond
16,016,000	Prov of Manit	3.208%	Mar 05, 2026	Coupon
3,749,000	Prov of Ont	2.559%	May 03, 2026	Coupon
10,000,000	Prov of Ont	2.567%	Jun 02, 2026	Coupon
1,700,000	Prov. Of N.B.	2.607%	Jun 03, 2026	Coupon
7,000,000	Prov of B.C.	2.611%	Jun 09, 2026	Residual
1,115,000	Prov of Ont	2.593%	Jul 13, 2026	Coupon
5,000,000	Hydro Quebec	2.579%	Aug 15, 2026	Coupon
3,000,000	Prov of B.C.	2.890%	Aug 23, 2026	Coupon
5,165,000	Prov of Manit	3.547%	Sep 05, 2026	Coupon
3,792,000	Prov of Ont	2.629%	Nov 03, 2026	Coupon
30,000,000	Prov of Ont	2.754%	Dec 02, 2026	Residual
10,350,000	Prov of B.C.	2.663%	Dec 04, 2026	Residual
3,700,000	Hydro Quebec	2.760%	Jan 16, 2027	Coupon
9,100,000	Hydro Quebec	2.927%	Feb 26, 2027	Coupon
11,764,000	Prov of Manit	2.641%	Mar 05, 2027	Coupon
2,300,000	Hydro Quebec	2.790%	Jul 16, 2027	Coupon
18,887,000	Prov of Manit	2.902%	Sep 05, 2027	Coupon
15,000,000	Prov of Ont	2.778%	Dec 02, 2027	Coupon
5,000,000	Prov of B.C.	2.837%	Dec 18, 2027	Coupon
7,000,000	Prov of Manit	3.231%	Sep 05, 2029	Coupon
3,838,000	Prov of Ont	3.199%	Nov 03, 2029	Coupon
15,000,000	Prov of Ont	3.008%	Dec 02, 2029	Coupon
10,600,000	Hydro Quebec	3.179%	Feb 15, 2030	Coupon
1,004,000	Hydro Quebec	3.264%	Jul 26, 2030	Coupon
5,900,000	Hydro Quebec	2.910%	Aug 15, 2030	Coupon
2,630,000	Prov of Manit	3.109%	Sep 05, 2030	Coupon
10,000,000	Prov of Ont	3.300%	Dec 02, 2030	Coupon
3,179,000	Prov. Of N.B.	2.860%	Dec 03, 2030	Coupon
3,500,000	Hydro Quebec	2.920%	Feb 15, 2031	Coupon
7,000,000	Prov of Ont	2.875%	Dec 02, 2031	Coupon

\* Yield to Maturity

**The Regional Municipality of York**  
**Investments By Fund**  
**General Fund**  
As of December 31<sup>st</sup>, 2015

<b>Face Value</b>	<b>Issuer</b>	<b>YTM</b>	<b>Maturity Date</b>	<b>Investment Type</b>
3,522,000	Prov. Of N.B.	3.047%	Jun 03, 2032	Coupon
3,000,000	Prov of Manit	3.600%	Sep 05, 2032	Coupon
3,522,000	Prov. Of N.B.	3.128%	Dec 03, 2032	Coupon
3,907,000	Prov of Manit	3.673%	Mar 05, 2033	Coupon
9,240,000	Prov of B.C.	3.104%	Dec 18, 2033	Coupon
<b>2,302,925,561</b>	<b>Total Fixed Income</b>			
85,152,438	ONE Fund - Equity	N/A	N/A	Pooled Fund
<b>85,152,438</b>	<b>Total ONE Fund</b>			
<b>2,388,077,999</b>	<b>Grand Total</b>			

\* Yield to Maturity

**The Regional Municipality of York  
Investments By Fund  
Sinking Fund**

As of December 31<sup>st</sup>, 2015

Face Value	Issuer	YTM	Maturity Date	Investment Type
39,584,000	BMO S.D.	1.375%	Jul 08, 2016	Bond
36,559,000	CIBC	1.699%	Nov 08, 2016	Bond
11,247,000	ScotiaBank	1.752%	Nov 08, 2016	Bond
32,161,000	Royal Bank	1.965%	Jan 25, 2017	Bond
13,315,000	ScotiaBank	1.914%	Feb 27, 2017	Bond
60,025,000	Scotiabank S.D.	1.676%	Aug 03, 2017	Bond
30,525,000	Royal Bank	1.785%	Sep 21, 2017	Bond
5,133,000	BMO S.D.	1.544%	Sep 26, 2017	Bond
6,825,000	CIBC	1.518%	Mar 07, 2018	Bond
13,663,000	Royal Bank	1.967%	Mar 12, 2018	Bond
20,400,000	ScotiaBank	2.188%	Mar 22, 2018	Bond
9,753,000	BMO	1.462%	Sep 13, 2018	Bond
9,721,000	TD Bank	1.545%	Apr 02, 2019	Bond
1,776,000	Prov of Nfld	4.630%	Apr 17, 2019	Coupon
4,656,000	Prov of Manit	2.617%	Sep 05, 2019	Coupon
276,624	Prov of Ont	2.551%	Sep 08, 2019	Coupon
1,352,300	Prov of Ont	2.354%	Dec 02, 2019	Coupon
14,828,000	Royal Bank	1.793%	Dec 09, 2019	Bond
10,705,000	ScotiaBank	2.011%	Jan 13, 2020	Bond
76,577	Prov of Ont	2.450%	May 03, 2020	Coupon
297,000	Prov of B.C.	3.053%	May 19, 2020	Coupon
46,633,000	BMO	2.771%	Jun 04, 2020	Bond
5,000,000	Hydro Quebec	2.470%	Aug 15, 2020	Residual
4,700,000	Prov of Sask	2.045%	Nov 30, 2020	Coupon
13,558,781	Prov of Ont	2.082%	Dec 02, 2020	Coupon
9,652,000	ScotiaBank	2.616%	Jan 11, 2021	Bond
3,072,000	BMO	2.794%	Apr 23, 2021	Bond
1,464,000	ScotiaBank	2.357%	Jun 04, 2021	Bond
7,200,000	Prov of Ont	2.752%	Aug 07, 2021	Coupon
4,041,289	Prov of B.C.	2.702%	Aug 23, 2021	Coupon
4,000,000	Nfld Lab Hydro	2.832%	Aug 27, 2021	Coupon
4,700,000	Prov of Ont	2.802%	Sep 08, 2021	Coupon
6,457,634	Prov of Ont	2.852%	Nov 03, 2021	Coupon
13,599,000	TD Bank	2.030%	Dec 22, 2021	Bond
7,888,300	Prov of Manit	2.225%	Mar 05, 2022	Coupon
2,800,000	Prov of Ont	3.124%	Sep 08, 2022	Coupon
3,008,588	Prov of Ont	3.151%	Dec 02, 2022	Coupon
3,700,000	Prov of B.C.	3.094%	Dec 18, 2022	Coupon
5,000,000	Hydro Quebec	3.378%	Aug 15, 2023	Coupon
17,264,000	Prov of B.C.	3.088%	Sep 08, 2023	Residual
30,159,155	Prov of Ont	3.072%	Feb 07, 2024	Residual
3,249,529	Nfld Lab Hydro	3.729%	Feb 27, 2026	Residual
3,900,000	Prov of Ont	4.093%	May 03, 2030	Coupon
4,695,000	Prov of Ont	3.869%	Mar 08, 2031	Coupon
7,180,000	Prov of Ont	3.879%	Sep 08, 2031	Coupon
47,536,878	Prov of Ont	3.897%	Dec 02, 2031	Coupon

\* Yield to Maturity



**The Regional Municipality of York**  
**Investments By Fund**  
**Sinking Fund**

As of December 31<sup>st</sup>, 2015

<b>Face Value</b>	<b>Issuer</b>	<b>YTM</b>	<b>Maturity Date</b>	<b>Investment Type</b>
15,889,287	Prov of Ont	4.063%	Mar 08, 2033	Coupon
3,900,000	Prov of Ont	4.167%	May 03, 2033	Coupon
4,323,000	Prov of Ont	3.247%	Jun 02, 2033	Coupon
3,900,000	Prov of Ont	4.167%	Nov 03, 2033	Coupon
13,500,000	Prov of Ont	3.410%	Dec 02, 2033	Coupon
10,000,000	Prov of Ont	3.425%	Jun 02, 2034	Coupon
24,632,000	Prov of Ont	3.202%	Jun 02, 2035	Residual
10,397,390	Prov of Ont	3.136%	Dec 02, 2035	Coupon
10,000,000	Prov of Ont	3.147%	Jun 02, 2036	Coupon
12,000,000	Prov of Ont	3.165%	Dec 02, 2036	Coupon
5,635,633	Hydro Quebec	3.534%	Feb 15, 2041	Coupon
8,888,129	Prov of Ont	3.689%	Jun 02, 2041	Residual
7,000,000	Hydro Quebec	3.534%	Aug 15, 2041	Coupon
2,000,000	Prov of Ont	3.610%	Dec 02, 2041	Coupon
2,052,500	Prov of Ont	3.221%	Jun 02, 2043	Residual
3,400,000	Prov of Ont	3.264%	Dec 02, 2045	Coupon
<b>720,855,594</b>	<b>Grand Total</b>			

**The Regional Municipality of York  
Investment Transactions - Region of York Securities  
General Fund**

For Year Ended at December 31<sup>st</sup>, 2015

<b>Transaction Date</b>	<b>Face Value</b>	<b>Issuer</b>	<b>Coupon</b>	<b>Maturity Date</b>	<b>Security Type</b>	<b>Transaction Type</b>
Jan 08, 2015	5,000,000	York Region	4.00%	Jun 30, 2021	Bond	Sale
Jan 08, 2015	5,000,000	York Region	4.00%	Jun 30, 2021	Bond	Sale
Jan 08, 2015	193,000	York Region	4.00%	Jun 30, 2021	Bond	Sale
Jan 30, 2015	4,078,000	York Region	4.50%	Jun 30, 2020	Bond	Sale
Feb 23, 2015	539,000	York Region	7.25%	Jun 19, 2017	Bond	Sale
Apr 13, 2015	3,308,000	York Region	4.75%	May 27, 2019	Bond	Purchase
Nov 03, 2015	3,765,000	York Region	2.60%	Dec 15, 2025	Bond	Purchase
Nov 03, 2015	5,000,000	York Region	2.60%	Dec 15, 2025	Bond	Purchase
Nov 17, 2015	8,600,000	York Region	2.60%	Dec 15, 2025	Bond	Purchase
Dec 15, 2015	5,000,000	York Region	2.60%	Dec 15, 2025	Bond	Purchase

# The Regional Municipality of York Investment Limit Report

As At December 31<sup>st</sup>, 2015

Issuer Name	\$ Amount	\$ Limit	% of Limit	% of Total
<b>General Fund</b>				
<b>Provincial</b>				
<b><u>Long-Term Investments</u></b>				
Province of British Columbia	146,336,000	596,874,687	24.5%	6.1%
Province of New Brunswick	18,923,000	596,874,687	3.2%	0.8%
Province of Ontario	315,613,200	596,874,687	52.9%	13.2%
Province of Saskatchewan	73,359,000	596,874,687	12.3%	3.1%
Quebec Hydro-Quebec	65,335,000	596,874,687	10.9%	2.7%
<b>Subtotal - Prov. (AAA/AA rating)</b>	<b>619,566,200</b>	<b>1,790,624,060</b>	<b>34.6%</b>	<b>26.0%</b>
<b><u>Long-Term Investments</u></b>				
Province of Manitoba	166,769,000	358,124,812	46.6%	7.0%
Province of Newfoundland	40,079,000	358,124,812	11.2%	1.7%
Newfoundland and Labrador Hydro	32,154,000	358,124,812	9.0%	1.3%
<b>Subtotal - Prov. (A rating)</b>	<b>239,002,000</b>	<b>596,874,687</b>	<b>40.0%</b>	<b>10.0%</b>
<b>Provincial Total</b>	<b>858,568,200</b>	<b>1,909,998,998</b>	<b>45.0%</b>	<b>36.0%</b>
<b>Municipal</b>				
<b><u>Region of York</u></b>				
<b><u>Long-Term Investments</u></b>				
Regional Municipality of York	29,635,000	596,874,687	5.0%	1.2%
<b>Subtotal - Region of York</b>	<b>29,635,000</b>	<b>596,874,687</b>	<b>5.0%</b>	<b>1.2%</b>
<b><u>Other Municipalities</u></b>				
<b><u>Long-Term Investments</u></b>				
City of Ottawa	8,292,000	119,374,937	6.9%	0.3%
City of Saskatoon	5,596,000	119,374,937	4.7%	0.2%
Region of Peel	10,000,000	119,374,937	8.4%	0.4%
City of Vancouver	3,700,000	119,374,937	3.1%	0.2%
Region of Durham	5,176,000	119,374,937	4.3%	0.2%
Region of Halton	6,581,000	119,374,937	5.5%	0.3%
City of London	17,109,000	119,374,937	14.3%	0.7%
Region of Waterloo	24,037,000	119,374,937	20.1%	1.0%
<b>Subtotal - Munic. (AAA rating)</b>	<b>80,491,000</b>	<b>835,624,562</b>	<b>9.6%</b>	<b>3.4%</b>
City of Toronto	10,000,000	119,374,937	8.4%	0.4%
City of Montreal	13,000,000	119,374,937	10.9%	0.5%
Region of Niagara	11,553,000	119,374,937	9.7%	0.5%
<b>Subtotal - Munic. (AA rating)</b>	<b>34,553,000</b>	<b>596,874,687</b>	<b>5.8%</b>	<b>1.4%</b>
New Brunswick Municipal Finance	12,240,000	47,749,975	25.6%	0.5%
B.C. Municipal Finance	3,000,000	47,749,975	6.3%	0.1%
<b>Subtotal - Munic. (A rating)</b>	<b>15,240,000</b>	<b>238,749,875</b>	<b>6.4%</b>	<b>0.6%</b>
<b>Subtotal - Other Municipalities</b>	<b>130,284,000</b>	<b>835,624,562</b>	<b>15.6%</b>	<b>5.5%</b>
<b>Municipal Total</b>	<b>159,919,000</b>	<b>835,624,562</b>	<b>19.1%</b>	<b>6.7%</b>

# The Regional Municipality of York Investment Limit Report

As At December 31<sup>st</sup>, 2015

Issuer Name	\$ Amount	\$ Limit	% of Limit	% of Total
<b>General Fund</b>				
<b>Banks</b>				
<u>Schedule 1 Banks</u>				
<u>Short-Term Investments</u>				
Bank of Montreal	50,000,000	513,074,687	9.7%	2.1%
Bank of Nova Scotia	15,000,000	513,935,687	2.9%	0.6%
Canadian Imperial Bank of Commerce	10,668,000	543,699,687	2.0%	0.4%
Toronto Dominion Bank	470,656,361	596,874,687	78.9%	19.7%
<b>Subtotal - Sch. 1 Banks (R1 mid rating)</b>	<b>546,324,361</b>	<b>1,057,785,248</b>	<b>51.6%</b>	<b>22.9%</b>
<u>Long-Term Investments</u>				
Bank of Montreal	83,800,000	358,124,812	23.4%	3.5%
Bank of Nova Scotia	82,939,000	358,124,812	23.2%	3.5%
Canadian Imperial Bank of Commerce	53,175,000	358,124,812	14.8%	2.2%
Caisse Centrale Desjardins	10,800,000	358,124,812	3.0%	0.5%
Royal Bank of Canada	99,000,000	358,124,812	27.6%	4.1%
Toronto Dominion Bank	20,000,000	358,124,812	5.6%	0.8%
National Bank of Canada	25,000,000	358,124,812	7.0%	1.0%
<b>Subtotal - Sch. 1 Banks (Long Term)</b>	<b>374,714,000</b>	<b>716,249,624</b>	<b>52.3%</b>	<b>15.7%</b>
<b>Bank Total (Short Term)</b>	<b>546,324,361</b>	<b>1,057,785,248</b>	<b>51.6%</b>	<b>22.9%</b>
<b>Bank Total (Long Term)</b>	<b>374,714,000</b>	<b>716,249,624</b>	<b>52.3%</b>	<b>15.7%</b>
<b>Bank Total</b>	<b>921,038,361</b>	<b>1,193,749,374</b>	<b>77.2%</b>	<b>38.6%</b>
<b>Corporate</b>				
<u>Short-Term Investments</u>				
OMERS Realty CTT Holdings	6,700,000	596,874,687	1.1%	0.3%
<b>Subtotal - Corporate (Short-Term)</b>	<b>6,700,000</b>	<b>596,874,687</b>	<b>1.1%</b>	<b>0.3%</b>
<u>Long-Term Investments</u>				
GE Capital Canada Funding Company	43,600,000	596,874,687	7.3%	1.8%
OMERS Realty CTT Holdings	9,900,000	596,874,687	1.7%	0.4%
Ottawa MacDonald-Cartier Airport	6,268,000	596,874,687	1.1%	0.3%
Toyota Credit Canada	30,400,000	596,874,687	5.1%	1.3%
<b>Subtotal - Corporate (Long-Term)</b>	<b>90,168,000</b>	<b>596,874,687</b>	<b>15.1%</b>	<b>3.8%</b>
<b>Corporate Total</b>	<b>96,868,000</b>	<b>596,874,687</b>	<b>16.2%</b>	<b>4.1%</b>
<b>Asset Backed Securities</b>				
<u>Short Term Investments</u>				
Canadian Credit Card Trust	10,000,000	477,499,749	2.1%	0.4%
Hollis Receivables Trust	35,332,000	477,499,749	7.4%	1.5%
<b>Subtotal - Asset Backed</b>	<b>45,332,000</b>	<b>477,499,749</b>	<b>9.5%</b>	<b>1.9%</b>
<u>Long Term Investments</u>				
Canadian Credit Card Trust	4,000,000	477,499,749	0.8%	0.2%
Master Credit Card Trust	50,000,000	477,499,749	10.5%	2.1%
Genesis Trust	86,700,000	477,499,749	18.2%	3.6%
Golden Credit Card Trust	22,000,000	477,499,749	4.6%	0.9%
Glacier Credit Cart Trust	23,600,000	477,499,749	7.3%	1.0%
Hollis Receivables Trust	34,900,000	477,499,749	7.3%	1.5%
<b>Subtotal - Asset Backed</b>	<b>221,200,000</b>	<b>477,499,749</b>	<b>46.3%</b>	<b>9.3%</b>
<b>Asset Backed Total</b>	<b>266,532,000</b>	<b>477,499,749</b>	<b>55.8%</b>	<b>11.2%</b>
<b>ONE Fund</b>				
ONE Fund - Equity Fund	85,152,438	238,749,875	35.4%	3.5%
<b>Subtotal - ONE Fund</b>	<b>85,152,438</b>			
<b>ONE Fund Total</b>	<b>85,152,438</b>	<b>596,874,687</b>	<b>14.2%</b>	<b>3.5%</b>
<b>General Fund Total</b>	<b>2,388,077,999</b>			<b>100.0%</b>

# The Regional Municipality of York

## Attachment 5

### Maturity Distribution of General Fund Fixed Income Investments

#### General Fund

For Year Ended at December 31<sup>st</sup>, 2015

<b>Period</b>	<b>Amount</b>	<b>%</b>
Less than 1 year	626,720,944	29.38%
From 1 year up to, but not including 5 years	683,175,955	32.02%
From 5 years up to, but not including 10 years	615,910,694	28.87%
From 10 years up to 30 years	207,659,470	9.73%
<b>Total</b>	<b>2,133,467,063*</b>	<b>100.00%</b>

\* Includes \$170.656 million in bank deposits, excludes equities (\$85.152 million)