



Clause 5 in Report No. 8 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on April 23, 2015.

5

2014 Annual Investment Report

1. Recommendations

It is recommended that this report be received for information.

2. Purpose

This report discusses the investment activities undertaken during 2014, 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. These had a combined maturity value of approximately \$2.941 billion as at December 31, 2014.

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 \$2,103.5 million, cash of \$197.6 million and equities of \$65.6 million for a grand total of \$2,366.7 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, 2014, approximately 97.2% of the General Fund's portfolio consisted of fixed income or interest producing investments. The remaining 2.8% 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 3.67% for 2014.

Sinking fund investments are made in accordance with a policy established by the Sinking Fund Committee

The Sinking Fund is a separate investment portfolio funded from the annual principal contributions and investment earnings that are used to retire the sinking fund debt obligations. The Sinking Fund had a maturity value of \$574 million at year end (Attachment 2), and consisted of investments held in trust on behalf of the City of Vaughan, the Town of Newmarket, the Township of King, and York Region. Sinking Fund investments are made in accordance with the policy established by the Sinking Fund Committee, which is similar to that of the 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.

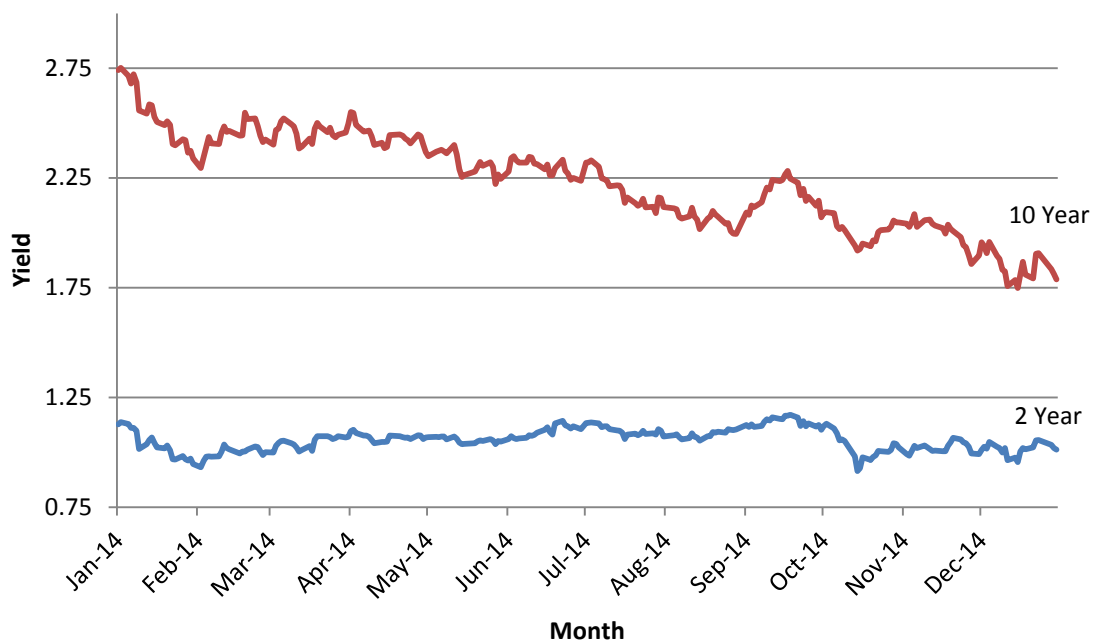
4. Analysis and Options

Short-term interest rates were kept at very low levels by central bankers while longer term interest rates fell steadily all last year

Coming into 2014, most market participants forecasted improving economic conditions, a US central bank that was committed to winding down its quantitative easing program designed to keep long term rates low, and a quiet political landscape in North America and elsewhere. Rates were expected to rise. Instead, investors saw a steady drop in interest rates throughout the year as current events such as geopolitical risks in Ukraine and the Middle East kept the fixed income markets nervous and off balance, even in the face of continuing good news on the US economy. These events kept a steady flow of international investors seeking the safe haven of the North American bond market which in turn pressured interest rates down.

Canadian ten-year interest rates, which began the year at 2.75 %, fell steadily with only minor interruptions, and ended the year at 1.75%. The yield curve flattened dramatically as central bankers kept short rates unchanged. Longer term bonds outperformed shorter bonds across all maturities. Graph 1 depicts the changes in 2-year and 10-year Government of Canada bonds during 2014.

**Graph 1
Canadian Interest Rates - 2014**



2014 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. Continue to be flexible and manage the liquid portion of the portfolio lower;
2. Extend the term of the portfolio when appropriate; and,
3. Continue to seek out value added investments and trading opportunities.

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, by having a shorter term to maturity than its benchmark, was positioned to capitalize on any increase in market interest rates.

With long-term interest rates steadily declining through the year, as referenced earlier, there were few opportunities to extend the term of the portfolio meaningfully. However, by remaining flexible and reacting to short-term interest rate fluctuations, the investment team was able to capitalize on a number of market opportunities. Approximately \$28 million in capital gains were realized through proactive investment strategies without compromising the long-term investment strategy. These gains contributed 138 basis points to the overall portfolio's return. Enhanced cash flow procedures that promoted efficient management of short-term liquidity provided enhanced portfolio returns by a further 20 basis points.

Realized investment returns for the General Fund total \$74.2 million

In 2014, the General Fund generated realized returns totalling \$74.2 million on an average fixed income portfolio balance of \$2.01 billion. This equates to a realized rate of return of 3.69%. 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 Region's reserves and 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 whether up or down (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 that date. Mark-to-market returns for 2014 totalled 6.62% compared to 1.24% in 2013.

Table 1
York Region General Fund Portfolio
Comparison of Realized and Mark-to-Market Returns – 2013 and 2014
(\$millions)

Year	Average Assets	Realized		M-T-M** Adjustments	Mark-to-Market Returns	
		Income	% Return		Income	% Return*
2013	2,009	57.8	2.88	-32.9	24.9	1.24
2014	2,010	74.2	3.69	58.8	133.0	6.62

*These returns do not reflect program costs of approximately \$443,427 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 Region's equity fund investments provided exceptional returns in 2014. Overall returns on the equity portfolio totalled approximately 19.41%, which compared favourably to the TSX composite index, which returned 10.55%. The Region's total equity investment market value was \$65.6 million at the end of 2014.

After factoring in the cost of operating the Region's investment program of approximately \$443,427 (staff, safekeeping, market monitoring services, transaction costs, etc.), the net rate of return for the General Fund was 3.67%, a net difference of two basis points.

Investment returns are allocated differently between short and long term accounts

At its October 2013 meeting, Council approved a revised methodology to allocate interest earned to reserves, reserve funds and other accounts with positive balances. The rate of return used to credit investment income takes into account the length of time that the investments will be held for the purposes of that account. A short term interest rate is applied to those funds that are held for a shorter period of time, such as deferred income, as well as certain corporate and

other specific reserves. These accounts are shown in the appendix to the Investment Policy. On the other hand, reserves and some funds that have a longer term component to them, such as the capital replacement reserve, receive a long-term rate that is determined by the methodology outlined in the Investment Policy.

By implementing this methodology, the long-term reserves were allocated \$17.7 million in additional investment income in 2014 over and above what they would have received under the Region's previous policy.

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 DEX Composite Index is the most appropriate performance benchmark

The index-based benchmark is comprised of the weighted composite returns of the DEX Money Market, Short-Term Bond, Mid-Term Bond and Long-Term Bond indices and the S&P/TSX Composite Index. The indices reflect the returns earned on the passive investment of securities and can be easily tailored to reflect the changing nature of the Region's portfolio over time. This 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 2014 was 6.09%. York Region's portfolio return of 6.62% exceeded that benchmark by 0.53%.

The ONE Investment Program is still a useful reference measure as it represents a default choice for many municipalities

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 Program benchmark, in a year where interest rates rise dramatically, it will tend to out-perform portfolios with longer durations and significantly under-perform when interest rates fall. Given these characteristics, the ONE Investment Program is no longer considered a relevant benchmark, but is still shown for reference purposes.

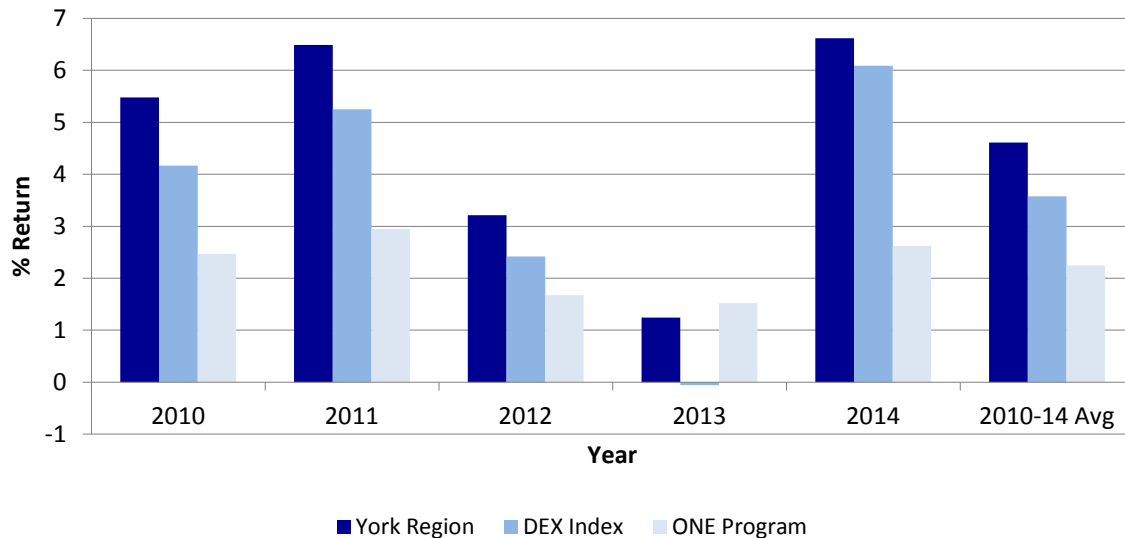
The 2014 results and comparisons for the prior four years for both the ONE Investment Program and the DEX Composite Index are summarized in Table 2 and graphically depicted in Graph 2.

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

Year	York Region Returns	DEX		ONE Program	
		Returns	Difference	Returns	Difference
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
5 year average	4.61	3.58	1.03	2.25	2.36

As Table 2 and Graph 2 indicate, the Region’s investment returns have exceeded the DEX Indices benchmark every year since 2010. In fact, portfolio returns have exceeded this benchmark every year since 2002. Over the most recent five-year period, the Region has generated approximately \$82.8 million in additional investment income over the DEX benchmark indices. Comparing to the ONE Program returns, the Region’s portfolio generated \$186.4 million in additional revenue over the same five year period.

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



General Fund holdings of the Region’s own debt decreased significantly in 2014

As at December 31, 2014, approximately 0.8% of the General Fund portfolio was invested in York Region securities, compared to 2.3% as at December 31, 2013. This change was the result of sales and maturities exceeding purchases by \$36.9 million during the year. Sales exceeded purchases in 2014 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 they are deemed beneficial and sold when funds are needed or other opportunities arise. Information regarding these transactions is presented in Attachment 3.

The General Fund investment portfolio at December 31, 2014 consisted of securities issued by the federal and provincial governments (36%), Canadian banks (43%), municipal governments (7%) and other approved institutions (14%).

At year end, the average remaining term to maturity of the fixed income market securities held in the investment portfolio was approximately 4.3 years. After factoring in cash holdings, the average term was 3.9 years. The maturity distribution of these investments, including interest-bearing bank balances, is shown in Attachment 5.

Interest rates are expected to remain low in North America during 2015

In 2014, global economic and political events dominated the investment landscape. Many of those same factors remain. There are still tensions simmering in Ukraine and the Middle East and slowing international economies, (in particular China and Europe). 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. As mentioned, the U.S. economy showed improvement in many areas and, notwithstanding international headwinds, this is expected to continue in 2015. The improvement in economic conditions should ultimately lead to higher interest rates, but the time frame for such an increase continues to be pushed out.

The Bank of Canada surprised the market by reducing the bank rate at the start of the year as “insurance” against the impact of falling oil prices. Indeed, interest rates here and globally have been lower for longer than anyone forecasted and the conditions for a turnaround still seem elusive.

For 2015, 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 Region’s 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 2015 investment program:

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

Link to key Council-approved plans

The investment management function, under the Region’s Investment Policy, assists the Region in managing its finances prudently. This is a strategic priority area identified in the 2011 to 2015 Strategic Plan. This report demonstrates the Region’s commitment to Vision 2051’s call for open and responsive governance.

5. Financial Implications

The management of the General Fund generated or realized investment return of \$74.2 million in 2014. The mark-to-market or total return was \$133 million. This total return was \$10.7 million (net of costs) higher than the principal benchmark, the DEX indices, and \$80 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 performance in 2014 generated a return of \$74.2 million. All investments met the requirements of the approved Investment Policy.

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

The Senior Management Group has reviewed this report.

March 31, 2015

Attachments (5)

Edocs #6033713

Accessible formats or communication supports are available upon request.

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
197,560,901	TD Bank	1.447%	Jan 02, 2015	Bank Balance
40,000,000	TD Bank	1.522%	Mar 23, 2015	Term Deposit
20,000,000	TD Bank	1.523%	Mar 30, 2015	Term Deposit
20,000,000	TD Bank	1.524%	Apr 14, 2015	Term Deposit
32,149,000	Royal Bk	1.623%	Jun 15, 2015	Bond
10,000,000	Manulife Fin. Corp.	1.625%	Jun 26, 2015	Bond
14,814,000	Manulife Fin. Corp.	1.649%	Aug 20, 2015	Bond
20,000,000	CIBC	1.776%	Nov 02, 2015	Bond
27,752,000	Royal Bk	1.781%	Nov 02, 2015	Bond
32,565,000	TD Bank	1.782%	Nov 02, 2015	Bond
50,000,000	BMO	1.735%	Apr 21, 2016	Bond
6,700,000	OMERS Realty	1.515%	May 05, 2016	Bond
10,000,000	Cdn CC Trust	1.565%	May 15, 2016	Asset Backed
22,000,000	Golden CCT	1.579%	May 15, 2016	Asset Backed
10,000,000	Master CCT	1.605%	May 21, 2016	Asset Backed
10,000,000	CIBC	1.562%	Jun 01, 2016	Bond
39,000,000	BMO	1.920%	Jul 08, 2016	Bond
25,332,000	Hollis Receiv.	1.684%	Sep 26, 2016	Asset Backed
25,000,000	ScotiaBank	1.725%	Nov 08, 2016	Bond
31,690,000	CIBC	1.676%	Nov 08, 2016	Bond
23,000,000	ScotiaBank	1.723%	Dec 01, 2016	Bond
20,000,000	Royal Bank	1.705%	Dec 08, 2016	Bond
3,400,000	National Bank	1.747%	Dec 15, 2016	Bond
30,000,000	GE Capital	1.743%	Jan 17, 2017	Bond
30,000,000	Master CCT	1.760%	Jan 21, 2017	Bond
4,500,000	Royal Bank	1.743%	Jan 25, 2017	Bond
30,000,000	Genesis Trust	1.736%	Feb 15, 2017	Asset Backed
20,900,000	Toyota	1.744%	Feb 27, 2017	Bond
20,000,000	ScotiaBank	1.777%	Feb 27, 2017	Bond
3,700,000	Halton Region	1.603%	Mar 15, 2017	Bond
10,000,000	TD Bank	1.808%	Apr 03, 2017	Bond
30,000,000	National Bank	1.808%	Apr 13, 2017	Bond
15,000,000	Royal Bank	1.902%	Apr 13, 2017	Bond
6,268,000	Ottawa M-C Airport	1.913%	May 02, 2017	Bond
3,962,000	York Region	1.580%	May 30, 2017	Bond
1,961,000	Halton Region	2.420%	Jun 05, 2017	Bond
539,000	York Region	3.173%	Jun 19, 2017	Bond
1,558,000	Niagara Region	2.375%	Jul 17, 2017	Bond
3,805,000	Toronto	2.108%	Jul 18, 2017	Bond
47,200,000	Scotiabank	1.981%	Aug 03, 2017	Bond

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
1,897,000	London	2.300%	Sep 24, 2017	Bond
5,000,000	BMO	2.033%	Sep 26, 2017	Bond
15,000,000	CIBC	2.377%	Oct 18, 2017	Bond
1,699,000	Prov of Ont	1.762%	Nov 03, 2017	Coupon
2,500,000	Waterloo Region	2.220%	Nov 26, 2017	Bond
717,000	Prov of B.C.	1.691%	Nov 30, 2017	Coupon
185,000	Waterloo Region	1.915%	Dec 01, 2017	Bond
2,200,000	Vancouver	2.123%	Dec 01, 2017	Bond
20,000,000	Prov of Ont	1.832%	Dec 02, 2017	Coupon
2,361,000	Saskatoon	1.654%	Dec 03, 2017	Bond
15,000,000	National Bank	1.951%	Dec 11, 2017	Bond
20,000,000	BMO	1.925%	Dec 11, 2017	Bond
10,500,000	CIBC	2.227%	Mar 07, 2018	Bond
57,000,000	Royal Bank	2.072%	Mar 12, 2018	Bond
23,000,000	ScotiaBank	2.140%	Mar 22, 2018	Bond
1,515,000	Niagara Region	2.680%	Jul 17, 2018	Bond
3,000,000	London	2.694%	Sep 03, 2018	Bond
2,069,000	London	2.510%	Sep 24, 2018	Bond
1,000,000	Prov of Ont	1.796%	Oct 09, 2018	Bond
1,546,000	Waterloo Region	2.000%	Nov 06, 2018	Bond
20,737,000	Master CCT	2.025%	Nov 21, 2018	Asset Backed
1,240,000	Waterloo Region	2.575%	Nov 21, 2018	Bond
3,000,000	Waterloo Region	2.420%	Nov 26, 2018	Bond
1,891,000	Vancouver Airport	2.356%	Dec 07, 2018	Bond
35,000,000	Royal Bank	2.243%	Dec 11, 2018	Bond
3,030,000	London	2.306%	Dec 15, 2018	Bond
11,396,000	Toronto	2.541%	Dec 18, 2018	Bond
6,735,000	Prov of B.C.	2.024%	Feb 23, 2019	Coupon
5,000,000	BMO	2.435%	Mar 04, 2019	Bond
4,551,000	Prov of B.C.	2.287%	Mar 05, 2019	Coupon
2,622,000	Prov of Manit	2.044%	Mar 05, 2019	Coupon
5,000,000	ScotiaBank	2.462%	Mar 14, 2019	Bond
10,000,000	TD Bank	2.447%	Apr 02, 2019	Bond
1,899,000	Prov of Ont	2.265%	May 03, 2019	Coupon
10,000,000	Genesis Trust	2.433%	May 15, 2019	Bond
4,295,060	Prov of B.C.	2.382%	May 19, 2019	Coupon
38,676,000	Prov of Ont	2.118%	Jun 02, 2019	Coupon
4,400,000	Prov. Of N.B.	2.428%	Jun 03, 2019	Coupon
3,026,000	Halton Region	2.235%	Jun 03, 2019	Bond
4,806,000	Prov of B.C.	2.316%	Jun 09, 2019	Coupon

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
3,800,000	Peel Region	2.582%	Jun 20, 2019	Bond
6,900,000	Hollis Receiv.	2.127%	Jun 26, 2019	Asset Backed
1,674,000	Niagara Region	2.990%	Jul 17, 2019	Bond
9,357,000	Prov of B.C.	2.422%	Aug 23, 2019	Coupon
3,000,000	London	2.992%	Sep 03, 2019	Bond
4,800,000	Prov of B.C.	2.385%	Sep 05, 2019	Coupon
6,545,000	Prov of Ont	2.295%	Sep 08, 2019	Coupon
3,058,000	Ottawa	2.934%	Oct 22, 2019	Bond
5,581,000	Waterloo Region	2.944%	Oct 24, 2019	Bond
12,000,000	ScotiaBank	2.405%	Oct 28, 2019	Bond
9,000,000	National Bank	2.404%	Oct 28, 2019	Bond
3,803,000	Prov of B.C.	2.475%	Nov 19, 2019	Coupon
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
15,000,000	Royal Bank	2.354%	Dec 09, 2019	Bond
3,010,000	London	3.175%	Dec 15, 2019	Bond
200,000	Durham Region	2.882%	Dec 23, 2019	Bond
20,000,000	Hydro Quebec	2.455%	Jan 10, 2020	Residual
2,000,000	Prov of Ont	3.030%	Jan 13, 2020	Coupon
13,013,855	Prov of B.C.	2.642%	Feb 23, 2020	Coupon
12,110,000	Prov of Mani	2.499%	Mar 05, 2020	Coupon
1,147,000	Waterloo Region	2.687%	Apr 04, 2020	Bond
3,000,000	Prov of Ont	2.475%	May 03, 2020	Coupon
2,994,000	London	2.666%	May 09, 2020	Bond
1,500,000	NB Mun Fin	2.144%	May 15, 2020	Bond
3,700,000	Vancouver	2.780%	Jun 01, 2020	Bond
27,000,000	Prov of Ont	2.460%	Jun 02, 2020	Coupon
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
4,000,000	TD Bank	2.563%	Jun 24, 2020	Bond
4,078,000	York Region	2.743%	Jun 30, 2020	Bond
10,000,000	Prov of Ont	2.996%	Jul 13, 2020	Coupon
1,734,000	Niagara Region	3.225%	Jul 17, 2020	Bond
3,000,000	London	3.245%	Sep 03, 2020	Bond
18,542,000	Prov of Mani	2.527%	Sep 05, 2020	Coupon
1,798,000	Prov of B.C.	2.382%	Sep 08, 2020	Coupon
3,217,000	Ottawa	3.191%	Oct 22, 2020	Bond
3,583,000	Prov of Ont	2.853%	Nov 03, 2020	Coupon

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
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
4,700,000	Prov of Sask	3.198%	Nov 30, 2020	Coupon
272,000	Waterloo Region	3.158%	Dec 01, 2020	Bond
35,000,000	Prov of Ont	2.701%	Dec 02, 2020	Coupon
2,499,000	Saskatoon	2.399%	Dec 03, 2020	Bond
26,491,000	ScotiaBank	2.682%	Jan 11, 2021	Bond
1,000,000	Hydro Quebec	2.690%	Jan 15, 2021	Coupon
4,462,000	Prov of B.C.	3.127%	Feb 23, 2021	Coupon
25,592,000	Prov of Mani	2.879%	Mar 05, 2021	Coupon
1,370,000	Prov of Ont	2.723%	Mar 08, 2021	Coupon
1,178,000	Waterloo Region	2.970%	Apr 04, 2021	Bond
1,023,000	Prov of Ont	2.780%	May 03, 2021	Coupon
3,073,000	London	2.927%	May 09, 2021	Bond
20,000,000	Prov of B.C.	2.976%	May 15, 2021	Residual
1,200,000	Prov of B.C.	3.209%	May 15, 2021	Coupon
3,000,000	Prov of B.C.	2.621%	May 19, 2021	Coupon
2,500,000	Peel Region	2.789%	Jun 10, 2021	Bond
8,162,000	Prov of B.C.	2.900%	Jun 18, 2021	Coupon
2,000,000	Peel Region	3.001%	Jun 20, 2021	Bond
10,193,000	York Region	2.966%	Jun 30, 2021	Bond
1,258,000	Hydro Quebec	2.823%	Jul 15, 2021	Coupon
3,081,000	Hydro Quebec	2.823%	Jul 16, 2021	Coupon
1,630,000	Niagara Region	2.793%	Jul 31, 2021	Bond
15,000,000	Prov of Mani	2.540%	Sep 05, 2021	Coupon
5,200,000	Prov of Nfld	3.076%	Oct 17, 2021	Coupon
215,366	Prov of Ont	3.023%	Nov 03, 2021	Coupon
4,977,000	Waterloo Region	2.557%	Nov 06, 2021	Bond
2,379,000	Prov of Sask	2.810%	Nov 30, 2021	Coupon
2,387,000	Peel Region	2.973%	Dec 01, 2021	Bond
12,728,200	Prov of Ont	2.979%	Dec 02, 2021	Coupon
1,559,000	Saskatoon	2.623%	Dec 03, 2021	Bond
8,502,000	Toronto	3.029%	Dec 06, 2021	Bond
12,500,000	TD Bank	2.621%	Dec 22, 2021	Bond
30,125,000	Prov of Sask	3.115%	Feb 04, 2022	Residual
5,500,000	Prov of B.C.	3.008%	Feb 23, 2022	Coupon
4,300,000	Nfld Lab Hydro	3.224%	Feb 27, 2022	Coupon
9,500,000	Prov of Mani	2.651%	Mar 05, 2022	Coupon
3,662,000	Prov of Nfld	3.166%	Apr 17, 2022	Coupon

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
3,872,000	Prov of Ont	2.862%	May 03, 2022	Coupon
3,440,000	NB Mun Fin	3.111%	May 15, 2022	Bond
20,000,000	Prov of Ont	2.756%	Jun 02, 2022	Coupon
3,555,000	Halton Region	3.139%	Jun 02, 2022	Bond
34,530,000	Prov of B.C.	2.991%	Jun 09, 2022	Residual
3,500,000	Peel Region	3.019%	Jun 10, 2022	Bond
9,162,000	Hydro Quebec	3.232%	Jul 15, 2022	Residual
1,000,000	Niagara Region	3.010%	Jul 31, 2022	Bond
4,162,000	Prov of B.C.	3.085%	Aug 23, 2022	Coupon
19,462,000	Prov of Manit	2.755%	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
15,000,000	Prov of Ont	2.883%	Dec 02, 2022	Coupon
7,107,000	Prov of Ont	3.314%	Jan 13, 2023	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	3.587%	May 23, 2023	Coupon
19,700,000	Prov of Ont	2.847%	Jun 02, 2023	Coupon
4,780,000	Prov of Ont	3.036%	Jul 13, 2023	Coupon
14,000,000	Prov of B.C.	3.034%	Sep 08, 2023	Residual
391,000	Waterloo Region	3.881%	Dec 01, 2023	Bond
5,000,000	Prov of Ont	3.327%	Dec 02, 2023	Coupon
35,000,000	Prov of Ont	3.119%	Feb 07, 2024	Residual
62,686,000	Prov of B.C.	3.304%	Feb 23, 2024	Residual
10,000,000	Prov of B.C.	3.021%	Jun 18, 2024	Coupon
15,000,000	TD Bank	3.042%	Jul 24, 2024	Bond
16,525,000	Prov of B.C.	3.363%	Aug 23, 2024	Residual
3,164,000	Prov of Manit	3.520%	Sep 05, 2024	Coupon
8,000,000	Hydro Quebec	3.275%	Feb 15, 2025	Coupon
4,116,000	Prov of Manit	3.437%	Mar 05, 2025	Coupon
29,826,000	Prov of Sask	3.473%	May 30, 2025	Residual
34,800,000	Prov of Nfld	3.521%	Jul 07, 2025	Residual
4,030,000	Prov of Manit	3.477%	Sep 05, 2025	Coupon
20,000,000	Nfld Lab Hydro	3.731%	Feb 27, 2026	Residual
9,733,000	Prov of Manit	3.517%	Mar 05, 2026	Coupon
5,165,000	Prov of Manit	3.547%	Sep 05, 2026	Coupon
2,301,111,382	Total Fixed Income			

Regional Municipality of York
Investments By Fund
General Fund

As of December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
65,617,555	ONE Fund - Equity	N/A	N/A	Pooled Fund
65,617,555	Total ONE Fund			
2,366,728,937	Grand Total			

Regional Municipality of York

Investments By Fund

Sinking Fund

As at December 31st, 2014

Face Value	Issuer	YTM *	Maturity Date	Investment Type
22,871,000	Royal Bk	1.616%	Jun 15, 2015	Bond
14,170,000	TD Bank	1.669%	Nov 02, 2015	Bond
10,779,000	ScotiaBank	1.770%	Nov 08, 2016	Bond
27,227,000	CIBC	1.884%	Nov 08, 2016	Bond
6,365,000	ScotiaBank	1.804%	Dec 01, 2016	Bond
31,059,000	Royal Bank	1.991%	Jan 25, 2017	Bond
41,488,000	ScotiaBank	1.973%	Feb 27, 2017	Bond
9,455,000	ScotiaBank	1.829%	Jun 08, 2017	Bond
6,436,000	York Region	3.190%	Jun 19, 2017	Bond
27,351,000	Royal Bank	2.046%	Sep 21, 2017	Bond
7,051,803	Prov of Ont	1.966%	Feb 07, 2018	Coupon
6,137,000	Royal Bank	2.063%	Mar 12, 2018	Bond
34,797,000	ScotiaBank	2.213%	Mar 22, 2018	Bond
2,643,454	Prov of Ont	2.146%	Dec 02, 2018	Coupon
8,248,000	Prov of B.C.	4.560%	Feb 23, 2019	Coupon
9,098,000	Prov of Mani	3.944%	Mar 05, 2019	Coupon
1,776,000	Prov of Nfld	4.630%	Apr 17, 2019	Coupon
15,500,000	Prov of B.C.	2.320%	Jun 17, 2019	Residual
5,068,000	Prov of Ont	2.588%	Jul 13, 2019	Coupon
4,656,000	Prov of Mani	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
7,560,000	Prov of Ont	2.540%	Feb 07, 2020	Coupon
367,145	Prov of B.C.	2.519%	Feb 23, 2020	Coupon
3,790,000	Hydro Quebec	2.799%	Apr 15, 2020	Coupon
3,806,577	Prov of Ont	2.793%	May 03, 2020	Coupon
2,266,000	Prov of B.C.	2.952%	May 19, 2020	Coupon
46,378,000	BMO	2.776%	Jun 04, 2020	Bond
3,608,021	Prov of B.C.	2.728%	Jun 18, 2020	Coupon
5,000,000	Hydro Quebec	2.470%	Aug 15, 2020	Residual
9,360,000	ScotiaBank	2.633%	Jan 11, 2021	Bond
2,976,000	BMO	2.819%	Apr 23, 2021	Bond
4,000,000	Prov of B.C.	2.500%	May 15, 2021	Residual
889,000	ScotiaBank	2.566%	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

8,271,800	Prov of Ont	2.670%	Dec 02, 2021	Coupon
5,100,000	Prov of B.C.	3.009%	Feb 23, 2022	Residual
3,705,000	Prov of Ont	3.070%	Mar 08, 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
10,427,255	Prov of Ont	3.826%	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
56,445,245	Prov of Ont	3.932%	Dec 02, 2031	Coupon
1,552,000	Prov of Ont	4.087%	Mar 08, 2033	Coupon
14,337,287	Prov of Ont	4.060%	Mar 08, 2033	Residual
3,900,000	Prov of Ont	4.167%	May 03, 2033	Coupon
3,900,000	Prov of Ont	4.167%	Nov 03, 2033	Coupon
5,623,129	Prov of Ont	3.743%	Jun 02, 2041	Residual
574,263,680	Grand Total			

Regional Municipality of York

Investment Transactions - Region of York Securities

General Fund

For Year Ended at December 31st, 2014

Transaction Date	Face Value	Issuer	Coupon	Maturity Date	Security Type	Transaction Type
Jan 23, 2014	10,000,000	York Region	4.50%	Jun 30, 2021	Bond	Sale
Feb 26, 2014	416,000	York Region	4.50%	Sep 28, 2016	Bond	Sale
Feb 26, 2014	10,000,000	York Region	5.00%	Apr 29, 2019	Bond	Sale
Feb 26, 2014	1,000,000	York Region	4.50%	Sep 28, 2016	Bond	Sale
Mar 06, 2014	8,385,000	York Region	5.00%	Apr 29, 2019	Bond	Sale
Mar 06, 2014	2,000,000	York Region	5.00%	Apr 29, 2019	Bond	Sale
Mar 19, 2014	5,000,000	York Region	4.50%	Jun 30, 2021	Bond	Sale
May 23, 2014	3,962,000	York Region	4.60%	May 30, 2017	Bond	Purchase
Jun 10, 2014	293,000	York Region	4.60%	May 25, 2015	Bond	Sale
Dec 17, 2014	3,727,000	York Region	4.50%	Jun 30, 2021	Bond	Sale

Regional Municipality of York Investment Limit Report

As At December 31, 2014

Issuer Name	Amount	Limit	% of Limit	% of Total
General Fund				
Provincial				
<u>Long-Term Investments</u>				
Province of British Columbia	241,162,915	828,355,128	29.1%	10.2%
Province of New Brunswick	4,400,000	828,355,128	0.5%	0.2%
Province of Ontario	284,096,566	828,355,128	34.3%	12.0%
Province of Saskatchewan	71,130,000	828,355,128	8.6%	3.0%
Quebec Hydro-Quebec	42,501,000	828,355,128	5.1%	1.8%
Subtotal - Prov. (AAA/AA rating)	643,290,481	1,775,046,702	36.2%	27.2%
<u>Long-Term Investments</u>				
Province of Manitoba	149,639,000	355,009,340	42.2%	6.3%
Province of Newfoundland	43,662,000	355,009,340	12.3%	1.8%
Newfoundland and Labrador Hydro	24,300,000	355,009,340	6.8%	1.0%
Subtotal - Prov. (A rating)	217,601,000	591,682,234	36.8%	9.2%
Provincial Total	860,891,481	1,893,383,149	45.5%	36.4%
Municipal				
<u>Region of York</u>				
Regional Municipality of York	18,772,000	591,682,234	3.2%	0.8%
Subtotal - Region of York	18,772,000	591,682,234	3.2%	0.8%
<u>Other Municipalities</u>				
<u>Long-Term Investments</u>				
City of Ottawa	6,275,000	118,336,447	5.3%	0.3%
City of Saskatoon	7,957,000	118,336,447	6.7%	0.3%
Region of Peel	18,687,000	118,336,447	15.8%	0.8%
City of Vancouver	5,900,000	118,336,447	5.0%	0.2%
Region of Durham	1,254,000	118,336,447	1.1%	0.1%
Region of Halton	12,242,000	118,336,447	10.3%	0.5%
City of London	25,073,000	118,336,447	21.2%	1.1%
Region of Waterloo	33,156,000	118,336,447	28.0%	1.4%
Subtotal - Munic. (AAA rating)	110,544,000	828,355,128	13.3%	4.7%
City of Toronto	23,703,000	118,336,447	20.0%	1.0%
Region of Niagara	9,111,000	118,336,447	7.7%	0.4%
Subtotal - Munic. (AA rating)	32,814,000	591,682,234	5.5%	1.4%
New Brunswick Municipal Finance	9,240,000	47,334,579	19.5%	0.4%
Subtotal - Munic. (A rating)	9,240,000	236,672,894	3.9%	0.4%
Subtotal - Other Municipalities	152,598,000	828,355,128	18.4%	6.4%
Municipal Total	171,370,000	828,355,128	20.7%	7.2%
Banks				
<u>Schedule 1 Banks</u>				
<u>Short-Term Investments</u>				

Regional Municipality of York

Investment Limit Report

As At December 31, 2014

Issuer Name	Amount	Limit	% of Limit	% of Total
Canadian Imperial Bank of Commerce	20,000,000	524,492,234	3.8%	0.8%
Royal Bank of Canada	59,901,000	445,182,234	13.5%	2.5%
Toronto Dominion Bank	310,125,901	591,682,234	52.4%	13.1%
Subtotal - Sch. 1 Banks (R1 mid rating)	390,026,901	796,756,362	49.0%	16.5%
<u>Long-Term Investments</u>				
Bank of Montreal	119,000,000	355,009,340	33.5%	5.0%
Bank of Nova Scotia	181,691,000	355,009,340	51.2%	7.7%
Canadian Imperial Bank of Commerce	67,190,000	355,009,340	18.9%	2.8%
Royal Bank of Canada	146,500,000	355,009,340	41.3%	6.2%
Toronto Dominion Bank	51,500,000	355,009,340	14.5%	2.2%
National Bank of Canada	57,400,000	355,009,340	16.2%	2.4%
Subtotal - Sch. 1 Banks (Long Term)	623,281,000	710,018,681	87.8%	26.3%
Bank Total (Short Term)	390,026,901	796,756,362	49.0%	16.5%
Bank Total (Long Term)	623,281,000	710,018,681	87.8%	26.3%
Bank Total	1,013,307,901	1,183,364,468	85.6%	42.8%
Corporate				
<u>Short-Term Investments</u>				
Manulife Financial Corporation	24,814,000	591,682,234	4.2%	1.0%
Subtotal - Corporate (Short-Term)	24,814,000	591,682,234	4.2%	1.0%
<u>Long-Term Investments</u>				
GE Capital Canada Funding Company	30,000,000	591,682,234	5.1%	1.3%
OMERS Realty CTT Holdings	6,700,000	591,682,234	1.1%	0.3%
Ottawa MacDonald-Cartier Airport	6,268,000	591,682,234	1.1%	0.3%
Toyota Credit Canada	20,900,000	591,682,234	3.5%	0.9%
Vancouver International Airport	1,891,000	591,682,234	0.3%	0.1%
Subtotal - Corporate (Long-Term)	65,759,000	591,682,234	11.1%	2.8%
Corporate Total	90,573,000	591,682,234	15.3%	3.8%
Asset Backed Securities				
<u>Long Term Investments</u>				
Canadian Credit Card Trust	10,000,000	473,345,787	2.1%	0.4%
Master Credit Card Trust	60,737,000	473,345,787	12.8%	2.6%
Genesis Trust	40,000,000	473,345,787	8.5%	1.7%
Golden Credit Card Trust	22,000,000	473,345,787	4.6%	0.9%
Hollis Receivables Trust	32,232,000	473,345,787	6.8%	1.4%
Subtotal - Asset Backed	164,969,000	473,345,787	34.9%	7.0%
Asset Backed Total	164,969,000			
ONE Fund				
ONE Fund - Equity Fund	65,617,555	236,672,894	27.7%	2.8%
Subtotal - ONE Fund	65,617,555			
ONE Fund Total	65,617,555	591,682,234	11.1%	2.8%
General Fund Total	2,366,728,937			

Regional Municipality of York
Maturity Distribution of General Fund Fixed Income Investments
General Fund

For Year Ended at December 31st, 2014

Period	Amount	%
Less than 1 year	414,840,901*	18.03%
From 1 year up to, but not including 5 years	992,247,060	43.12%
From 5 years up to, but not including 10 years	778,353,421	33.83%
From 10 years up to 30 years	115,670,000	5.03%
Total	2,301,111,382*	100.00%

* Includes \$197.6 million in bank deposits, excludes equities (\$65.6 million)