

Transition to T+2 Settlement Cycle

Effective September 5, 2017

Adoption of New Industry Guidelines

New industry guidelines have been agreed upon by the U.S. and Canada to move away from the current T+3 settlement cycle for equity and bond trades and adopt a new T+2 settlement cycle, which is targeted to take effect on September 5, 2017.

Numerous industry organizations agree that a shorter settlement cycle could potentially:

- Reduce operational risk¹
- Reduce pro-cyclicality impacts¹
- Lower liquidity needs¹
- Mitigate systemic risk by reducing exposure between the counterparties to a trade and from the counterparties to the clearinghouse¹

The adoption of these new industry guidelines will ensure better alignment with other global markets such as Hong Kong, Australia, New Zealand, Spain and the European Union, which have already moved to a T+2 settlement cycle.

Changes to Greystone Processes

Greystone is moving to a T+2 settlement cycle for all Greystone pooled funds currently trading to settle on a T+3 settlement cycle.

In addition, all capital calls and redemptions from the Greystone Real Estate Fund Inc., the Greystone Real Estate LP Fund, the Greystone Mortgage Fund as well as the Greystone Infrastructure Fund(s)² will also transition to a T+2 settlement cycle. Please note that if a drawdown is required in September, it will not be impacted by this change as the trade date will occur before the September 5th implementation date. Any drawdowns occurring after September 5, 2017 will follow the new T+2 settlement cycle.

Impact to Greystone Clients

We anticipate minimal impact to clients trading equities or bonds. With a shortened settlement time, we believe that a T+2 settlement cycle will provide clients with increased liquidity and reduce marketplace risk given the reduced time to invest or redeem.

Our processes remain unchanged and Greystone clients are to continue to provide notice to Greystone at cashtransactions@greystone.ca as they do today. If you have an agreement with your custodian that authorizes

¹ State Street, *T+2 Settlement Cycle FAQs for U.S. and Canadian Markets*, January 2017.

² "Greystone Infrastructure Fund(s)" refer to the following three funds; "Greystone Infrastructure Fund (Global Master) LP", "Greystone Infrastructure Fund (Canada) LP", and "Greystone Infrastructure Fund (Canada) LP II"

them to communicate funding notifications to Greystone on your behalf, please continue to follow the existing process as determined with your custodian.

For clients investing in any of Greystone's alternative asset classes (real estate, mortgages, infrastructure), Greystone will continue to adhere to its 15-day funding notification guideline. However, Greystone will call funds one day earlier and funds will be required on the third business day of the month, as opposed to the fourth business day.

Subscriptions and redemptions into Greystone's alternative investments will continue to be facilitated through the queue process as they are today.

Target Effective Date

At the present time, there is every expectation that September 5, 2017 will be the T+2 implementation date. Any orders with a trade date of September 5, 2017 will settle on September 7, 2017.

This is an industry-wide change so Greystone will move per industry implementation plans. If a decision is made to delay the implementation date, Greystone will provide an immediate update to all clients.

Next Steps

Over the coming weeks, industry-wide testing will be taking place. No action is required by Greystone clients.

In the meantime, if you have any specific questions regarding Greystone's operational processes, please contact cashtransactions@greystone.ca.

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