

Multi-Asset Market Monitor

August 2017 Commentary

Equities	Private Assets	Fixed Income
<p>August concluded another positive earnings season for U.S. and International equities, posting returns of 0.6%¹ and 0.2%², respectively. Meanwhile, emerging markets continued their recent outperformance. The China A-shares market, which was recently added to the MSCI emerging markets index, gained 4.8%³ in the month.</p>	<p>Mortgages, Real Estate and Infrastructure provided returns in-line with equities during August. Demand remained strong for real assets with competitive pricing across global infrastructure sectors.</p>	<p>The prospect of further tightening from the Bank of Canada flattened the yield curve with 10-year yields dropping 20 basis points (“bps”)⁴ in the month while 2-year yields were anchored by the prospect of higher overnight rates. Credit spreads displayed valuation fatigue, bouncing off post financial crisis lows and widened 3 bps⁴ in the month.</p>

2012	2013	2014	2015	2016	YTD	1-month	Benchmarks
EM Eq 15.6	Glo. Eq 35.2	Long Bonds 17.5	Glo. Eq 18.9	Cdn. Eq 21.1	EM Eq 19.9	Long Bonds 2.9	S&P/TSX MSCI World (Net) MSCI Emerging Markets (Net)
Real Estate 14.0	Cdn. Eq 13.0	Glo. Eq 14.4	Infrastructure 11.5	EM Eq 7.3	Infrastructure 6.2	EM Eq 2.5	Infrastructure ⁵ IPD All Property ⁶
Glo. Eq 13.3	Infrastructure 12.9	Infrastructure 10.6	Real Estate 7.8	Real Estate 6.1	Glo. Eq 6.1	Bonds 1.4	Custom Mortgage Benchmark ⁷ FTSE TMX Cda 91 day T-bill
Infrastructure 8.7	Real Estate 10.6	Cdn. Eq 10.6	Mortgages 4.0	Glo. Eq 3.8	Real Estate 5.3	Mortgages 0.8	FTSE TMX Cda Universe FTSE TMX Cda LT Overall
Cdn. Eq 7.2	EM Eq 3.9	Bonds 8.8	Long Bonds 3.8	Long Bonds 2.5	Long Bonds 4.4	Cdn. Eq 0.7	
Long Bonds 5.2	Mortgages 1.3	Real Estate 7.0	Bonds 3.5	Infrastructure 2.4	Bonds 1.8	Infrastructure 0.5	
Bonds 3.6	Cash 1.0	EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Cdn. Eq 1.4	Glo. Eq 0.4	
Mortgages 3.6	Bonds -1.2	Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 1.0	Real Estate 0.4	
Cash 1.0	Long Bonds -6.2	Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.3	Cash 0.1	

Returns in C\$, excluding Infrastructure (US\$). Gross of investment management fees. May be subject to rounding.

¹ S&P 500.

² MSCI EAFE, net of foreign dividend withholding taxes

³ CSI 300, net of foreign dividend withholding taxes

⁴ FTSE TMX

⁵ Infrastructure returns are the Preqin Infrastructure Quarterly Index up to its most recent publication, Q3 2016 and are Greystone Infrastructure Fund (Canada) LP thereafter.

⁶ Real estate returns are the IPD All Property Index up to its most recent publication, Q1 2017 and are the Greystone Real Estate Fund Inc. thereafter.

⁷ Custom Mortgage Benchmark: FTSE TMX Cda Short Term Overall 60%, FTSE TMX Cda Mid Term Overall 40% + 0.5% per annum.

Past performance is not necessarily a guide to future results.

Source: FactSet, Preqin, Greystone. As at August 31, 2017.

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** Name change effective Aug 1, 2017.

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