

Multi-Asset Market Monitor

October 2017 Commentary

Equities	Private Markets	Fixed Income
Global equity was propelled by a better than expected Q3 earnings season and an accommodative monetary backdrop with all regions enjoying positive performance in October. Emerging markets regained equity leadership from Canada while U.S. and international equities displayed continued momentum, returning 5.5% ¹ and 4.6% ² , respectively.	Direct Real Estate lead private investments over October while Infrastructure witnessed little variability due to minimal appraisal activity. Private Commercial Mortgage Debt appreciated 1% ⁶ , however, underperformed Universe and Long Bonds due to a flattening yield curve.	Following back-to-back hikes over the summer, the Bank of Canada left the overnight policy rate unchanged in October. Bonds rallied as a result with Canada 2-year yields dropping 14 basis points (bps) while the 10-year yield fell 17 bps. Broad corporate spreads narrowed by 4 bps during the month despite reaching post crisis lows.

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 27.1	EM Eq 6.7	S&P/TSX
Real Estate 14.0	Cdn. Eq 13.0	Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Glo. Eq 13.6	Glo. Eq 5.0	MSCI World (Net) ³
Glo. Eq 13.3	Infrastructure 12.8	Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Real Estate 8.1	Long Bonds 3.3	MSCI Emerging Markets (Net) ³
Infrastructure 8.7	Real Estate 10.6	Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Infrastructure 7.5	Cdn. Eq 2.7	Infrastructure ⁴
Cdn. Eq 7.2	EM Eq 3.9	Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Cdn. Eq 7.3	Bonds 1.6	IPD All Property ⁵
Long Bonds 5.2	Mortgages 1.3	Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 5.1	Real Estate 1.4	Custom Mortgage Benchmark ⁶
Bonds 3.6	Cash 1.0	EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.1	Mortgages 1.0	FTSE TMX Cda 91 day T-bill
Mortgages 3.6	Bonds -1.2	Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 1.2	Cash 0.1	FTSE TMX Cda Universe
Cash 1.0	Long Bonds -6.2	Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.4	Infrastructure -0.8	FTSE TMX Cda LT Overall

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

Returns in C\$, excluding Infrastructure (US\$). Gross of investment management fees. May be subject to rounding. Past performance is not necessarily a guide to future results.

¹ S&P 500.

² MSCI EAFE.

³ MSCI, net of foreign dividend withholding taxes.

⁴ Infrastructure returns are the Preqin Infrastructure Quarterly Index up to its most recent publication, Q1 2017 and are Greystone Infrastructure Fund (Canada) LP returns thereafter.

⁵ Real estate returns are the IPD All Property Index up to its most recent publication, Q3 2017 and are Greystone Real Estate Fund Inc. returns thereafter.

⁶ Custom Mortgage Benchmark: FTSE TMX Cda Short Term Overall 60%, FTSE TMX Cda Mid Term Overall 40% + 0.5% per annum.

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¹ As at Sep 30, 2017.

² An eligible employee is defined as contributing one or more years of service to Greystone.

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