

Jeff Tiefenbach, CFA
Chief Investment Officer
Public Equities



I Message from CIO, Public Equities

Global equity markets provided strong absolute returns to investors in 2017. At Greystone, our disciplined process and philosophy served well, as nine out of 10 equity funds in our platform ended the year ahead of their benchmarks (see Figure 1 at end of this document).

As the asset management industry continued to experience change over the past 12 months, Greystone took a very proactive approach in order to make the necessary adjustments to ensure the long-term success of our public equity offerings and, more importantly, our clients.

One such step was the reorganization of our Public Equities area, which was a top priority for our firm in 2017. Our aim is to improve execution in every action for our clients within the unchanged framework of Greystone's growth-oriented equity philosophy and three-part equity investment process. To do this, we established a lead and co-lead portfolio manager for the various equity funds and moved to a global sector-based approach to fundamental research, as well as a more robust platform for quantitative research and risk management. An important part of implementing this approach was to properly staff our newly structured Public Equities team, specifically in the Fundamental Research and Quantitative Research/Risk Management areas.

While all our Greystone equity funds posted positive absolute returns for the year, the Greystone Canadian Equity Fund did slightly trail its benchmark. However, our goal is to achieve in the Canadian portfolio the same resilience as in other geographies, and I am fully confident that the steps we have taken and continue to take will achieve this result as style headwinds abate.

At Greystone, team-based decision making and synergy among our respective investment and operational teams works well for the firm's multi-asset class approach — an approach in which public equities is a vital component for success. Our rigorous selection process helps us to build a team of very qualified, highly skilled and capable people that operate within one of the industry's best and most admired organizational cultures.

As part of the firm's continued commitment to equities, I am pleased to report that we were able to expand the Greystone Public Equities team throughout 2017 and I am proud to welcome its newest members:



JEFF EVANS, CFA, LLM

VICE-PRESIDENT, QUANTITATIVE RESEARCH/RISK MANAGEMENT, PUBLIC EQUITIES

Jeff has over 15 years of sell-side experience developing quantitative models and is responsible for Greystone's research as it relates to quantitative equity factors, including efficacy and impact to equity portfolio construction. He works closely with our portfolio managers to provide evidence-based research and analysis of individual equity investments, and broader factor and economic trends.

Jeff also works closely with the Fundamental Research team to enhance existing quantitative screens and improve the accuracy of stock selection activities.

Jeff joins Greystone from CIBC Capital Markets where he was Executive Director, Quantitative Research. He has also held positions with Desjardins Securities and Scotia Capital.



KELVIN NAN, M.ENG., PHD

SENIOR ANALYST, QUANTITATIVE RESEARCH/RISK MANAGEMENT, PUBLIC EQUITIES

Kelvin is responsible for quantitative research and risk management as it relates to Greystone's equity portfolios. Kelvin joins Greystone from Cascading Solutions Consulting Group where he worked as a Consulting Engineer. He has also held positions with ETH Zurich.



TERENCE CHUNG, CFA, MBA

SENIOR ANALYST, FUNDAMENTAL RESEARCH, PUBLIC EQUITIES

Terence is responsible for Greystone's equity research and analysis of the Industrials sector, as well as the development of investment recommendations. Terence joins Greystone from Adroit Investment Management in Edmonton, where he was an Equity Analyst. He has also held positions with Merrill Lynch Canada, Credit Suisse Securities, and CIBC World Markets.



EGOR UFIMTSEV

ANALYST, FUNDAMENTAL RESEARCH, PUBLIC EQUITIES

Egor is responsible for preparing reports, collecting research information, communicating with sell-side sales and analyst personnel, as well as leading or assisting in key projects focused on the ongoing improvement of our investment management process.

At Greystone, we remain steadfast in our commitment to position the Public Equities team for continued growth, success and improved competitiveness. While we are proud of what we have accomplished in 2017, we are by no means complacent. We continue to support the growth and development of our talent across the team and we strive for greater productivity and performance.

Greystone's overall vision has always held clients' needs at the top of our commitments and I am pleased with our Public Equities team's dedication to its application throughout the year. Our mission to add value for our clients is part of a larger business philosophy where client interests come first — because we believe that when clients succeed, we succeed.

As we look ahead going into this new year, we see clear signs of global economic growth not just continuing but actually accelerating. There is broad participation from all the major regions, which we see as a positive sign. Equity markets have had a good run since the financial crisis of 2007-08 and we believe they have the potential to continue that run as this broad economic growth is translating into earnings growth at the corporate level. The biggest caveat to our positive outlook is just how subdued risk levels remain. Volatility indicators are at multi-year lows and we remain vigilant to any increase in risk and more importantly what effect it might have on the stocks held in our clients' portfolios.

On behalf of Greystone, thank you for the continued trust, confidence and support you have put in our public equity offerings. We look forward to serving you in 2018 and beyond.

Figure 1: Greystone Public Equities Performance as at Dec 31, 2017

	Inception Date	1-Year	4-Year	Since Inception
Canadian Equity	Mar-96	8.1	6.2	9.9
S&P/TSX Composite		9.1	7.6	8.1
Canadian Equity Income & Growth	Dec-97	9.5	5.7	11.6
S&P/TSX Composite		9.1	7.6	7.2
Canadian Equity Small Cap	Jan-07	7.3	4.7	6.8
S&P/TSX Small Cap		2.8	4.8	2.9
U.S. Equity	Dec-97	19.9	18.4	7.0
S&P 500		13.8	16.7	6.6
U.S. Income & Growth	Jan-05	15.3	17.9	10.0
S&P 500		13.8	16.7	8.9
International Equity¹	Jul-08	22.1	12.6	6.6
MSCI EAFE (Net) ¹		16.8	8.9	5.6
International Income & Growth¹	Apr-08	21.0	9.9	7.0
MSCI EAFE (Net) ¹		16.8	8.9	5.1
China Income & Growth¹	Jan-15	57.8	n/a	27.5
CSI 300 (Net) ¹		23.6	n/a	7.4
Global Equity^{1,2}	May-00	18.8	15.9	4.5
MSCI World (Net) ¹		14.4	12.7	3.4
Global Income & Growth¹	Jan-11	18.7	13.6	14.6
MSCI World (Net) ¹		14.4	12.7	13.3

¹ China income and growth fund, CSI300 (Net), International Equity funds and MSCI EAFE and World indices performance is net of foreign dividend withholding taxes.

² The Global Equity Fund moved from a fund-of-fund managed strategy to a segregated security managed strategy on December 17, 2013.

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Greystone Managed Investments Inc.

With over \$33 billion in assets under management,¹ we proudly serve universities, pension funds, multi-employer groups, endowments & foundations, insurance companies, and non-profit organizations.

We are a private company, majority-owned by our employees — over 90% of eligible employees are shareholders.²

Greystone has in-house expertise in the following areas:

MULTI-ASSET

- Balanced
- Balanced Plus
- Target Date Plus
- Alternative Suite

FIXED INCOME

- LDI
- Term
- Plus
- Sector

ALTERNATIVES

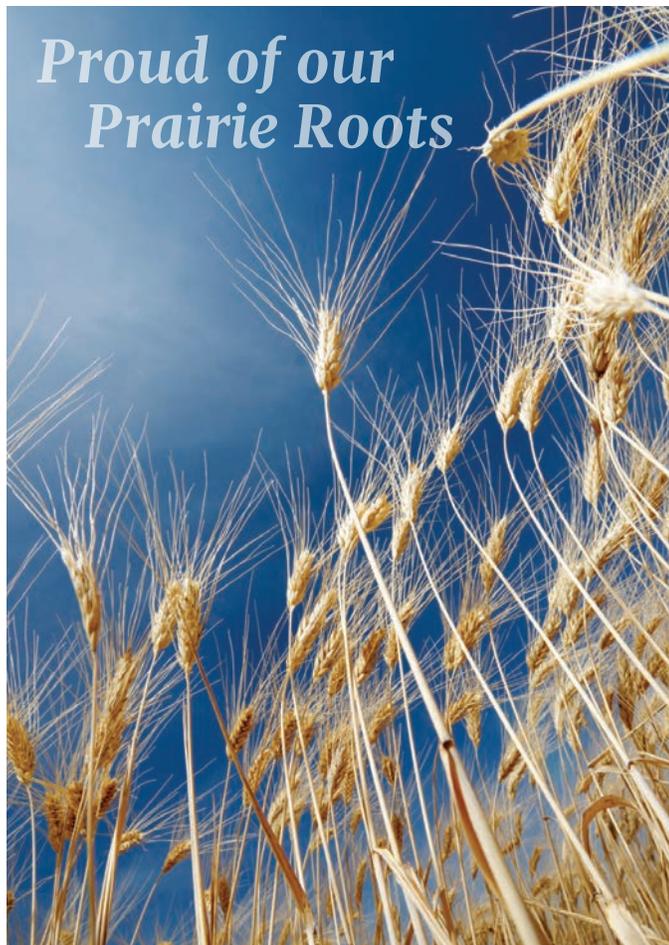
- Real Estate
- Infrastructure

PRIVATE DEBT

- Mortgages

PUBLIC EQUITIES

- Canadian & U.S.
- International
- Global
- China



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