

# Multi-Asset Monitor

## August 2018 Market Commentary

Equities	Private Markets	Fixed Income
<p>U.S. equities outperformed other regions for the second month in a row and returned 3.4% in August.<sup>1</sup> The move in the U.S. was supported by an exceptionally strong second quarter earnings season and better than expected economic data. Canadian equities underperformed as NAFTA uncertainty continued to weigh on investor sentiment. International markets were also plagued by trade tensions and returned -1.8% during the month.<sup>2</sup> Emerging markets trailed developed markets while feeling pressure from a strengthening U.S. dollar and the political crisis in Turkey.</p>	<p>Private Real estate returns were modestly positive and continue to be supported by strong demand for industrial and multi-unit residential space in major cities. Private commercial mortgages posted positive returns last month as short term interest rates fell. Direct infrastructure witnessed negative performance last month, however this was largely the result of currency fluctuations versus actual appraisal activities.</p>	<p>The Canadian universe bond index had positive returns in August as yields fell across the curve in the latter part of the month. Failing to reach a NAFTA deal was the main reason behind the drop in yields. The yield curve flattened as a result with 5-year Government of Canada (“GoC”) yields falling 7 basis points (“bps”) whereas 30-year “GoC” yields decreased by 12 bps.<sup>3</sup> Broad corporate spreads slightly narrowed during the month due to a slowdown in new issuance.</p>

2013	2014	2015	2016	2017	YTD	1-month	Benchmarks	
Glo. Eq 35.2	Long Bonds 17.5	Glo. Eq 18.9	Cdn. Eq 21.1	EM Eq 28.3	Glo. Eq 9.1	Glo. Eq 1.4	S&P/TSX	
Cdn. Eq 13.0	Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Infrastructure 18.8	Real Estate 4.9	Long Bonds 1.3	MSCI World (Net) <sup>4</sup>	
Infrastructure 12.9	Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Glo. Eq 14.4	Cdn. Eq 2.3	Bonds 0.8	MSCI Emerging Markets (Net) <sup>4</sup>	
Real Estate 10.6	Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Cdn. Eq 9.1	Infrastructure 2.0	Mortgages 0.6	Infrastructure <sup>5</sup>	
EM Eq 3.9	Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Mortgages 1.0	Real Estate 0.4	REALPAC/IPD Canada – All Assets <sup>6</sup>	
Mortgages 1.3	Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Cash 0.8	Cash 0.1	Custom Mortgage Benchmark <sup>7</sup>	
Cash 1.0	EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Bonds 0.6	Infrastructure -0.7	FTSE TMX Cda 91 day T-bill	
Bonds -1.2	Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	Long Bonds 0.5	Cdn. Eq -0.8	FTSE TMX Cda Universe	
Long Bonds -6.2	Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	EM Eq -3.4	EM Eq -2.6	FTSE TMX Cda LT Overall	
<b>Market Portfolio<sup>8</sup></b>								
							4.9	10.4
							4.7	0.8

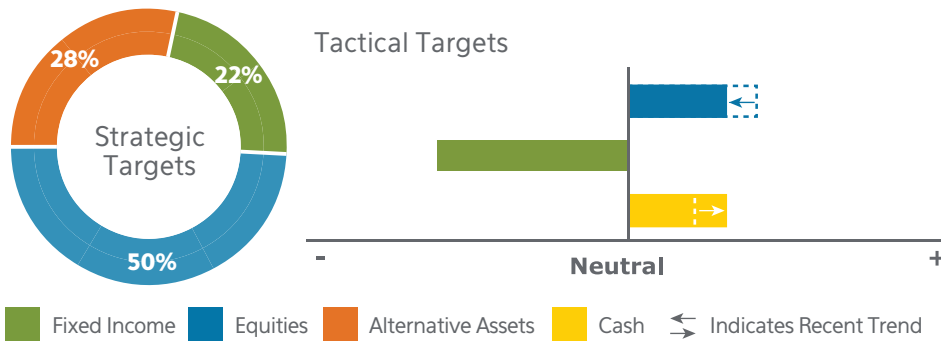
Source: FactSet, Preqin, Greystone. As at August 31, 2018. Returns in Canadian dollars, excluding Infrastructure (U.S. dollars). Gross of investment management fees. May be subject to rounding. Past performance is not indicative of future performance.

<sup>1</sup> S&P 500.  
<sup>2</sup> MSCI EAFE.  
<sup>3</sup> Bloomberg.  
<sup>4</sup> MSCI, net of foreign dividend withholding taxes.  
<sup>5</sup> Infrastructure returns are the Preqin Infrastructure Quarterly Index up to Q4 2017 and are Greystone Infrastructure Fund (Canada) LP returns thereafter.  
<sup>6</sup> Real estate returns are the REALPAC/IPD Canada Quarterly Property Index – All Assets up to its most recent publication, Q2 2018 and are Greystone Real Estate Fund Inc. returns thereafter.  
<sup>7</sup> Custom Mortgage Benchmark: FTSE TMX Cda Short Term Overall 60%, FTSE TMX Cda Mid Term Overall 40% + 0.5% per annum.  
<sup>8</sup> The Market Portfolio is the Greystone Balanced Plus fund.

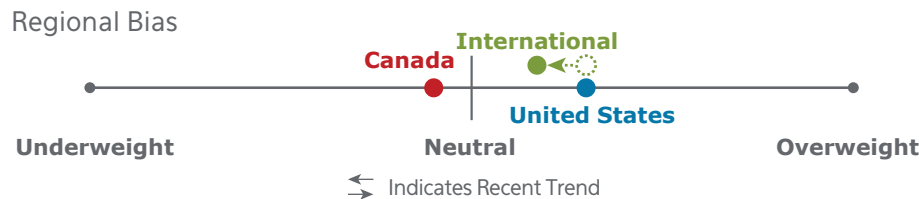


## Greystone Multi-Asset Positioning

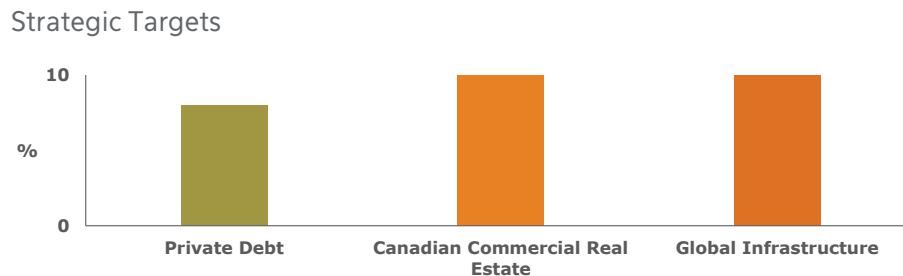
### Asset Strategy



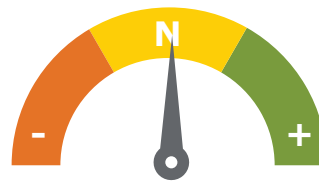
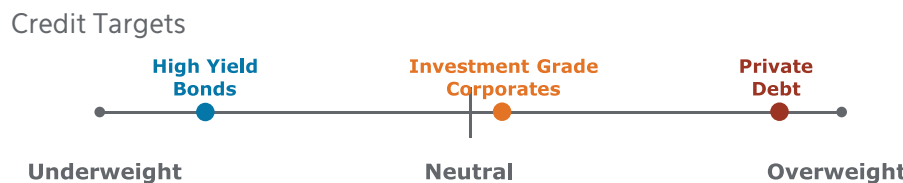
### Equities



### Alternatives



### Fixed Income



## Looking for a Multi-Asset Class Solution Partner?

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## Integrating Private + Public Markets Since 1988.

### MULTI-ASSET

- Balanced
- Balanced Plus
- Target Date Plus
- Alternative Plus<sup>9</sup>

### FIXED INCOME

- LDI
- Term
- Plus
- Sector

### ALTERNATIVES

- Real Estate
- Infrastructure

### PRIVATE DEBT

- Mortgages

### PUBLIC EQUITIES

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

<sup>9</sup>The Greystone Alternative Plus Solution is an integrated open-ended alternatives mandate where a client invests in the Greystone Infrastructure Fund (Canada) LP, the Greystone Mortgage Fund and the Greystone Real Estate Fund Inc. or the Greystone Real Estate LP Fund. Greystone holistically manages the underlying cash flows and liquidity of the allocation as well as the asset mix between the underlying strategies. This report is for informational purposes only, is not meant as investment advice and should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any predictions or projections will actually occur. Past performance is not necessarily indicative of future results. Commentary reflects the opinions of Greystone Managed Investments Inc. at the date of this report. It was developed from sources Greystone believes to be reliable. Greystone does not guarantee the accuracy or completeness of such information.

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