

Greystone Real Return Bond Fund

\$8.5B (C\$) in Fixed Income Assets Under Management

Why Invest in Greystone

- Real return bonds can provide inflation protection as principal and coupon payments move with consumer price indices (CPI).
- The longer duration profile of real return bonds can also help hedge real interest rate risk for investors with longer term liabilities.

Investment Philosophy

- We believe that a passive approach to real return bonds is prudent given a limited opportunity set.

Key Characteristics

| | | | | |
|---|--|----------------------------------|---|------------------------------------|
| \$567.6M Specialty Fixed Income AUM Fund AUM: \$2.7M | 14.8^{YRS} Modified Duration | 0.7% Yield to Maturity | 3.4% Turnover Rate (12 Months) | 12 Number of Holdings |
|---|--|----------------------------------|---|------------------------------------|

Annualized (%)

Figure 1: Performance (%)

| September 30, 2018 | Q3-18 | YTD | 1 yr | 3 yrs | 5 yrs | Since Jan-11 |
|----------------------------------|-------------|------------|------------|------------|------------|--------------|
| Real Return Bond | -2.1 | 1.2 | 5.0 | 1.9 | 3.6 | 3.3 |
| FTSE TMX Canada Real Return Bond | -2.2 | 1.1 | 4.9 | 1.8 | 3.6 | 3.3 |
| Difference | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 |

This figure shows the performance of the Greystone Real Return Bond Fund in C\$, including cash; net of custodial fees, audit fees, transfer agent fees and administrative expenses; gross of investment management fees.

Information shown in this document is that of Greystone as of Sep 30, 2018. As of Nov 1, 2018, the acquisition of Greystone by The Toronto-Dominion Bank closed and Greystone now operates as TD Greystone Asset Management.

Greystone claims compliance with the Global Investment Performance Standards (GIPS). A GIPS compliant presentation is available upon request. Greystone has been independently verified for the period from January 1, 2000 to December 31, 2017. The verification report(s) is/are available upon request. Verification assess whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.



Figure 2: Key Portfolio Characteristics

| | Greystone |
|-------------------------------|-----------|
| Maturity (yrs) | 17.6 |
| Modified Duration (yrs) | 14.8 |
| Real Yield (%) | 0.7 |
| Real Yield + Headline CPI (%) | 2.9 |
| Average Coupon (%) | 2.8 |
| Maturity (%) | Greystone |
| Short (0-5 yrs) | 10.9 |
| Mid (5-10 yrs) | 12.9 |
| Long (+10 yrs) | 76.3 |
| Credit Quality (%) | Greystone |
| AAA | 86.0 |
| AA | 14.0 |
| A | 0.0 |
| BBB | 0.0 |
| <BBB | 0.0 |
| Sector (%) | Greystone |
| Federal | 86.0 |
| Provincials | 14.0 |
| Municipals | 0.0 |
| Corporates | 0.0 |

Excludes cash. September 30, 2018

Figure 3: Top 10 Corporate Holdings

| | % Weight |
|--------------------------------|----------|
| CANADA GOVT4.000 DEC 01 31 RR | 14.5 |
| CANADA GOVT4.250 DEC 01 26 RR | 12.4 |
| CANADA GOVT1.500 DEC 01 44 RR | 11.7 |
| CANADA GOVT2.000 DEC 01 41 RR | 11.6 |
| CANADA GOVT3.000 DEC 01 36 RR | 11.1 |
| CANADA GOVT4.250 DEC 01 21 RR | 10.9 |
| CANADA GOVT1.250 DEC 01 47 RR | 10.5 |
| ONTARIO PROV2.000 DEC 01 36 RR | 8.5 |
| QUEBEC PROV3.250 DEC 01 36 RR | 3.8 |
| CANADA GOVT0.500 DEC 01 50 RR | 3.3 |

Excludes cash. September 30, 2018

Greystone Managed Investments Inc.

Greystone Managed Investments Inc. is an institutional money manager with multi-asset solutions proudly serving its clients since 1988. Headquartered in Regina, with additional offices in Toronto, Winnipeg and Hong Kong, Greystone manages over C\$35 billion¹ on behalf of institutional clients across Canada.

Greystone has in-house expertise in the following areas:

MULTI-ASSET

- Balanced
- Balanced Plus
- Target Date Plus
- Alternative Plus²

ALTERNATIVES

- Real Estate
- Infrastructure

PRIVATE DEBT

- Mortgages

FIXED INCOME

- LDI
- Term
- Plus
- Sector

PUBLIC EQUITIES

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

Looking for a Multi-asset Class Solution Investment Partner?

Jafer Naqvi, CFA

Vice-President, Fixed Income & Multi-Asset
416.309.2586 | jafer.naqvi@greystone.ca

Sean Collins, CFA

Senior Vice-President, Institutional Relationships
416.309.2183 | sean.collins@greystone.ca

¹ As at Sep 30, 2018.

² 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.

For employees shown, titles are as of Oct 31, 2018 prior to the acquisition of Greystone by The Toronto Dominion Bank. As of Nov 1, 2018 the acquisition of Greystone by The Toronto-Dominion Bank was completed and Greystone now operates as TD Greystone Asset Management. Titles of employees shown are the employees' Greystone titles and not necessarily the employees' title as part of TD Greystone Asset Management.

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