



# Multi-Asset Market Monitor

## November 2018 Market Commentary

Equities	Private Markets	Fixed Income
<p>Volatility bounced equity markets in November as global trade disputes and the prospect of higher interest rates hindered returns during the first three weeks. A more dovish tone from the U.S. Federal Reserve pushed performance positive during the final five trading days and drove total return gains for the month. Emerging Markets were most exposed to the large price fluctuations by leading all regions in November after lagging the globe in October. Canadian Equity performance also rebounded, however lagged global equities as oil prices continued to slide.</p>	<p>Private investments sat out the market volatility and largely witnessed flat returns during November. The office sector in Vancouver, Toronto, Ottawa and Montreal continue to bolster returns in Real Estate while oil and gas headwinds within Alberta remain. Despite slow appraisal activity in global infrastructure during the month, the renewable energy and power generation sectors continue to see strong investor demand. Meanwhile, mortgages witnessed positive returns, outperforming corporate bonds, which faced widening credit spreads.</p>	<p>The Canadian Universe Bond Index posted positive returns in November as mixed economic data and falling oil prices placed downward pressure on interest rates. The yield curve slightly flattened with 10-year Government of Canada ("GoC") yields decreasing 21 basis points ("bps") whereas 1-year GoC yields only decreased 11 bps.<sup>1</sup> Broad corporate spreads widened as the risk-off tone in equities from October spilled into the credit market in November.</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	Real Estate 5.8	EM Eq 5.4	S&P/TSX Composite Index
Cdn. Eq 13.0	Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Infrastructure 18.8	Glo. Eq 4.8	Glo. Eq 2.4	MSCI World (Net) <sup>2</sup>
Infrastructure 12.9	Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Glo. Eq 14.4	Infrastructure 1.9	Long Bonds 1.5	MSCI Emerging Markets (Net) <sup>2</sup>
Real Estate 10.6	Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Cdn. Eq 9.1	Cash 1.2	Cdn. Eq 1.4	Infrastructure <sup>4</sup>
EM Eq 3.9	Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Mortgages 1.2	Bonds 1.0	REALpac/IPD Canada – All Assets <sup>4</sup>
Mortgages 1.3	Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Bonds 0.1	Mortgages 0.9	Custom Mortgage Benchmark <sup>5</sup>
Cash 1.0	EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Long Bonds -1.5	Cash 0.2	FTSE TMX Cda 91 day T-bill
Bonds -1.2	Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	Cdn. Eq -3.7	Real Estate 0.0	FTSE TMX Cda Universe
Long Bonds -6.2	Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	EM Eq -6.9	Infrastructure -0.4	FTSE TMX Cda LT Overall
<b>Market Portfolio<sup>6</sup></b>							
			4.9	10.4	1.7	1.1	

Source: TD Greystone Asset Management, FactSet, Preqin. As at November 30, 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> Bloomberg Finance L.P.

<sup>2</sup> MSCI, net of foreign dividend withholding taxes.

<sup>3</sup> Infrastructure returns are the Preqin Infrastructure Quarterly Index up to Q4 2017 and are Greystone Infrastructure Fund (Canada) LP returns thereafter.

<sup>4</sup> Real estate returns are the REALpac/IPD Canada Quarterly Property Index - All Assets up to its most recent publication, Q3 2018 and are Greystone Real Estate Fund Inc. returns thereafter.

<sup>5</sup> Custom Mortgage Benchmark: FTSE TMX Cda Short Term Overall 60%, FTSE TMX Cda Mid Term Overall 40% + 0.5% per annum.

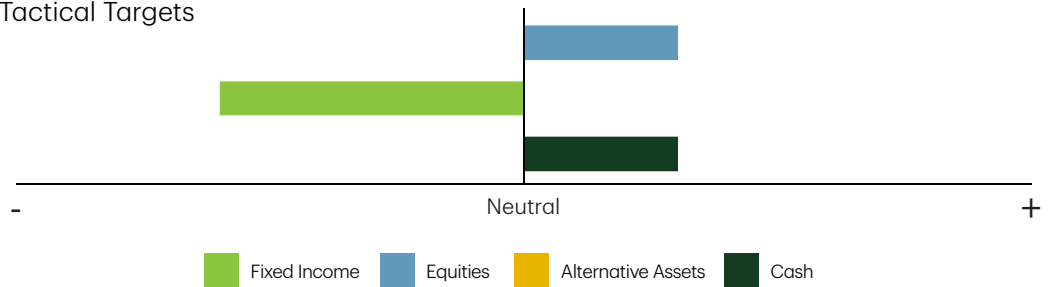
<sup>6</sup> The Market Portfolio is the Greystone Balanced Plus fund.

# Multi-Asset Positioning

## Asset Strategy

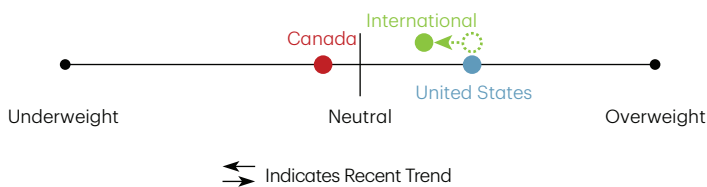


### Tactical Targets



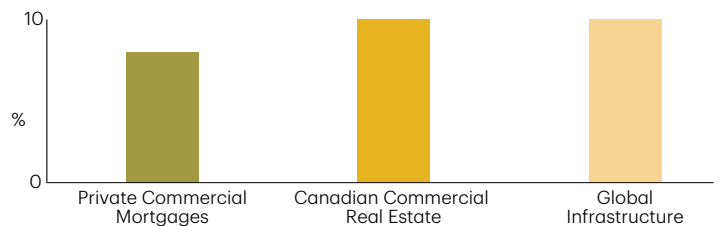
## Equities

### Regional Bias



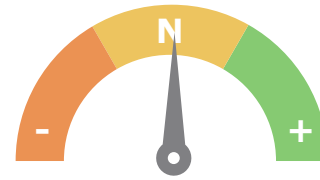
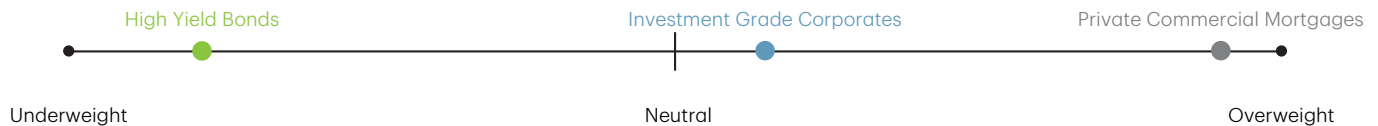
## Alternatives

### Strategic Targets



## Fixed Income

### Credit Targets



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