



# Multi-Asset Market Monitor

## February 2019 Market Commentary

Equities	Private Markets	Fixed Income
Equities across the globe continued their expansion and posted positive returns in February. The positive sentiment in the market was supported by expectations of a U.S.-China trade deal, dovish comments by central banks and expansionary fiscal policies by the Chinese government. U.S. and international equities returned 3.5% <sup>1</sup> and 2.8% <sup>2</sup> , respectively. Canadian equities also displayed strong performance due to oil prices having reached their highest level since last November. Despite expansionary policies in China, emerging markets lagged as Latin America witnessed significant downdrafts.	Real estate and mortgages witnessed steady returns in February. Contributors to performance for Canadian real estate was primarily office, industrial and multi-unit residential properties located in major markets. Mortgages posted positive returns as the income component outweighed short-term interest rates moving higher. The slight negative returns observed in global infrastructure in February were largely the result of currency impacts due to a lack of appraisal activity.	The Canadian universe bond index posted slightly positive returns as the income component offset higher yields in February. Positive investor sentiment carried over into February with increasing optimism over a U.S.-China deal and central banks pivoting towards more accommodation. The yield curve modestly steepened, with the 2-year Government of Canada ("GoC") yields increasing by less than 1 basis point ("bps") and 30-year GoC yields increasing by 5 bps <sup>3</sup> . Corporate bond spreads narrowed for the second consecutive month and have now retraced roughly half of the widening observed in the final quarter of 2018.

2013	2014	2015	2016	2017	2018	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 7.8	Glo. Eq 3.3	S&P/TSX Composite Index	
Cdn. Eq 13.0	Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Glo. Eq 14.4	Infrastructure 7.8	Cdn. Eq 3.1	MSCI World (Net) <sup>4</sup>	
Infrastructure 12.9	Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Infrastructure 10.1	Mortgages 2.4	Real Estate 0.5	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	Bonds 1.4	EM Eq 0.4	Infrastructure <sup>5</sup>	
EM Eq 3.9	Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Cash 1.4	Mortgages 0.2	MSCI/REALpac Canada Annual Property Index - All <sup>6</sup>	
Mortgages 1.3	Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Long Bonds 0.3	Bonds 0.2	Custom Mortgage Benchmark <sup>7</sup>	
Cash 1.0	EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Glo. Eq -0.5	Long Bonds 0.1	FTSE TMX Cda 91 day T-bill	
Bonds -1.2	Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	EM Eq -6.9	Cash 0.1	FTSE TMX Cda Universe	
Long Bonds -6.2	Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	Cdn. Eq -8.9	Infrastructure -0.6	FTSE TMX Cda LT Overall	
<b>Market Portfolio<sup>5</sup></b>								
							4.9	10.4
							-0.3	2.2

Source: TD Greystone Asset Management, FactSet, Preqin. As at February 28, 2019. 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.

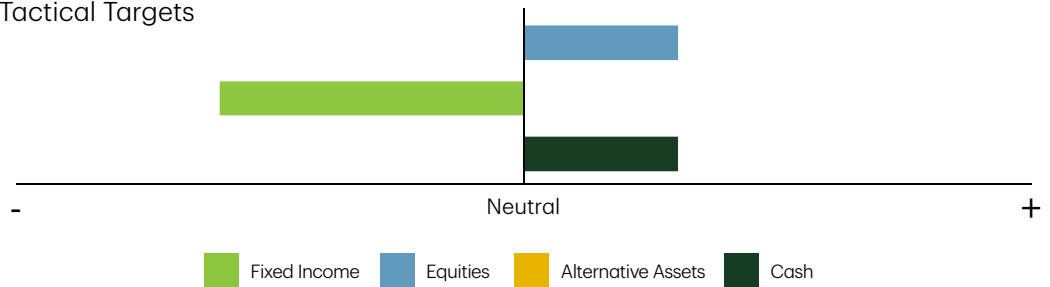
<sup>1</sup> S&P 500.  
<sup>2</sup> MSCI EAFE.  
<sup>3</sup> Bloomberg LP.  
<sup>4</sup> MSCI, net of foreign dividend withholding taxes.  
<sup>5</sup> Infrastructure returns are the Preqin Infrastructure Quarterly Index up to its most recent publication, Q2 2018 and are Greystone Infrastructure Fund (Canada) LP returns thereafter.  
<sup>6</sup> Real estate returns are the MSCI/REALpac Canada Annual Property Index - All Assets up to its most recent publication, Q4 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>5</sup> The Market Portfolio is the Greystone Balanced Plus fund.

# Multi-Asset Positioning

## Asset Strategy

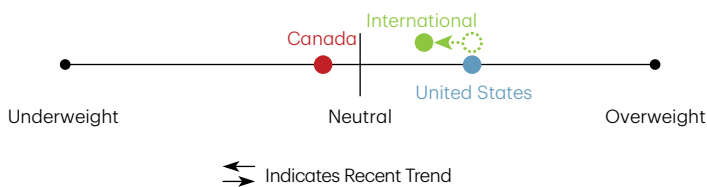


### Tactical Targets



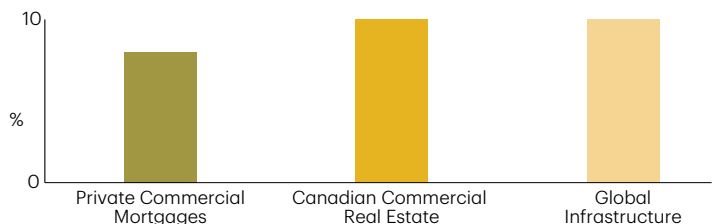
## Equities

### Regional Bias



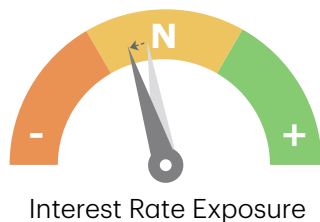
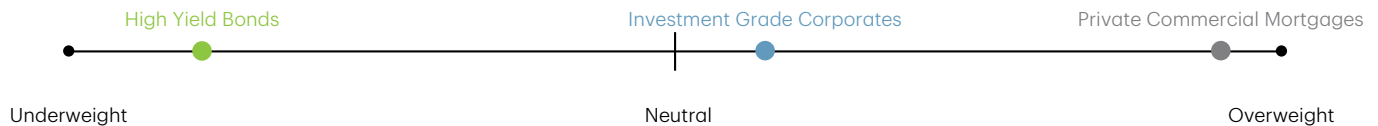
## Alternatives

### Strategic Targets



## Fixed Income

### Credit Targets



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