



Multi-Asset Market Monitor

March 2019 Market Commentary

Equities	Private Markets	Fixed Income
<p>Equity markets across the globe posted a third consecutive month of positive performance. Although not quite back to its 2018 highs, the S&P 500 returned 3.4%¹ in March, marking its best quarterly performance in a decade. Positive investor sentiment was bolstered by higher oil prices in Canada and helped Canadian equities achieve their best first quarter return since 2000. Emerging markets witnessed strong performance as well, with expansionary policies within China potentially starting to take effect. International equities returned 2.1%² last month.</p>	<p>Private market returns were positive in March with mortgages leading the way as short-term interest rates dropped. Strong demand for downtown office and industrial real estate continues to drive the positive performance for commercial real estate. Absent material appraisal activity, global infrastructure also experienced a steady return profile last month.</p>	<p>The Canadian Universe Bond Index posted strong returns in March and over the first quarter. Bond yields fell across the curve due to softer economic data and increasingly dovish comments from the Bank of Canada and the U.S. Federal Reserve. The yield curve flattened during the month as a result, with the 2-year Government of Canada (“GoC”) yields decreasing by 23 basis points (“bps”) and 30-year “GoC” yield decreasing by 30 bps³. Corporate bond spreads slightly widened over the month due to signs of a slowing economy and a higher demand for spread products.</p>

2014	2015	2016	2017	2018	YTD	1-month	Asset Class Proxies	
Long Bonds 17.5	Glo. Eq 18.9	Cdn. Eq 21.1	EM Eq 28.3	Real Estate 7.8	Cdn. Eq 13.3	Long Bonds 4.5	S&P/TSX	
Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Glo. Eq 14.4	Infrastructure 7.8	Glo. Eq 10.0	Glo. Eq 2.8	MSCI World (Net) ⁴	
Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Infrastructure 10.1	Mortgages 2.4	EM Eq 7.6	Bonds 2.4	MSCI Emerging Markets (Net) ⁴	
Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Cdn. Eq 9.1	Bonds 1.4	Long Bonds 6.9	EM Eq 2.1	Infrastructure ⁵	
Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Cash 1.4	Bonds 3.9	Mortgages 1.4	Real Estate ⁶	
Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Long Bonds 0.3	Mortgages 2.7	Cdn. Eq 1.0	Custom Mortgage Benchmark ⁷	
EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Glo. Eq -0.5	Real Estate 1.2	Real Estate 0.6	FTSE Cda 91 day T-bill	
Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	EM Eq -6.9	Infrastructure 0.6	Infrastructure 0.2	FTSE Cda Universe	
Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	Cdn. Eq -8.9	Cash 0.4	Cash 0.1	FTSE Cda LT Overall	
Market Portfolio⁸								
							4.9	
							10.4	
							-0.3	
							7.3	
							2.2	

Source: TD Greystone Asset Management, FactSet, Preqin. As at March 31, 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.

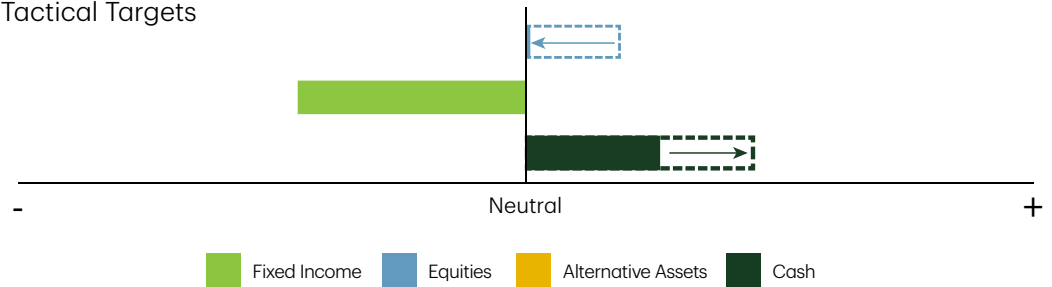
¹ S&P 500.
² MSCI EAFE.
³ Bloomberg LP.
⁴ MSCI, net of foreign dividend withholding taxes.
⁵ Infrastructure returns are the Preqin Infrastructure Quarterly Index up to its most recent publication, Q2 2018, and are Greystone Infrastructure Fund (Canada) LP returns thereafter. Infrastructure returns are presented in US\$.
⁶ 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.
⁷ Custom Mortgage Benchmark: FTSE Cda Short Term Overall 60%, FTSE Cda Mid Term Overall 40% + 0.5% per annum.
⁸ The Market Portfolio is the Greystone Balanced Plus fund.

Multi-Asset Positioning

Asset Strategy

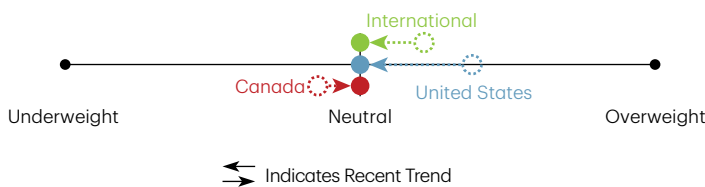


Tactical Targets



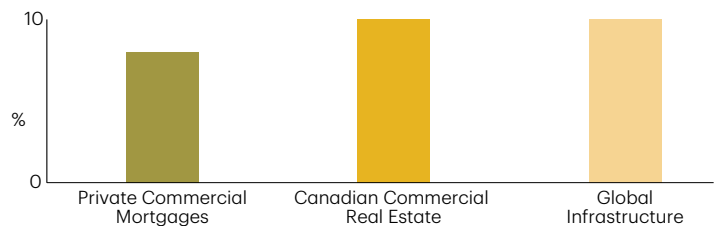
Equities

Regional Bias



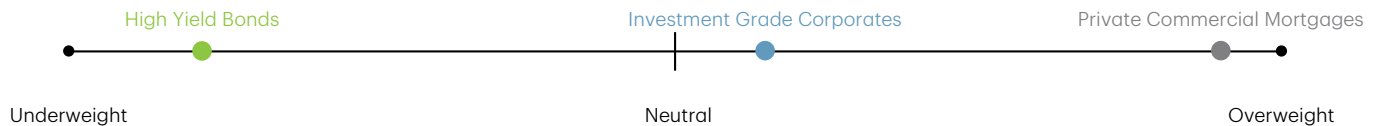
Alternatives

Strategic Targets

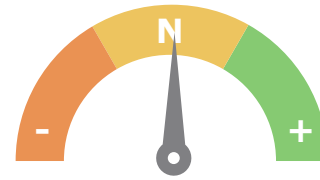


Fixed Income

Credit Targets



Interest Rate Exposure



Credit Risk

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