



Multi-Asset Market Monitor

April 2019 Market Commentary

Equities	Private Markets	Fixed Income
<p>Equities across the globe continued their recovery and posted positive returns in April. Low rates and positive earnings reports bolstered investor optimism. U.S. equities returned 4.8%¹ last month and lead all regions with more than 75%² of companies reporting better than expected earnings. An appreciating U.S. dollar also supported performance. Canadian equities performed well as oil prices rallied over 5%³ during the month. Emerging markets posted positive returns as well, however, continued to lag developed markets. International equities returned 3.5%.⁴</p>	<p>Real estate and mortgages posted steady returns in April. Mortgage returns were in-line with yields as short and medium-term interest rates were relatively flat. Strong demand for multi-unit residential and industrial real estate continues to drive vacancy rates lower and performance for commercial real estate higher. Global infrastructure had slightly negative returns over the month. However, structural demand for global infrastructure continues to accelerate as fundraising witnessed a 31.5%⁵ increase in Q1-2019 compared to last year.</p>	<p>Bond prices spent the majority of the month falling, however, dovish comments from the Bank of Canada near month end quelled the sell-off and caused yields to fall during the last week of April. The Canadian Universe Bond Index still experienced slightly negative returns as long-term interest rates increased, with the 10 -year Government of Canada ("GoC") yield rising 7 basis points ("bps") while the 30-year GoC rose 6 bps⁶. This resulted in a steepening of the yield curve as the front end and belly of the curve was largely unchanged month-over-month. Broad corporate spreads narrowed over the month as the risk-on tone witnessed within the equity markets continued to spill into credit markets.</p>

2014	2015	2016	2017	2018	YTD	1-month
Long Bonds 17.5	Glo. Eq 18.9	Cdn. Eq 21.1	EM Eq 25.8	Real Estate 7.8	Cdn. Eq 16.9	Glo. Eq 4.3
Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Glo. Eq 14.4	Infrastructure 7.8	Glo. Eq 14.7	Cdn. Eq 3.2
Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Infrastructure 10.1	Mortgages 2.4	EM Eq 10.5	EM Eq 2.8
Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Cdn. Eq 9.1	Bonds 1.4	Long Bonds 6.2	Real Estate 0.6
Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Cash 1.4	Bonds 3.8	Mortgages 0.3
Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Long Bonds 0.3	Mortgages 2.9	Cash 0.1
EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Glo. Eq -0.5	Real Estate 1.8	Bonds -0.1
Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	EM Eq -6.9	Cash 0.5	Long Bonds -0.7
Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	Cdn. Eq -8.9	Infrastructure -0.3	Infrastructure -0.9
Market Portfolio¹¹						
4.9 10.4 -0.3 9.9 2.4						

Asset Class Proxies
S&P/TSX
MSCI World (Net) ⁷
MSCI Emerging Markets (Net) ⁷
Infrastructure ⁸
Real Estate ⁹
Custom Mortgage Benchmark ¹⁰
FTSE Cda 91 day T-bill
FTSE Cda Universe
FTSE Cda LT Overall

Source: TD Greystone Asset Management, FactSet, Prequin. As at April 30, 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.

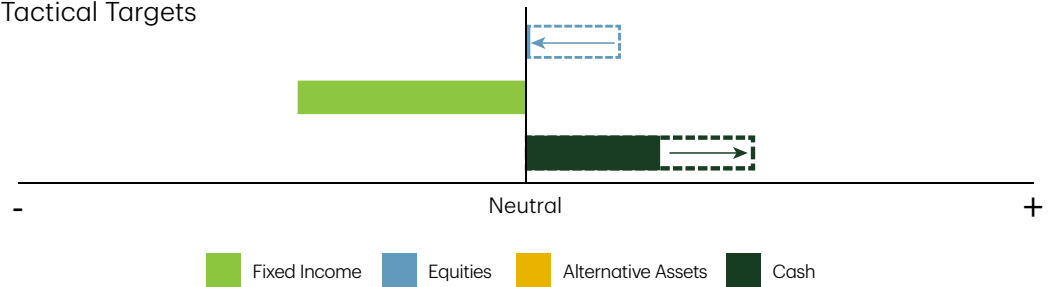
¹ SP 500.
² JP Morgan.
³ Bloomberg.
⁴ MSCI EAFE.
⁵ PEI Alternative Insight - Infrastructure Investor.
⁶ Bloomberg.
⁷ MSCI, net of foreign dividend withholding taxes.
⁸ Infrastructure returns are the Prequin Infrastructure Quarterly Index up to its most recent publication, Q2 2018, and are Greystone Infrastructure Fund (Canada) LP returns thereafter. Infrastructure returns are presented in US\$.
⁹ 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.
¹⁰ Custom Mortgage Benchmark: FTSE Cda Short Term Overall 60%, FTSE Cda Mid Term Overall 40% + 0.5% per annum.
¹¹ The Market Portfolio is the Greystone Balanced Plus fund.

Multi-Asset Positioning

Asset Strategy

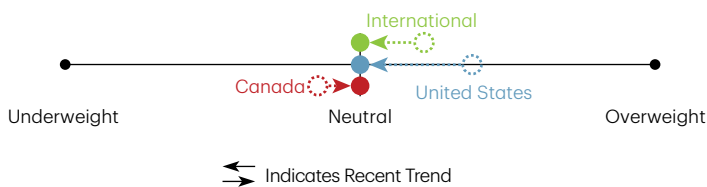


Tactical Targets



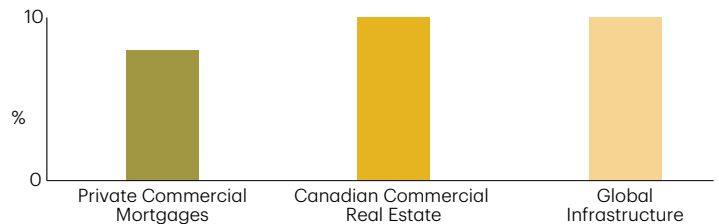
Equities

Regional Bias



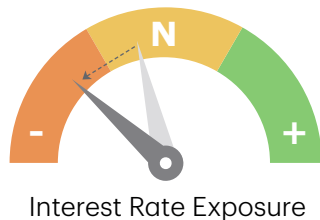
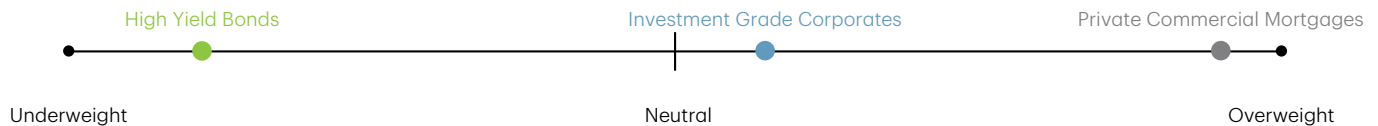
Alternatives

Strategic Targets



Fixed Income

Credit Targets



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