



# Multi-Asset Market Monitor

## June 2019 Market Commentary

Equities	Private Markets	Fixed Income
<p>Equities across the globe rebounded from their negative performance in May and posted positive returns in June. Increasingly dovish global central banks and positive U.S.-China trade talks near month end were primary contributors to the rally. In June, U.S. equities breached record highs and returned 3.5%<sup>1</sup> while international equity returned 2.4%.<sup>2</sup> Oil had its largest monthly gain since the beginning of the year due to U.S.-Iran political tension, which helped Canadian equity returns. Supported by a weaker U.S. dollar, emerging market equities also posted positive performance.</p>	<p>Strong leasing momentum continues to provide a positive backdrop for private commercial real estate returns. Industrial, multi-unit residential and downtown office continue to lead and produce tight market conditions as demand outpaces supply. Mortgages posted positive returns, however underperformed universe and long bonds as the yield curve flattened in June. With little appraisal activity during the month, infrastructure witnessed subdued performance.</p>	<p>The Canadian Universe Bond Index posted positive returns for the second consecutive month. Better than expected economic data and less dovish comments from the Bank of Canada compared to the Fed, caused short-term yields to slightly increase. Consequently, the yield curve twisted over the month with 5-year Government of Canada ("GoC") yields increasing by 3 basis points ("bps") and 30-year GoC yields decreasing by 7 bps.<sup>3</sup> The risk-on tone in global equity markets spilled into credit markets, causing spreads to narrow by approximately 5 bps.<sup>4</sup></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 25.8	Real Estate 7.8	Cdn. Eq 16.2	Infrastructure 4.0	S&P/TSX
Glo. Eq 14.4	Infrastructure 11.5	Infrastructure 8.6	Glo. Eq 14.4	Infrastructure 6.3	Long Bonds 12.1	Glo. Eq 3.0	MSCI World (Net) <sup>5</sup>
Infrastructure 10.6	Real Estate 7.8	EM Eq 7.3	Infrastructure 10.1	Mortgages 2.4	Glo. Eq 11.9	EM Eq 2.7	MSCI Emerging Markets (Net) <sup>5</sup>
Cdn. Eq 10.6	Mortgages 4.0	Real Estate 6.1	Cdn. Eq 9.1	Bonds 1.4	Bonds 6.5	Cdn. Eq 2.5	Infrastructure <sup>6</sup>
Bonds 8.8	Long Bonds 3.8	Glo. Eq 3.8	Real Estate 7.2	Cash 1.4	EM Eq 5.8	Long Bonds 2.1	Real Estate <sup>7</sup>
Real Estate 7.0	Bonds 3.5	Long Bonds 2.5	Long Bonds 7.0	Long Bonds 0.3	Mortgages 4.2	Bonds 0.9	Custom Mortgage Benchmark <sup>8</sup>
EM Eq 6.6	EM Eq 2.0	Mortgages 1.8	Bonds 2.5	Glo. Eq -0.5	Infrastructure 3.5	Real Estate 0.7	FTSE Cda 91 day T-bill
Mortgages 6.0	Cash 0.6	Bonds 1.7	Mortgages 0.9	EM Eq -6.9	Real Estate 3.3	Mortgages 0.3	FTSE Cda Universe
Cash 0.9	Cdn. Eq -8.3	Cash 0.5	Cash 0.6	Cdn. Eq -8.9	Cash 0.8	Cash 0.1	FTSE Cda LT Overall

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

<sup>1</sup> S&P 500.  
<sup>2</sup> MSCI EAFE.  
<sup>3</sup> Bloomberg.  
<sup>4</sup> BMO Capital Markets.  
<sup>5</sup> MSCI, net of foreign dividend withholding taxes.  
<sup>6</sup> Infrastructure returns are the Preqin Infrastructure Quarterly Index up to its most recent publication, Q3 2018, and are Greystone Infrastructure Fund (Canada) LP returns thereafter. Infrastructure returns are presented in US\$.  
<sup>7</sup> Real estate returns are the MSCI/REALpac Canada Annual Property Index - All Assets up to its most recent publication, Q1 2019, and are Greystone Real Estate Fund Inc. returns thereafter.

<sup>8</sup> Custom Mortgage Benchmark: FTSE Cda Short Term Overall 60%, FTSE Cda Mid Term Overall 40% + 0.5% per annum.

<sup>9</sup> The Market Portfolio is the Greystone Balanced Plus Fund.

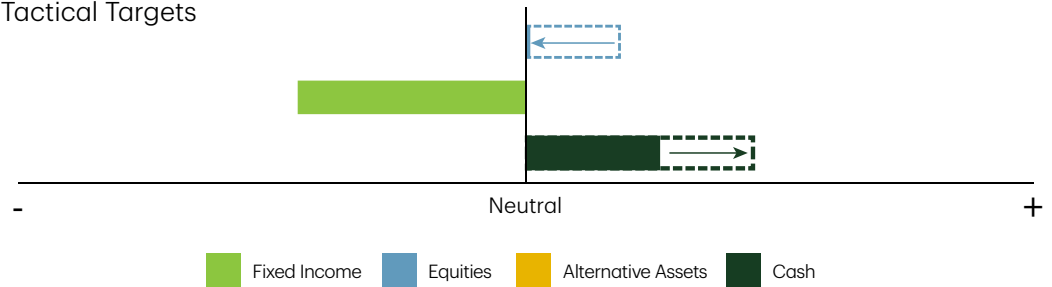
Market Portfolio <sup>9</sup>
4.9
10.4
-0.3
9.3
1.6

# Multi-Asset Positioning

## Asset Strategy

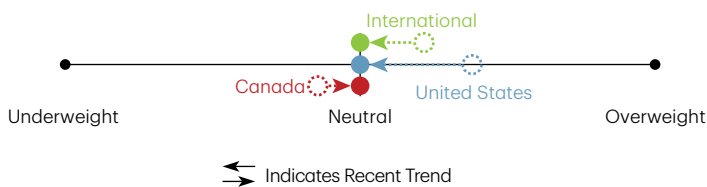


### Tactical Targets



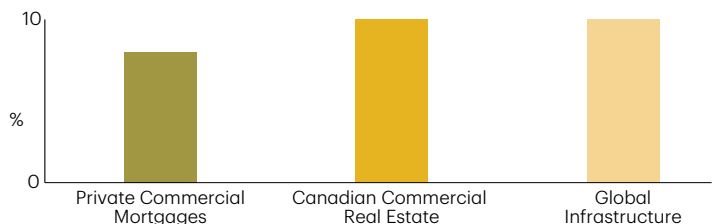
## Equities

### Regional Bias



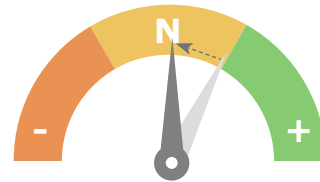
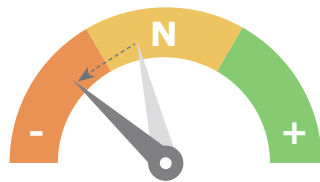
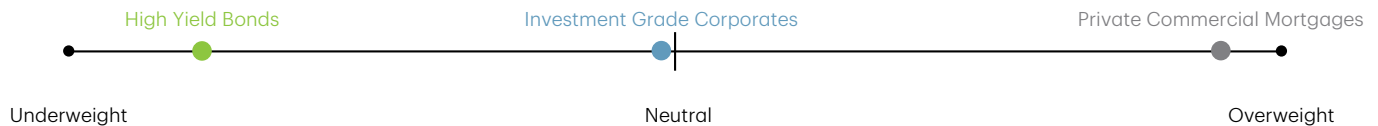
## Alternatives

### Strategic Targets



## Fixed Income

### Credit Targets



Jafer Naqvi, CFA  
 Vice President and Director,  
 Fixed Income & Multi-Asset  
 416.309.2586 | jafer.naqvi@greystone.ca

Sean Collins, CFA  
 Vice President and Director,  
 Institutional Relationships  
 416.309.2183 | sean.collins@greystone.ca



[Greystone.TD.com](https://greystone.td.com)

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