

TD Greystone Asset Management

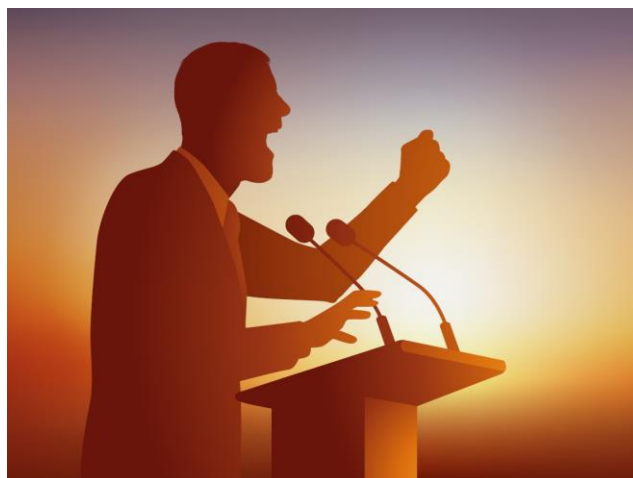
ESG Investing in Real Assets

Transatlantic Conference

June 19, 2019



Canadian Regulatory Environment



Real Assets



Supply

- Commercial Real Estate
- Transportation
- Utilities & Pipelines
- Power Generation, Transmission & Distribution

Demand

- Gross Domestic Product
- Employment
- Population Growth
- Government Spending
- Urbanization

ESG in Real Assets



Environment

Resource
consumption

Environmental
impact

Social

Health & Safety

Employment and
Contracting
Standards

Embrace Diversity

Invest in
Community

Stakeholder
Relations

Governance

Ethical Business
Practices

Transparent and
Accountable

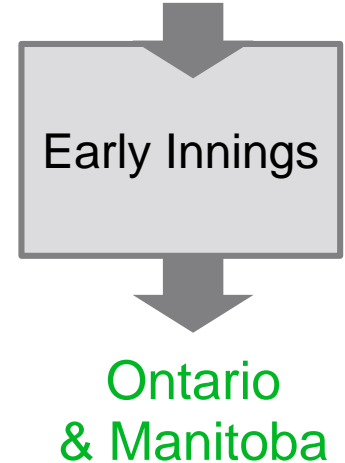
Senior responsibility

Sustainability
throughout corporate
management



Trends in ESG Awareness

Increasing Focus on Sustainable Investing



Source: Quinn & Partners

Investment Manager Participation





The Investment Case for ESG

The Business Case for Sustainability



Value Creation

Top Line

Potential Revenue Growth

Bottom Line

Potential Cost Reduction

Risk Mitigation

Market Risk

Regulatory Risk

Physical Risk

Specific Financial Benefits



10% energy reduction in
portfolio



~\$7M
energy costs

10% water reduction in
portfolio



~\$600K
water costs

10% waste reduction in
portfolio



~\$100K
waste haulage costs

10% carbon emissions
reduction



~\$325K
avoided carbon taxes

Source: TD Greystone Asset Management, for illustrative purposes only

It's not just about the “E” in ESG



19%
Revenue Increase

19x
ROI

1.5%+
Fund Return



Source: Boston Consulting Group, Harvard Business Review



ESG in Real Asset Investing

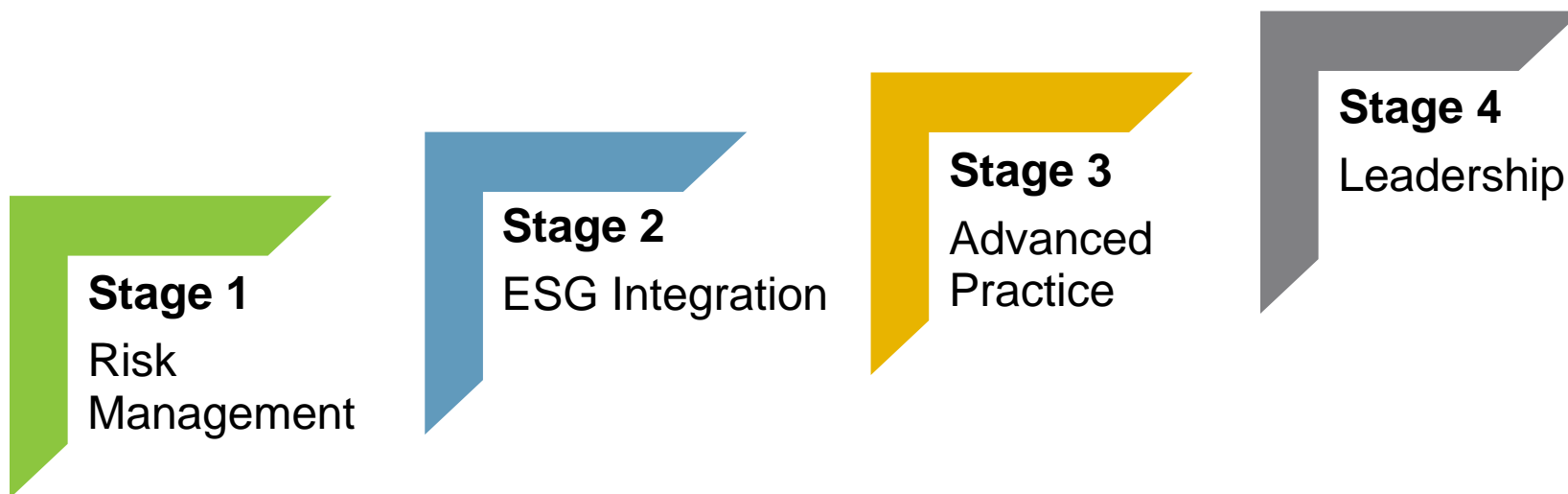
TD Greystone's Investment Process



ESG in the Investment Process



Stages of ESG Maturity



Examples:

Smaller, private
NA funds

Major Canadian
pension plans

Australian and
European funds

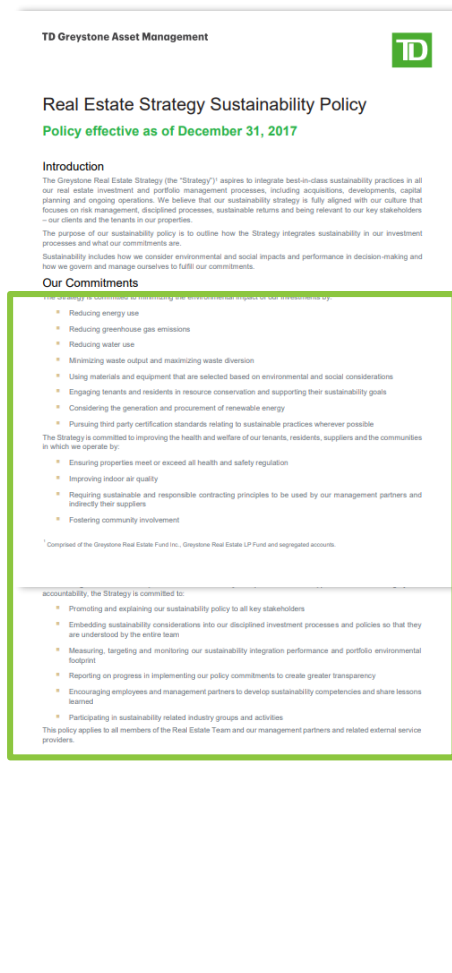


Source: Quinn & Partners

Creating Real Commitments



TD Greystone Sustainability Policy Excerpts



The Strategy is committed to minimizing the environmental impacts of our investments by:

- Reducing energy use, greenhouse gas emissions, water use
- Minimizing waste output and waste diversion
- Generation and procurement of renewable energy

The Strategy is committed to:

- Measuring, targeting and monitoring ...our portfolio environmental footprint

ESG Monitoring and Reporting



2018 TD Greystone Real Estate Sustainability Integration Scorecard

Client Indicator

Client sustainability reporting

100%	100%	100%
Property Indicators	Portfolio Management Indicators	Tenant Indicators
Existing building certifications	Managers with code of conduct	Properties with tenant surveys
45% 45% 40%	99% 98% 99%	77% 70% 83%
New developments targeting certification	Managers with responsible contracting policy	Tenant engagement on sustainability
36% 43% 33%	49% 47% 96%	80% 75% 87%
Energy reduction targets	Sustainability integration in asset plans	Commercial green lease penetration
14% 60% 60%	99% 97% 98%	15% 17% 15%
Greenhouse gas emissions tCO2e	Sustainability integration in manager audits <i>will be measured during 2018</i>	
134,000 149,000 164,000 ¹		

¹ 2018 Greenhouse gas emissions represent 80% of Core portfolio properties.

Legend (performance):

2016

2017

2018.

Source: TD Greystone Asset Management, for illustrative purposes only

The Annual ESG Cycle



Source: Quinn & Partners

Sugar Wharf Development



Source: TD Greystone Asset Management

Disclosures



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Index returns include reinvestment of dividends, if applicable, but not the deduction of any fees or expenses, which would reduce returns.

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Disclosures



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For clients who hold real estate: MSCI/REALpac returns are not immediately available at quarter-end; therefore, the prior quarter's index return is used in this report for benchmark calculation purposes. When the actual index is available, the benchmark return is then re-calculated.

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Current High Yield Fund Benchmark: 75% ML US HY Master II Trust Hedge to CAD + 25% ML CAD and USD HY Canadian Issuers Hedge to CAD.

From April 1, 2008 to March 31, 2019 the benchmark was 50% ML US HY Master II Trust Hedge to CAD + 50% ML CAD and USD HY Canadian Issuers Hedge to CAD.

Current Canadian Equity Fund benchmark: S&P/TSX Composite. History:

- Oct 1999 - Jun 2001: CPMS Cap 10.
- Mar 1996 - Sep 1999: S&P/TSX Composite.

Current Canadian Equity Income & Growth Fund benchmark: S&P/TSX Capped Composite 80%, Communication Services 5%, Utilities 5%, Oil & Gas Storage & Transportation 5%, Equity Real Estate Investment Trusts 5%. History:

- Jan 2007 - Mar 2014: S&P/TSX Capped Composite 70%, Financials 10%, Telecommunication Services 10%, Utilities 10%.
- Jul 2001 - Dec 2006: S&P/TSX Composite.
- Oct 1999 - Jun 2001: CPMS Cap 10.
- Dec 1997 - Sep 1999: S&P/TSX Composite.

Current Canadian Equity Small Cap Fund benchmark: S&P/TSX SmallCap. History:

- Jan 2007 - Dec 2009: BMO SmallCap.

Current International Income & Growth Fund benchmark: MSCI EAFE (Net).

History:

- Apr 2008 - Jun 2015: MSCI EAFE High Dividend Yield (Net).

Current Mortgage Fund Benchmark: FTSE Canada Short Term Overall Bond 60%, FTSE Canada Mid Term Overall Bond 40% + 0.5% per annum. History:

- Oct 2007 - Sep 2009: FTSE Canada Conventional Mortgage.

Current Infrastructure Fund benchmark:

In C\$: 8% gross return rolling over a four year period and taking into account CAD to USD FX movement.

In US\$: 8% gross return rolling over four year period.

Current Balanced Fund benchmark: FTSE Canada 91 Day T-Bill 3%, FTSE Canada Universe Bond 37%, S&P/TSX Composite 20%, S&P 500 20%, MSCI EAFE (Net) 20%. History:

- Apr 2014 – Sep 2018: FTSE Canada 91 Day T-Bill 3%, FTSE Canada Universe Bond 37%, S&P/TSX Composite 24%, S&P 500 18%, MSCI EAFE (Net) 18%.
- Nov 2003 - Mar 2014: FTSE Canada 91 Day T-Bill 3%, FTSE Canada Universe Bond 37%, S&P/TSX Composite 35%, S&P 500 12.5%, MSCI EAFE (Net) 12.5%.
- Jan 2001 - Oct 2003: FTSE Canada 91 Day T-Bill 3%, FTSE Canada Universe Bond 37%, CPMS Cap 10 35%, S&P 500 12.5%, MSCI EAFE (Net) 12.5%.

Disclosures



- Apr 2000 - Dec 2000: FTSE Canada 91 Day T-Bill 3%, FTSE Canada Universe Bond 37%, CPMS Cap 10 40%, S&P 500 10%, MSCI EAFE (Net) 10%.
- Oct 1999 - Mar 2000: FTSE Canada 91 Day T-Bill 5%, FTSE Canada Universe Bond 40%, CPMS Cap 10 40%, S&P 500 7.5%, MSCI EAFE (Net) 7.5%.
- Jan 1997 - Sep 1999: FTSE Canada 91 Day T-Bill 5%, FTSE Canada Universe Bond 40%, S&P/TSX Composite 40%, S&P 500 7.5%, MSCI EAFE (Net) 7.5%.
- Jan 1996 - Dec 1996: FTSE Canada Universe Bond 50%, S&P/TSX Composite 50%.

Current Balanced Plus Fund benchmark: FTSE Canada Universe 22.9%, Custom Mortgage Index 8%, S&P/TSX Composite 17.5%, S&P 500 11.3%, MSCI EAFE (Net) 11.3%, MSCI World (Net) 11.3%, MSCI/REALpac Canada Annual Property Index - All Assets 10%, Custom Infrastructure Index 7.7%. Details regarding changes to the Balanced Plus Fund benchmark compositions is available upon request.

Target Date Plus Fund benchmarks are determined on a quarterly basis based on the strategic asset mix for the subsequent quarter. Details regarding changes to the Target Date Funds benchmark compositions is available upon request.

Valuation of Greystone Infrastructure Fund

The Greystone Infrastructure Fund is comprised of the Greystone Infrastructure Fund (Global Master) L.P., the Greystone Infrastructure Fund (Canada) L.P. and the Greystone Infrastructure Fund (Canada) L.P. II.

Master:

The Master Fund is priced monthly in USD and includes any working capital within the Master Fund, as well as the current USD value of the most recent valuation of the underlying investments. Valuations of the investments held in the Master Fund are done semi-annually in the local currency of the investment. Interim valuations may be done as the result of special situations. At each monthly pricing period, the investment valuations are converted to USD at the rate in effect at the pricing date.

Feeder:

The Feeder Funds are priced monthly in U.S. dollars and reported to clients in Canadian dollars and include working capital held within the Feeder Funds as well as the updated monthly value of the units held in the Master Fund. The value of the Feeder Funds' investment in the Master Fund is determined based on the updated monthly price of the Master Fund.

Performance:

Performance shown represents the performance of the Greystone Infrastructure Fund (Canada) LP Class B Shares from September 1, 2014 to December 31, 2014 and Greystone Infrastructure Fund (Canada) LP thereafter. The Class B shares consolidated with the Class A shares as of January 1, 2015 coinciding with the date the fund was moved to be offered through an Investment Management Agreement rather than through a Private Placement Memorandum.