

"INVESTING IN PRIVATE ASSET CLASSES IS COMPLEX, AND IT IS IMPERATIVE THAT INVESTMENT MANAGERS ARE ALIGNED WITH THE LONG-TERM NEEDS OF INSTITUTIONAL CLIENTS, ESPECIALLY IN A DYNAMIC MARKET. IT IS THIS STRONG FOUNDATION THAT I BELIEVE WILL ENABLE US TO CONTINUE TO BE RELEVANT TO OUR CLIENTS — NOW AND INTO THE FUTURE."

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TED WELTER

*Managing Director & Chief Investment Officer,
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Investing in alternatives is complicated, but that doesn't mean institutional investors should ignore these assets. Ted Welter, Chief Investment Officer, Alternative Investments, discusses TD Greystone Asset Management's growing alternative investments platform, which encompasses the firm's 30 years of experience in real estate, infrastructure and mortgages.

Describe the journey of the alternative investments platform at TD Greystone Asset Management (TD Greystone).

Over the past several years, the TD Greystone alternative investments platform has experienced significant growth and interest from institutional clients. Our journey was not an overnight success; rather, it has been one of strategic evolution and innovation. A key success factor was our focus on client-centric solutions, leading to the launch of open-ended pooled funds that provide a simple, fair and equitable way to invest in

a diversified portfolio of private assets. This began with our inaugural pooled real estate fund, followed by our mortgage fund and finally our infrastructure strategy.

In those early days, alternative investments were not well understood, and there were limited options to invest. With the firm's support and unwavering belief from day one that a well-diversified investment portfolio includes alternatives, we've now grown to become a significant player in the alternative investments business, with more than \$20 billion in assets under management (as at Sept. 30, 2018).

When I'm asked how many people are involved with the alternative investments platform, I respond with the number in our firm: 185-plus people. Understanding the role of alternative investments in our clients' multi-asset portfolios and the integration of our alternative investments team puts TD Greystone in

a solid position to offer a wide array of private and public market strategies to our institutional clients. For example, today, we're able to leverage our firm's 30 years of experience in real estate, infrastructure and mortgages into a turnkey solution. Our journey of evolution and innovation with the right people and culture, and a focus on being relevant to our clients, has provided long-term performance for our clients and growth of our alternative investments platform.

What do you believe are the key success factors in this business?

At TD Greystone, our alternative investment strategies have been founded on well-honed, disciplined, repeatable investment processes that we continue to refine; a team-based philosophy that extends well beyond the alternative investments unit; robust portfolio management and diversification, especially as they relate to executing deals to ensure all clients

are treated fairly and equitably; and, finally, adherence to a comprehensive compliance regime to help enable the firm to build, grow and protect clients' investment portfolios.

Investing in private asset classes is complex, and it is imperative that investment managers are aligned with the long-term needs of institutional clients, especially in a dynamic market.

It is this strong foundation that I believe will enable us to continue to be relevant to our clients — now and into the future.

What differentiates TD Greystone's alternative investments platform from its peers?

While a disciplined investment process and firmly entrenched philosophy are important, execution is what differentiates TD Greystone from its peers. Our execution capabilities include a deep understanding of the alternative investments market built on years of experience, a close integration with our fixed income and public equities teams, long-standing relationships with key industry players, and our continued ability to effectively deploy capital into the market.

Our effective execution capabilities have resulted in Canada's largest real estate fund, with more than \$15 billion in assets under management (as at September 30, 2018), consisting of irreplaceable assets with the potential for organic growth. Our mortgage fund has

demonstrated a 10-year track record of strong risk-adjusted returns consistently surpassing the benchmark and providing value add to our clients. Our global infrastructure strategy has now grown to an established platform with more than 100 underlying projects across North America and Europe.

I believe our integrated team approach for real estate, mortgages and infrastructure has allowed us to capitalize on the synergies amongst these asset classes.

THE PERFORMERS

X CANADA'S INFLUENTIAL THOUGHT LEADERS X

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estate and mortgage funds, has demonstrated strong performance of 30.3% (\$CAD) on a four-year basis. We're very excited about the future growth for the Greystone infrastructure strategy and its ability to meet clients' long-term investment objectives.

What do you see as the future for TD Greystone's alternative investments business?

Our journey with TD highlights our fundamental beliefs: this is a people business, and honouring our respective cultures is a critical success factor. In our discussions with TD, it became apparent that TD and Greystone are culturally aligned on many fronts. We recognize our role and responsibility as a fiduciary for our clients and ensure we're acting in the best interests of our clients, our employees and our respective communities in which we live and work. We believe this model will contribute to long-term success for our clients.

As I look to the future, I see tremendous opportunity and growth potential. Our business was built on a foundation of strategic evolution and innovation, and I'm confident there will be much to look forward to from TD Greystone.



**TD Greystone
Asset Management**