



# TD Asset Management and TD Greystone Asset Management join forces to stay one step ahead of clients' needs

A conversation with Bruce Cooper, CEO & CIO of TD Asset Management and Robert Vanderhooft, CEO & CIO of TD Greystone Asset Management.

On November 1<sup>st</sup>, 2018, TD Bank Group (“TD”) received regulatory approval to acquire Greystone Capital Management Inc. (“GCMI”), a privately owned institutional asset manager headquartered in Regina, Saskatchewan. GCMI will be known as TD Greystone Asset Management going forward.

With the acquisition now finalized, Bruce Cooper and Robert Vanderhooft welcomed the opportunity to discuss the reasoning behind the acquisition, the benefits that institutional investors will derive from it and the opportunities now available to both firms.



**Bruce Cooper, CFA**  
CEO & CIO  
TD Asset Management



**Robert Vanderhooft, CFA**  
CEO & CIO  
TD Greystone Asset Management

## What was the strategic reasoning behind the acquisition?

**Bruce Cooper:** The basis for any strategic initiative we undertake as a firm is centred around benefiting our clients and further enhancing the value we can provide now, and in the years to come. In acquiring Greystone, TD has broadened the investment opportunities available for our clients. The leadership and expertise Greystone possesses within the alternative assets space, along with our complementary investment philosophies and compatible corporate cultures, makes them an ideal addition. This acquisition has expanded TD's regional footprint with an esteemed asset manager, while also heightening the value TD can provide to clients.

**Robert Vanderhooft:** The opportunity to join TD allows Greystone to continue our growth track and remain relevant to our clients. Since inception, Greystone has primarily been an institutional asset management firm, and we have achieved great success with our current business model and management team. As we planned for our future, we recognized that expanding our client base through new and existing channels and adding additional product offerings would be necessary for sustainable growth. By joining TD, we are able to both broaden our client base and expand the product offerings available to our clients as we continue with our mission to add value for our clients. Furthermore, the cultural similarities between organizations and the desire to do more for our clients will contribute to our success. With both TD and Greystone, doing the right thing for clients is a fundamental driver, which is extremely important.

## With Greystone now being a part of TD Bank Group, what impact will this acquisition have for institutional clients?

**Bruce Cooper:** There has been growing demand and an observable shift by institutional clients towards real assets, given the low yield environment that has been present for the past several years. Greystone's capability as an alternative asset manager will soon provide TD's institutional clients with the ability to invest in an income-generating asset class that is principally uncorrelated with public markets. The ability to include alternative assets within a portfolio will further aid in diversification and in

some instances, complement existing investment offerings they may already have, such as Liability Driven Investing (LDI) or other customized solutions. The acquisition of Greystone will make real assets available for TD institutional clients to fully invest in.

**Robert Vanderhooft:** As an active manager, we have always believed in a well-diversified investment portfolio that includes alternatives; and for over 30 years we have been integrating public and private markets on behalf of our institutional clients. More recently, particularly with small and mid-size plans, our clients have appreciated the benefits of a one-stop solution that includes difficult-to-access asset classes along with traditional asset classes, the potential for fee optimization, a well-rounded manager/client relationship, and transparency in our investment portfolios. In joining TD Bank Group, institutional clients will be able to benefit from the synergies created from the acquisition, have a broader set of investment offerings to choose from, and the ability to have their investment needs satisfied by a single institution.

## Given the current macroeconomic backdrop, how should institutional investors view alternative assets and their growth potential?

**Bruce Cooper:** With tension still present around global trade and interest rates still below average, alternative investments have become a highly sought-after asset class. Institutional investors both understand and appreciate the unique opportunities brought on by alternative assets. In taking a long-term perspective, we believe that interest rates will remain low for a prolonged period of time, resulting in the need for high yielding investment opportunities. If trade tensions escalate further, the impact will be felt across the global economy and in public equity markets. With those possibilities in mind, we believe real estate and infrastructure are income-generating investment opportunities that are capable of helping to offset adverse market occurrences.

**Robert Vanderhooft:** The current low interest rate environment makes it challenging for investors to meet their total return objectives with some investors choosing to move to riskier assets in the hope of attaining higher returns. In our experience, private

asset classes—such as infrastructure, real estate and mortgages—have the potential to enhance returns while managing investors’ risk tolerances. It is important to note that investing in private asset classes is complex and it is imperative that investment managers are aligned with the long-term needs of clients, particularly in today’s dynamic market. With our years of experience in public and private markets, we believe that there is a tremendous opportunity to continue to provide access to alternative investments to a broad range of clients.

### In assessing the current investment landscape, either nationally or internationally, where are attractive alternative investment opportunities emerging?

**Robert Vanderhooft:** It is the consistent, long-term exposure to alternative asset classes that is the key, rather than trying to time markets. Given the less liquid nature of alternative asset classes, it is important to ensure that the long-term orientation matches with the client risk tolerances and liquidity requirements; with this long-term view, the ability to execute is paramount. The success of our alternative investments platform is largely due to our execution capabilities that have been developed and fine-tuned over the years. While attractive investment

opportunities exist both nationally and internationally, money managers that can effectively deploy capital into the market will be able to best meet the needs of clients.

### Beyond the alternative investment space, Greystone has expertise in Chinese equities. Can you speak about this investment capability?

**Bruce Cooper:** Though headquartered in Regina, Greystone’s investment reach and operations are global in nature. Greystone has a strong expertise in Chinese equities. With China being a strong contributor to the global economy, possessing in-depth knowledge of their capital markets, particularly equities, has become a crucial skill set of any global asset manager. We look forward to leveraging their institutional knowledge in this area, in the years to come.

**Robert Vanderhooft:** We believe that China and other regions outside of North America will continue to play an important role in a well-diversified investment portfolio. The success of our China Income & Growth fund is largely based on the expertise and disciplined investment processes we developed in our U.S. Equity, International Equity and Global Equity strategies and speaks to the collaboration, knowledge and expertise within our fully integrated public equities investment team. ■



**The combination of TD Asset Management and TD Greystone Asset Management** can be seen as a win-win for institutional investors. Both sides of the equation now have a broader set of investments to choose from and, with the synergies of the two firms, the prospect of more good things coming down the road.



---

TD Asset Management operates through TD Asset Management Inc. in Canada and through TDAM USA Inc. in the United States. TD Greystone Asset Management represents Greystone Managed Investments Inc., a wholly-owned subsidiary of Greystone Capital Management Inc. ("GCM"). All entities are affiliates and wholly-owned subsidiaries of The Toronto-Dominion Bank. © The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.