

TD Diversified Monthly Income Fund



Portfolio Adviser: TD Asset Management Inc.

Portfolio Managers: Michael Lough, Geoff Wilson, Olga Bylaard

Fund Profile

As at December 31, 2011, unless otherwise noted

Fund Management Style

Capitalization	Investment Style		
	Value	Blend	Growth
Large			
Mid			
Small			

Risk Profile

High	
Med	
Low	

Portfolio Update

December was another challenging month in equity markets, with many cyclical names underperforming the index. The Fund provided strong returns due to positive fixed income returns and outperforming equity holdings. The Fund outperformed due to an overweight in financials, which did better than the market. An underweight position in materials stocks was beneficial, as the sector underperformed the broader index. Stock selection in energy was another key positive contributor, due in part to an overweight position in pipelines. Companies continue to increase dividends, and this month Enbridge raised its dividend by 15 percent. We believe that dividend-paying stocks will continue to be in demand by investors as interest rates remain low.

Fund Category

Canadian Equity Balanced

Benchmark

50% S&P/TSX Composite Index, 40% DEX Corporate Bond Index, 10% MSCI World High Dividend Yield Index ND - C\$

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER* %
C\$	TDB159	Nov 30/1987	19.23	443.2	2.31

* Annualized, as at June 30, 2011

Summary Fund Objective

To seek to provide monthly income with capital appreciation as a secondary objective, by investing primarily in income-producing securities.

Fund Distribution

The Fund may distribute net income monthly and net realized capital gains annually.

In December 2006, the Fund's investment objective changed. For full disclosure of these changes, please refer to page 2.

Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	1.7	4.1	-1.5	1.6	5.7	12.5	1.7	3.8	6.5		
	Quartile Ranking	1	2	1	1	1	1	2	3	-		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		1.6	10.1	27.2	-25.6	2.7	8.7	9.7	8.1	12.6	-8.0	-6.6

Historical numbers reflect the performance from date of inception and not from date of sale. Quartile Source : Morningstar®. Calendar performance indicates one-year returns for the Fund as of December 31. YTD indicates return from January 1, 2011 to December 31, 2011.

Growth of \$10,000 and Holdings

Growth of \$10,000: 10-Year History



Asset Weightings % of Portfolio

Canadian Equities	53.6
Corporate Bonds	31.8
U.S. Equities	5.7
Income Trusts	4.1
Government Bonds	1.6
International Equities	1.6
Supranationals	0.4
Mortgage-Backed Securities	0.1
Cash & Cash Equivalents	0.6
Other Net Assets (Liabilities)	0.5

Sector Weightings % of Portfolio

Financials	29.4
Energy	17.4
Telecommunication Services	3.6
Materials	3.1
Utilities	3.1
Industrials	3.0
Consumer Staples	2.3
Health Care	1.7
Consumer Discretionary	1.4

Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	Canadian Imperial Bank of Commerce	4.8	6.	Bank of Montreal	2.6
2.	The Bank of Nova Scotia	4.5	7.	Enbridge Inc.	2.2
3.	The Toronto-Dominion Bank	4.5	8.	TransCanada Corporation	1.6
4.	Royal Bank of Canada	4.4	9.	Barrick Gold Corporation	1.6
5.	Canadian Oil Sands Limited	2.9	10.	Canadian Natural Resources Limited	1.6

Percentage of the Fund's net assets represented by Top 10 Holdings 30.7%

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus, which contains detailed investment information, before investing. The indicated rates of return are the historical annual compounded total returns for the period indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated.

In December 2006, the investment objective of the TD Diversified Monthly Income Fund changed to permit the Fund to invest primarily in income-producing securities. The Fund was previously required to invest primarily in Canadian equities, bonds and short-term instruments. If the change had been in effect previously, the Fund's performance could have been materially different.

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Mutual Funds Representatives with TD Investment Services Inc. distribute mutual funds at TD Canada Trust.

Mutual fund strategies and current holdings are subject to change.

A 30-day early redemption fee of up to 2%, payable to the fund, may apply to all units of TD Mutual Funds and TD Managed Assets Program Portfolios (except money market funds and e-Series units). A 90-day early redemption fee of up to 2%, payable to the fund, may apply to all e-Series units of TD Mutual Funds and TD Managed Assets Program Portfolios.

Quartile rankings are compiled by sorting the funds by returns and range from 1 to 4 for all time periods covered and can change monthly. The top performing 25% of funds in each fund category are assigned a ranking of 1, the next 25% a 2, etc.

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