

TD Balanced Income Fund



Portfolio Adviser: TD Asset Management Inc.

Portfolio Managers: Michael O'Brien, Geoff Wilson, Christopher Case

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	

Fund Category

Canadian Neutral Balanced

Benchmark

50% DEX Universe Bond Index, 35% S&P/TSX Composite Index, 15% MSCI World Index ND - C\$

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER* %
C\$	TDB160	June 29/1988	13.86	286.2	2.24

* Annualized, as at June 30, 2011

Portfolio Update

While Canadian equities were weak in December, bonds gained, capping a strong year, as lingering concerns about the European sovereign debt crisis overshadowed improving U.S. economic data. More positive economic prospects helped corporate bonds outperform government bonds. Government bonds continued to benefit from a flight to safety. Looking to 2012, the range of potential outcomes for equity markets is wider than usual. To that end, the portfolio adviser will maintain a balanced perspective, with a bias to stay cautiously positioned until the macro outlook stabilizes. However, when well-positioned cyclical companies trading at deep discounts to their long-term intrinsic value are identified, the portfolio adviser will take advantage of those situations.

Summary Fund Objective

To seek to provide income and moderate capital growth by investing primarily in fixed income and equity securities of issuers in Canada.

Fund Distribution

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

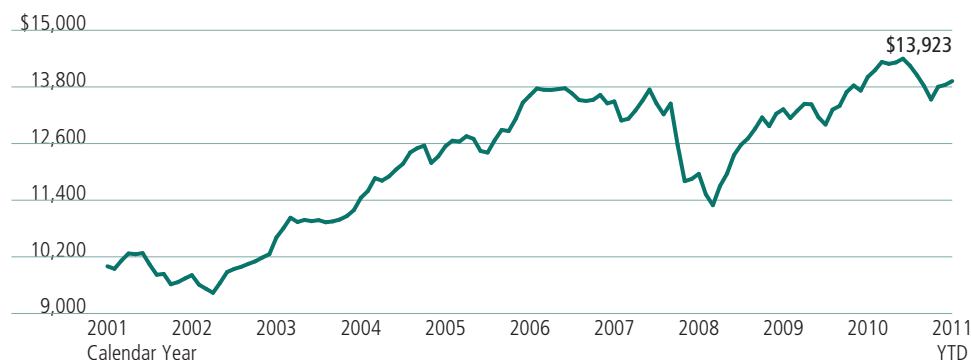
Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	0.6	2.9	-2.3	-0.6	2.2	5.2	0.4	3.4	6.1		
	Quartile Ranking	2	3	2	2	4	4	3	3	-		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		-0.6	5.1	11.4	-11.4	-0.9	8.6	9.5	7.9	8.1	-1.9	2.0

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	47.4
Corporate Bonds	34.9
Government Bonds	11.1
U.S. Equities	3.2
International Equities	0.7
Mortgage-Backed Securities	0.6
Income Trusts	0.3
Cash & Cash Equivalents	1.2
Other Net Assets (Liabilities)	0.6

Sector Weightings % of Portfolio

Financials	17.1
Energy	14.2
Materials	8.2
Consumer Discretionary	3.3
Consumer Staples	2.4
Industrials	2.4
Telecommunication Services	1.6
Information Technology	1.0
Health Care	0.8
Utilities	0.6

Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	The Toronto-Dominion Bank	4.0	6.	Royal Bank of Canada	3.0
2.	The Bank of Nova Scotia	3.5	7.	Barrick Gold Corporation	2.7
3.	Canadian Natural Resources Limited	3.4	8.	Enbridge Inc.	2.1
4.	Suncor Energy Inc.	3.1	9.	Cenovus Energy Inc.	2.0
5.	Goldcorp Inc.	3.1	10.	Canadian Imperial Bank of Commerce	1.9

Percentage of the Fund's net assets represented by Top 10 Holdings 28.8%

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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.

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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.

Effective December 15, 2011, TDAM became the sole portfolio adviser for the TD Balanced Income Fund. Previously, both Jarislowsky Fraser Limited and TDAM were portfolio advisers for the Fund. If this change had been in effect previously, the Fund's performance could have been materially different.

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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