

Fund Facts

As at July 31, 2010

Fund Management Style

	Low	Quality Med	High
Short			
Med			
Long			

Risk Profile

High	
Mod	
Low	

Portfolio Update

In July, banks decreased 1-, 3- and 5-year mortgage rates. The Fund reinvested cash from mortgage maturities and income into additional mortgages. The asset mix at month-end was 91 percent mortgages, 6 percent bonds, and 3 percent cash. While the recent flight to quality has led to lower bond yields, the portfolio adviser sees a longer-term bias for yields to rise. Therefore, as part of the portfolio adviser's commitment to seeking the best risk-adjusted returns, the duration is currently lower than benchmark, though yield remains higher than benchmark at 3.3 percent.

Fund Category

Canadian Short Term Fixed Income

Benchmark

DEX Mortgage Index

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER*
C\$	TDB621	Jan 01/1975	61.37	359.1	1.73

* As of December 31, 2009

Summary Fund Objective

To provide a steady stream of interest income by investing primarily in high-quality Canadian residential mortgages bought from and administered by TD Bank Financial Group. The Fund can also hold Canadian government and corporate securities and bonds.

Fund Distribution

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

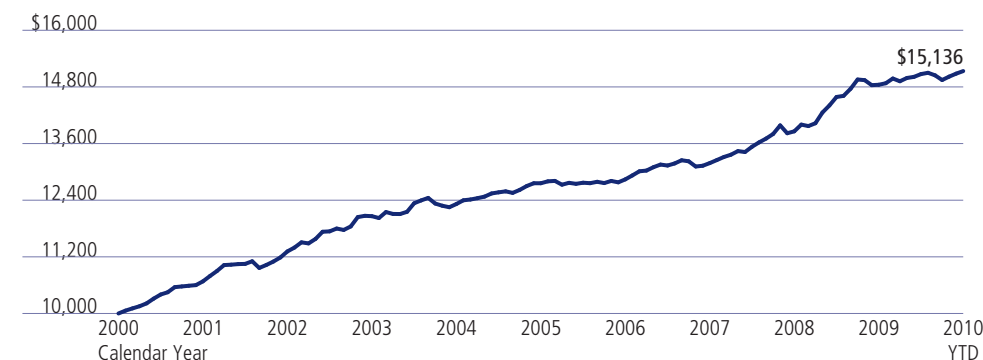
Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	0.4	1.3	0.4	2.0	4.5	4.7	3.5	4.2	7.8		
	Quartile Ranking	2	3	3	3	2	2	2	2	-		
Calendar Performance %		YTD	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Investor		0.8	4.2	7.4	2.0	3.2	1.6	3.2	3.6	6.2	7.1	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, 2010 to July 31, 2010.

Growth of \$10,000 and Holdings

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



Asset Weightings % of Portfolio

Residential Mortgages	90.9
Federal Bonds & Guarantees	5.5
Provincial Bonds & Guarantees	0.7
Cash & Cash Equivalents	2.9

Geographic Weightings % of Portfolio

Canada	100.0
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Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	Various Residential Mortgages	90.9	6.	Government of Canada 3.25% due June 01, 2021	1.0
2.	Cash & Cash Equivalents	2.9	7.	Province of British Columbia 4.10% due December 18, 2019	0.7
3.	Government of Canada 2.50% due June 01, 2015	1.6	8.	Canada Housing Trust No. 1 3.15% due June 15, 2014	0.3
4.	Government of Canada 2.00% due December 01, 2014	1.3	9.	Government of Canada 3.75% due June 01, 2019	0.1
5.	Government of Canada 4.25% due June 01, 2018	1.2			

Percentage of the Fund's net assets represented by Top 10 Holdings 100.0%

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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 TD 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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