

TD Mortgage Fund



Portfolio Adviser: TD Asset Management Inc.

Portfolio Managers: David McCulla, Olga Bylaard, Elaine Lindhorst

Fund Profile

As at December 31, 2011, unless otherwise noted

Fund Management Style

	Low	Quality Med	High
Short			
Med			
Long			

Risk Profile

High	
Med	
Low	

Portfolio Update

In the month of December, banks left the 1-, 3- and 5-year mortgage rates unchanged. The Fund reinvested cash from mortgage maturities and income in additional mortgages. The asset mix at month-end was approximately 94 percent mortgages, 6 percent bonds and marginal cash. The portfolio adviser continues to keep the duration shorter than benchmark aiming to mitigate the risk of higher yields should they occur. Nonetheless, yield remains higher than benchmark.

Fund Category

Canadian Short Term Fixed Income

Benchmark

DEX Mortgage Index

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.

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER*
C\$	TDB621	Jan 01/1975	61.14	285.8	1.82

* Annualized, as at June 30, 2011

Fund Distribution

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

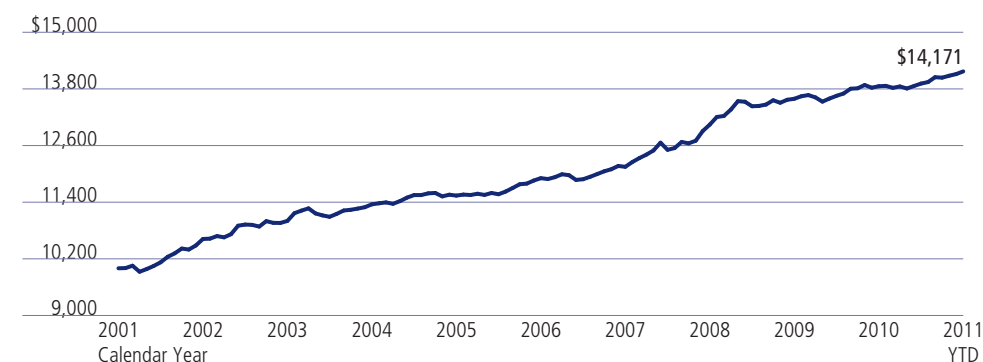
Performance

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	0.9	1.9	2.3	2.1	2.8	3.5	3.5	7.6		
	Quartile Ranking	2	1	3	3	3	3	2	2	-		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		2.3	2.0	4.2	7.4	2.0	3.2	1.6	3.2	3.6	6.2	7.1

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

Residential Mortgages	89.9
Provincial Bonds & Guarantees	4.1
Federal Bonds & Guarantees	2.8
Cash & Cash Equivalents	1.4
Other Net Assets (Liabilities)	1.8

Geographic Weightings % of Portfolio

Canada	100.0
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Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	NHA Mortgages	89.9	5.	Province of Quebec 4.50% due December 01, 2020	0.9
2.	Government of Canada 3.25% due June 01, 2021	2.8	6.	Province of New Brunswick 4.50% due June 02, 2020	0.8
3.	Cash & Cash Equivalents	1.4	7.	Province of Ontario 4.00% due June 02, 2021	0.8
4.	Province of Ontario 4.20% due June 02, 2020	0.9	8.	Province of British Columbia 4.10% due December 18, 2019	0.7

Percentage of the Fund's net assets represented by Top 10 Holdings 98.2%

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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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