

TD Real Return Bond Fund



Portfolio Adviser: TD Asset Management Inc.

Portfolio Managers: Geoff Wilson, David McCulla, Matthew Pauls, Michelle Hegeman

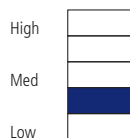
Fund Profile

As at December 31, 2011, unless otherwise noted

Fund Management Style



Risk Profile



Portfolio Update

Real return bonds (RRB) posted solid gains in December and outperformed nominal bonds. The DEX Real Return Bond Index currently yields 0.3 percent a year, plus the Consumer Price Index (CPI) inflation rate compounded semi-annually. CPI was up 0.1 percent in November, following 0.2 percent in October. The annual rate of overall inflation came in at 2.9 percent, unchanged from a month earlier. The portfolio adviser continues to see a longer-term bias for real yields to rise. The Fund is underweight RRBs relative to the benchmark and the duration of the RRB component is slightly shorter than benchmark. Real yield is higher than benchmark.

Fund Category

Canadian Inflation-Protected Fixed Income

Benchmark

DEX Real Return Bond Index

Summary Fund Objective

To provide a regular level of interest income that is hedged against inflation by investing primarily in Canadian government real return bonds as well as those issued by the governments of foreign countries.

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER*
C\$	TDB646	Nov 23/1994	18.38	556.6	1.50

* Annualized, as at June 30, 2011

Fund Distribution

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

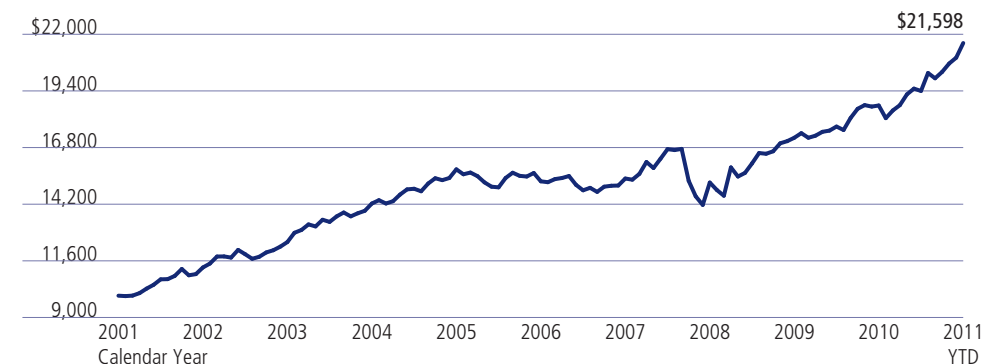
Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	3.2	6.5	11.3	15.3	11.9	12.4	7.2	8.0	7.8		
	Quartile Ranking	2	3	3	3	3	2	2	1	-		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		15.3	8.6	13.5	-1.2	0.8	-3.5	11.0	14.2	10.3	13.0	-1.1

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

Federal Bonds & Guarantees	74.0
Provincial Bonds & Guarantees	23.1
Cash & Cash Equivalents	2.7
Other Net Assets (Liabilities)	0.2

Fixed Income Weightings % of Portfolio

20+ Yr Bonds	41.6
10-20 Year Bonds	32.2
5-10 Year Bonds	21.4
1-5 Year Bonds	1.1
Under 1 Yr Bonds	0.8

Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	Government of Canada Real Return 4.25% due December 01, 2026	21.3	6.	Government of Canada Real Return 4.00% due December 01, 2031	9.1
2.	Government of Canada Real Return 3.00% due December 01, 2036	14.3	7.	Government of Canada Real Return 1.50% due December 01, 2044	7.9
3.	Government of Canada Real Return 2.00% due December 01, 2041	9.8	8.	Province of Manitoba Real Return 1.738% due December 01, 2018	5.9
4.	Government of Canada Real Return 4.25% due December 01, 2021	9.7	9.	Province of Quebec Real Return 4.50% due December 01, 2021	3.0
5.	Province of Ontario Real Return 2.00% due December 01, 2036	9.6	10.	Cash & Cash Equivalents	2.7

Percentage of the Fund's net assets represented by Top 10 Holdings 93.3%

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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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