

# TD Canadian Bond Index Fund



Portfolio Adviser: TD Asset Management Inc.

Portfolio Managers: Michelle Hegeman, Trevor Forbes

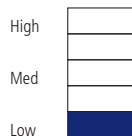
## Fund Profile

As at December 31, 2011, unless otherwise noted

### Fund Management Style



### Risk Profile



### Portfolio Update

Canadian bonds gained in December, 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. Higher yields and strong company balance sheets also continued to drive demand for corporate bonds. Government bonds continued to benefit from a flight to safety and Canada's strong fiscal and economic position relative to other countries. The Bank of Canada left the overnight interest rate at 1.00 percent at its December meeting. It noted that a weaker global outlook and strong Canadian dollar are expected to place a drag on growth going forward.

### Fund Category

Canadian Fixed Income

### Benchmark

DEX Universe Bond Index

### Summary Fund Objective

To maximize total return through both interest income and capital appreciation by tracking the performance of the DEX Universe Bond Index.

Investor Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER*
C\$	TDB966	May 13/1997	11.48	199.0	0.83

\* Annualized, as at June 30, 2011

### Fund Distribution

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

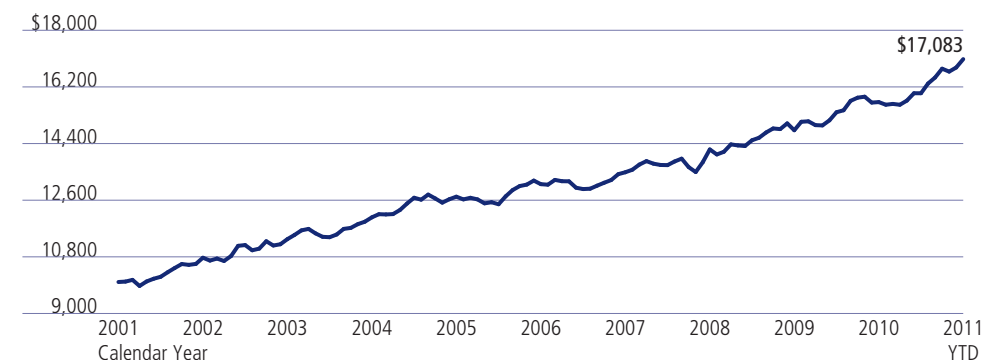
## Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	1.6	1.8	6.8	8.7	7.4	6.3	5.4	5.5	5.8		
	Quartile Ranking	2	2	1	1	1	3	2	2	-		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		8.7	6.0	4.3	5.4	2.9	3.1	5.4	6.1	5.5	7.7	7.0

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

Federal Bonds & Guarantees	43.7
Corporate Bonds	27.0
Provincial Bonds & Guarantees	26.6
Municipal Bonds	1.9
Cash & Cash Equivalents	0.2
Other Net Assets (Liabilities)	0.6

### Fixed Income Weightings % of Portfolio

20+ Yr Bonds	18.6
10-20 Year Bonds	10.5
5-10 Year Bonds	25.0
1-5 Year Bonds	45.1

### Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	Government of Canada 1.75% due March 01, 2013	1.8	6.	Government of Canada 2.00% due December 01, 2014	1.4
2.	Government of Canada 5.75% due June 01, 2029	1.7	7.	Government of Canada 4.00% due June 01, 2041	1.4
3.	Government of Canada 3.75% due June 01, 2019	1.6	8.	Government of Canada 3.00% due December 01, 2015	1.4
4.	Government of Canada 5.75% due June 01, 2033	1.6	9.	Government of Canada 4.25% due June 01, 2018	1.3
5.	Government of Canada 5.00% due June 01, 2037	1.5	10.	Government of Canada 3.00% due June 01, 2014	1.2

Percentage of the Fund's net assets represented by Top 10 Holdings 14.9%

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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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