

TD Short Term Bond 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

Canadian short-term bonds rose in value 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 federal 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 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 Short Term Bond Index

Summary Fund Objective

To maximize income while preserving investment capital and liquidity by investing primarily in government and corporate short-term debt.

Series	Fund Codes	Inception Date	NAV \$	AUM (C\$ Mil)	MER* %
Investor	TDB967	Jan 23/1989	10.05	391.3	1.11
Premium	TDB2001	Sept 07/2010	9.97	159.7	0.98

* Annualized, as at June 30, 2011

Fund Distribution

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

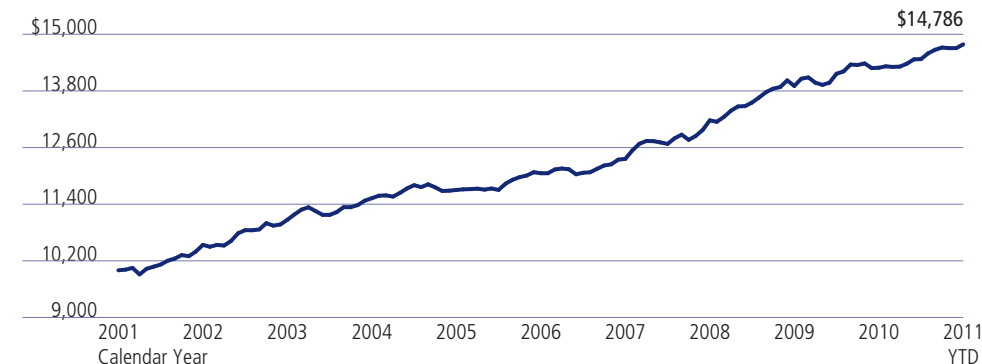
Performance

Historical Performance & Rankings		1 Mo.	3 Mo.	6 Mo.	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs	Since Inc.		
Investor	Performance %	0.5	0.5	2.2	3.5	3.1	3.9	4.2	4.0	5.7		
	Quartile Ranking	1	2	2	2	2	1	1	1	—		
Premium	Performance %	0.4	0.5	2.1	3.5	—	—	—	—	2.4		
	Quartile Ranking	—	—	—	—	—	—	—	—	—		
Calendar Performance %		YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Investor		3.5	2.8	5.5	6.6	2.5	3.0	1.5	4.1	5.1	5.4	8.2
Premium		3.5	—	—	—	—	—	—	—	—	—	—

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

Corporate Bonds	63.9
Federal Bonds & Guarantees	23.2
Provincial Bonds & Guarantees	5.9
Mortgage-Backed Securities	1.0
Cash & Cash Equivalents	5.0
Other Net Assets (Liabilities)	1.0

Fixed Income Weightings % of Portfolio

1-5 Year Bonds	85.8
Under 1 Yr Bonds	8.2

Top 10 Holdings

#	Issuer	% of Portfolio	#	Issuer	% of Portfolio
1.	Cash & Cash Equivalents	5.0	6.	Canada Housing Trust No. 1 2.70% due December 15, 2013	1.6
2.	Government of Canada 2.00% due June 01, 2016	4.4	7.	Province of Ontario 4.40% due March 08, 2016	1.6
3.	Canada Housing Trust No. 1 2.75% due June 15, 2016	3.4	8.	Government of Canada 3.00% due December 01, 2015	1.5
4.	Canada Housing Trust No. 1 2.45% due December 15, 2015	1.9	9.	Canada Housing Trust No. 1 2.75% due December 15, 2014	1.5
5.	Canada Housing Trust No. 1 3.15% due June 15, 2015	1.8	10.	Canada Housing Trust No. 1 1.85% due December 15, 2016	1.4

Percentage of the Fund's net assets represented by Top 10 Holdings 24.1%

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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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