

# TD Mutual Funds

## Fund Profiles

July 22, 2009

### Fixed Income Funds

TD Short Term Bond Fund

TD Mortgage Fund

TD Canadian Bond Fund

TD Canadian Core Plus Bond Fund

TD Corporate Bond Capital Yield Fund

TD Real Return Bond Fund

TD Global Bond Fund

TD High Yield Income Fund

## Table of Contents

<b>TD Short Term Bond Fund</b>	<b>1</b>
<b>TD Mortgage Fund</b>	<b>3</b>
<b>TD Canadian Bond Fund</b>	<b>5</b>
<b>TD Canadian Core Plus Bond Fund</b>	<b>7</b>
<b>TD Corporate Bond Capital Yield Fund</b>	<b>9</b>
<b>TD Real Return Bond Fund</b>	<b>12</b>
<b>TD Global Bond Fund</b>	<b>14</b>
<b>TD High Yield Income Fund</b>	<b>16</b>

# TD Short Term Bond Fund

## Fund details

<b>Fund type</b>	Canadian Short Term Bond
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units
<b>Start date</b>	Investor Series – January 23, 1989 Institutional Series – April 2, 2002 O-Series – May 20, 2005  The Fund was formed on October 21, 1988.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.00% (excluding gst) Institutional Series – Up to 0.75% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager

## What does the Fund invest in?

### *Investment objectives*

The fundamental investment objective is to maximize income while simultaneously preserving investment capital and liquidity by investing primarily in debt obligations issued or guaranteed by the Canadian federal or provincial governments or any agency of such governments, as well as debt obligations of Schedule I Canadian chartered banks, debt obligations of loan or trust companies and debt obligations of corporations. In each case such obligations may have a term to maturity of up to five years.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### *Investment strategies*

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by focusing on the Canadian corporate debt market as well as global macroeconomic trends. The Fund's main attribute is its high corporate bond weighting. The portfolio adviser believes a bottom-up strategy using diligent credit analysis will add value and enhance long-term performance and at the same time reduce risk. Generally, the Fund employs a "buy-and-hold" strategy.

In addition, the Fund may also invest up to 10% of its net assets in guaranteed mortgages, as defined in National Instrument 81-102 – Mutual Funds, including guaranteed mortgages administered by TD Bank Financial Group (being TD Bank or an affiliate of TD Bank).

The Canadian securities regulatory authorities have stated that where a mutual fund acquires mortgages from a lending institution with which the Fund, its management company and/or insiders of either of them are dealing at arm's length, such mortgages shall be acquired at the dollar amount which produces at least the yield prevailing for the sale of comparable unserviced mortgages by major mortgage lenders under similar conditions. In all other cases, mortgages shall be acquired by the Fund according to only one of the following three methods:

- (a) at that principal amount which will produce a yield to the Fund equal to the interest rate at which the lending institution is making commitments to loan on the security of comparable mortgages at the time of purchase by the Fund; or
- (b) at that principal amount which will produce the same yield to the Fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment, provided that the date of commitment is not more than 120 days prior to the date of purchase of the mortgage by the Fund, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment; or
- (c) at that principal amount which will produce a yield to the Fund of not more than a quarter of one percent less than the interest rate at which the lending institution is making commitments, at the time of purchase, to loan on the security of comparable mortgages, provided that the lending institution which sells mortgages to the Fund has entered into an agreement to repurchase the mortgages from the Fund in circumstances benefiting the Fund and that such an agreement is considered by the administrator to justify the difference in yield to the Fund.

The choice of valuation method affects yield as follows: method (a) and method (b) will result in identical yields, provided that no change in the interest rate charged occurs within the 120-day period. Method (a) will result in a greater yield than method (b) where the interest rate has increased during the 120-day period. Method (a) will result in a lesser yield than method (b) where the interest rate has decreased during the 120-day period. Method (a) will always result in a yield greater than that of method (c).

Regarding mortgages purchased from TD Bank Financial Group, the method used by the Fund is method (c) referred to above, on the basis that mortgages are offered for sale to the Fund by TD Bank Financial Group for a price determined as being that principal amount which will produce a yield to

This document provides specific information about the TD Short Term Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

the Fund of not more than one quarter of one percent (0.25%) less than the interest rate at which TD Bank Financial Group is making commitments, at that time, to loan on the security of comparable mortgages. As required by method (c), TD Bank Financial Group has agreed to repurchase from the Fund any mortgage purchased from TD Bank Financial Group if such mortgage has been in default for ninety days or more. Such mortgages must be repurchased by TD Bank Financial Group for an amount equal to the outstanding principal balance owing on the mortgage on the date of purchase, plus accrued interest thereon at the rate of interest specified in such mortgage loan to the date of purchase.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- reduce the risk associated with currency fluctuations

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30% of the net assets of the Fund at the time that foreign securities are purchased.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund's investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- credit risk
- derivatives risk
- foreign currency risk
- interest rate risk
- international market risk
- large investor risk (as at June 24, 2009, two unitholders held 26.26% and 13.30%, respectively, of the units of the Fund)

- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

## Who should invest in the Fund?

The Fund may be suitable for short to medium-term investors who are:

- seeking monthly income from conservative investments
- contributing to the income component of a diversified portfolio
- willing to accept a low level of risk

## Distribution policy

The Fund may distribute net income monthly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$10.76	\$33.93	\$59.47	\$135.37
Institutional Series	\$ 4.20	\$13.25	\$23.22	\$ 52.86

See *Fees and expenses* in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Short Term Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Mortgage Fund

## Fund details

<b>Fund type</b>	Canadian Short-Term Bond and Mortgage
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units
<b>Start date</b>	Investor Series – January 1, 1975 Institutional Series – October 6, 2003 O-Series – Not issued to the public prior to the date of this prospectus  The Fund was formed on January 1, 1975.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.50% (excluding gst) Institutional Series – Up to 1.00% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager
<b>Administration fee</b>	Investor Series – 0.15% (excluding gst)

## What does the Fund invest in?

### Investment objectives

The fundamental investment objective is to provide a steady stream of interest income by investing in a diversified portfolio consisting primarily of high-quality Canadian residential mortgages bought from and administered by TD Bank Financial Group. It may invest in uninsured conventional mortgages, mortgages insured under the *National Housing Act* (NHA) or by an insurance company, and Canadian mortgage-backed securities. The Fund may also hold Canadian government and corporate securities and bonds.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### Investment strategies

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by investing primarily in mortgages. The portfolio consists primarily of top-quality conventional and NHA mortgages that are fully backed by either the Government of Canada or TD Bank. The Fund may also invest in open and closed mortgage-backed securities to diversify risk. The Fund's NAV is sensitive to changes in mortgage rates and less sensitive to the day-to-day volatility of the bond markets.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may invest in mortgages and guaranteed mortgages (as defined in National Instrument 81-102 – Mutual Funds) administered by TD Bank Financial Group (being TD Bank or an affiliate of TD Bank).

The Canadian securities regulatory authorities have stated that where a mutual fund acquires mortgages from a lending institution with which the Fund, its management company and/or insiders of either of them are dealing at arm's length, such mortgages shall be acquired at the dollar amount which produces at least the yield prevailing for the sale of comparable unserviced mortgages by major mortgage lenders under similar conditions. In all other cases, mortgages shall be acquired by the Fund according to only one of the following three methods:

- (a) at that principal amount which will produce a yield to the Fund equal to the interest rate at which the lending institution is making commitments to loan on the security of comparable mortgages at the time of purchase by the Fund; or
- (b) at that principal amount which will produce the same yield to the Fund as the interest rate charged by the lending institution to the mortgagor on the date of commitment, provided that the date of commitment is not more than 120 days prior to the date of purchase of the mortgage by the Fund, and the interest rate is equal to the rate at which the lending institution made commitments to loan on the security of comparable mortgages on the date of commitment; or
- (c) at that principal amount which will produce a yield to the Fund of not more than a quarter of one percent less than the interest rate at which the lending institution is making commitments, at the time of purchase, to loan on the security of comparable mortgages, provided that the lending institution which sells mortgages to the Fund has entered into an agreement to repurchase the mortgages from the Fund in circumstances benefiting the Fund and that such an agreement is considered by the administrator to justify the difference in yield to the Fund.

This document provides specific information about the TD Mortgage Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

The choice of valuation method affects yield as follows: method (a) and method (b) will result in identical yields, provided that no change in the interest rate charged occurs within the 120-day period. Method (a) will result in a greater yield than method (b) where the interest rate has increased during the 120-day period. Method (a) will result in a lesser yield than method (b) where the interest rate has decreased during the 120-day period. Method (a) will always result in a yield greater than that of method (c).

Regarding mortgages purchased from TD Bank Financial Group, the method used by the Fund is method (c) referred to above, on the basis that mortgages are offered for sale to the Fund by TD Bank Financial Group for a price determined as being that principal amount which will produce a yield to the Fund of not more than one quarter of one percent (0.25%) less than the interest rate at which TD Bank Financial Group is making commitments, at that time, to loan on the security of comparable mortgages. As required by method (c), TD Bank Financial Group has agreed to repurchase from the Fund any mortgage purchased from TD Bank Financial Group if such mortgage has been in default for ninety days or more. Such mortgages must be repurchased by TD Bank Financial Group for an amount equal to the outstanding principal balance owing on the mortgage on the date of purchase, plus accrued interest thereon at the rate of interest specified in such mortgage loan to the date of purchase.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund's investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- credit risk
- derivatives risk
- interest rate risk
- large investor risk (as at June 24, 2009, one unitholder held 85.18% of the units of the Fund)
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

## Who should invest in the Fund?

The Fund may be suitable for short to medium-term investors who are:

- contributing to the income component of a diversified portfolio
- willing to accept a low level of risk

## Distribution policy

The Fund may distribute net income monthly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$17.73	\$55.90	\$97.98	\$223.04
Institutional Series	\$ 7.69	\$24.23	\$42.48	\$ 96.69

See *Fees and expenses* in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Mortgage Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Canadian Bond Fund

## Fund details

<b>Fund type</b>	Canadian Bond
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units
<b>Start date</b>	Investor Series – June 29, 1988 Institutional Series – March 24, 2003 O-Series – May 20, 2005  The Fund was formed on February 5, 1988.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.25% (excluding gst) Institutional Series – Up to 0.75% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager

## What does the Fund invest in?

### *Investment objectives*

The fundamental investment objective is to earn a high rate of interest income through investments in high-quality bonds and debentures issued principally by Canadian borrowers in Canadian dollars. These securities may consist of debt obligations of, or guaranteed by, Canadian federal, provincial or municipal governments, Canadian chartered banks, Canadian loan or trust companies or Canadian corporations.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### *Investment strategies*

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by focusing on the Canadian corporate debt market as well as global macroeconomic trends. The portfolio adviser believes a strategy using rigorous bottom-up security selection in regard to the macro environment will add value and enhance long-term performance while at the same time reducing risk. Generally, the Fund employs a “buy-and-hold” strategy.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates

- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- reduce the risk associated with currency fluctuations

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30% of the net assets of the Fund at the time that foreign securities are purchased.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund’s investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- credit risk
- derivatives risk
- foreign currency risk
- interest rate risk
- international market risk
- large investor risk (as at June 24, 2009, two unitholders held 15.73% and 12.02%, respectively, of the units of the Fund)
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

## Who should invest in the Fund?

The Fund may be suitable for medium to long-term investors who are:

- seeking a high-quality income investment
- seeking a regular income stream

This document provides specific information about the TD Canadian Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

- contributing to the income component of a diversified portfolio
- willing to accept a low level of risk

## Distribution policy

The Fund may distribute net income quarterly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$10.76	\$33.93	\$59.47	\$135.37
Institutional Series	\$ 4.20	\$13.25	\$23.22	\$ 52.86

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Canadian Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Canadian Core Plus Bond Fund

## Fund details

<b>Fund type</b>	Canadian Bond
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units
<b>Start date</b>	Investor Series – September 4, 2007 Institutional Series – Not issued to the public prior to the date of this prospectus O-Series – November 14, 2008  The Fund was formed on July 19, 2007.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.25% (excluding gst) Institutional Series – Up to 0.75% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager
<b>Administration fee</b>	Investor Series – 0.15% (excluding gst)

## What does the Fund invest in?

### Investment objectives

The fundamental investment objective is to seek to earn a high rate of interest income by investing primarily in Canadian dollar-denominated, investment-grade debt instruments. The Fund may, from time to time, also seek added value from non-Canadian and/or non-investment-grade debt instruments to enhance total return.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### Investment strategies

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by focusing on bonds denominated in Canadian dollars, which may include debt obligations of, or guaranteed by, Canadian federal, provincial or municipal governments, Canadian corporations, or foreign issuers (Maple bonds). In addition, the Fund may invest in any one or combination of: global investment- and non-investment-grade bonds, emerging market debt, and any other debt obligations. The portfolio adviser believes a strategy using rigorous bottom-up security selection in regard to the macro environment will add value and enhance long-term performance.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- reduce the risk associated with currency fluctuations

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30% of the net assets of the Fund at the time that foreign securities are purchased.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund's investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- credit risk
- derivatives risk
- foreign currency risk
- interest rate risk
- international market risk
- large investor risk (as at June 24, 2009, three unitholders held 23.31%, 15.88% and 15.00%, respectively, of the units of the Fund)
- liquidity risk
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

This document provides specific information about the TD Canadian Core Plus Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

## Who should invest in the Fund?

The Fund may be suitable for medium to long-term investors who are:

- seeking a high level of income
- contributing to the income component of a diversified portfolio
- willing to accept a low to moderate level of risk

## Distribution policy

The Fund may distribute net income monthly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$14.56	\$45.88	\$80.43	\$183.07
Institutional Series <sup>1</sup>	—	—	—	—

<sup>1</sup> No units have been issued as at the date of this simplified prospectus.

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Canadian Core Plus Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Corporate Bond Capital Yield Fund

## Fund details

<b>Fund type</b>	Specialty
<b>Securities offered</b>	Investor Series units Institutional Series units
<b>Start date</b>	Investor Series – September 6, 2006 Institutional Series – Not issued to the public prior to the date of this prospectus The Fund was formed on August 28, 2006.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.35% (excluding gst) Institutional Series – Up to 0.75% (excluding gst)
<b>Administration fee</b>	Investor Series – 0.15% (excluding gst)

## What does the Fund invest in?

### *Investment objectives*

The fundamental investment objective is to generate cash flow primarily through exposure to a pool that invests primarily in North American and/or international corporate bonds and other debt instruments (collectively, “corporate bonds”). Corporate bonds include those which are issued and/or guaranteed by a corporation, a limited partnership, a trust, a special purpose entity, a company which has not been incorporated, and educational institutions.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### *Investment strategies*

The portfolio adviser seeks to achieve the fundamental investment objective by obtaining exposure to a portfolio invested primarily in North American and/or international corporate bonds, as well as investing directly in North American and/or international corporate bonds. Where the Fund obtains exposure to North American and/or international corporate bonds in the manner described below, rather than investing directly in North American and/or international corporate bonds, the Fund expects that the investment return derived from the exposure will be treated as capital gains.

The Fund may obtain exposure to a portfolio of North American and/or international corporate bonds by investing in Canadian equity securities and entering into forward

contracts, swaps or other derivatives under which it will forward-sell the equity securities in return for the total return of an investment in units of TD Corporate Bond Pool (less costs of the contract).

TD Corporate Bond Pool files a prospectus, but is not offered to the public and aims to generate cash flow by investing primarily in North American and/or international corporate bonds. The value of each forward contract will be determined with reference to the total investment return of units of TD Corporate Bond Pool. In other words, under the terms of each forward contract, the Fund may elect to deliver the equity securities, at maturity, in return for a cash payment equal to the total return of an investment in TD Corporate Bond Pool (less costs of the contract). The equity securities subject to a forward contract are agreed to between the Fund and the forward counterparty and will be pledged to the forward counterparty as security for the Fund’s obligations under the forward contract.

The Fund may also invest directly in North American and/or international corporate bonds.

The Fund’s and TD Corporate Bond Pool’s investable universe covers the global corporate debt market, which includes high-yield bonds. The Fund and TD Corporate Bond Pool may also invest in income trusts and credit default swaps. The portfolio adviser believes a strategy using rigorous bottom-up security selection in regard to the macro environment will add value and enhance long-term performance while at the same time reducing risk.

Each of the Fund and TD Corporate Bond Pool may use specified derivatives, such as options, futures, forward contracts and swaps, to:

- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- hedge against losses associated with rising interest rates
- hedge a portion or all of the foreign currency exposure for up to significant periods of time
- swap credit risk

Each of the Fund and TD Corporate Bond Pool may hold money market instruments or cash to meet its obligations under the derivatives instruments.

This document provides specific information about the TD Corporate Bond Capital Yield Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

Subject to receiving approval from securities regulatory authorities, the Fund may enter into derivative contracts where the counterparty under such derivative contracts is TD Bank or any of its affiliates or associates, each a related party (“Related Counterparty”), provided that:

- TDAM engages an independent internationally recognized accounting firm (the “Contract Auditor”) or the independent review committee (“IRC”) to review and assess the pricing and terms of derivative contracts to which a Related Counterparty is a counterparty (“TD Contracts”) and compare such pricing and terms with the then-current pricing and terms of derivative contracts between the Related Counterparty and other third-party mutual funds (“Arm’s Length Contracts”) which are similar in size to the Fund;
- the Contract Auditor provides TDAM with a Contract Auditor’s opinion or the IRC provides its confirmation that the pricing and terms of the TD Contracts are at least as favourable as the pricing and terms of the Arm’s Length Contracts; and
- the Contract Auditor or the IRC reconsiders and reassesses the TD Contracts whenever the prospectus for the Fund is renewed and whenever it is proposed to amend the pricing and terms of the TD Contracts.

The Fund may also apply for exemptive relief from the conflicts of interest provisions to permit the Fund to forward-sell equity securities to a Related Counterparty pursuant to the derivatives instruments.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund’s investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- capital depreciation risk
- credit risk
- derivatives risk

- foreign currency risk
- income trust risk
- interest rate risk
- international market risk
- large investor risk
- liquidity risk
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk
- tracking risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document. Investors in the Fund face the additional risk that a change in tax laws could eliminate the tax-related benefits associated with the Fund. If there is a change in tax laws that affect the tax-related benefits of the Fund, the Fund may be terminated.

## Who should invest in the Fund?

The Fund may be suitable for medium to long-term investors who:

- want a mutual fund that makes regular tax-efficient distributions
- are seeking a regular income stream
- want to contribute to the income portion of a diversified portfolio
- are willing to accept a low to moderate level of risk
- are willing to accept a return of capital

## Distribution policy

The Fund intends to distribute monthly an amount consisting of net income, net realized capital gains and/or return of capital. If the distributions in a year are less than the Fund’s net income and net realized capital gains for the year, the Fund will make an additional distribution in December. The Fund reports all gains and losses on forward contracts under which equity securities are sold forward as capital gains or capital losses.

This document provides specific information about the TD Corporate Bond Capital Yield Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Corporate Bond Capital Yield Fund

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$16.20	\$51.05	\$89.49	\$203.70
Institutional Series <sup>1</sup>	—	—	—	—

<sup>1</sup> No units have been issued as at the date of this simplified prospectus.

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Corporate Bond Capital Yield Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

## Fund details

<b>Fund type</b>	Canadian Bond
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units
<b>Start date</b>	Investor Series – November 23, 1994 Institutional Series – Not issued to the public prior to the date of this prospectus O-Series – September 6, 2006  The Fund was formed on July 15, 1994.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.20% (excluding gst) Institutional Series – Up to 0.75% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager
<b>Administration fee</b>	Investor Series – 0.15% (excluding gst)

## What does the Fund invest in?

### Investment objectives

The fundamental investment objective is to provide a regular level of interest income that is hedged against inflation, by investing primarily in Canadian government guaranteed real return bonds, as well as those issued by the governments of foreign countries.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### Investment strategies

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by investing mainly in Canadian government inflation-linked bonds. The Fund may also invest in foreign government inflation-linked bonds. The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30% of the net assets of the Fund at the time that foreign securities are purchased. Generally, the Fund employs a “buy-and-hold” strategy.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates

- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- reduce the risk associated with currency fluctuations

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund’s investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- credit risk
- derivatives risk
- foreign currency risk
- interest rate risk
- international market risk
- large investor risk
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

## Who should invest in the Fund?

The Fund may be suitable for medium to long-term investors who:

- are concerned about the long-term effects of inflation
- are seeking a high quality income investment
- can accept some interest rate risk to achieve moderate capital growth
- are contributing to the income component of a diversified portfolio
- are willing to accept a low to moderate level of risk

This document provides specific information about the TD Real Return Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD Real Return Bond Fund

## Distribution policy

The Fund may distribute net income quarterly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$14.56	\$45.88	\$80.43	\$183.07
Institutional Series <sup>1</sup>	—	—	—	—

<sup>1</sup> No units have been issued as at the date of this simplified prospectus.

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Real Return Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

## Fund details

<b>Fund type</b>	Global Bond
<b>Securities offered</b>	Investor Series units Institutional Series units
<b>Start date</b>	Investor Series – January 4, 1994 Institutional Series – January 17, 2002  The Fund was formed on December 15, 1993.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.75% (excluding gst) Institutional Series – Up to 1.00% (excluding gst)
<b>Administration fee</b>	Investor Series – 0.30% (excluding gst)

## What does the Fund invest in?

### Investment objectives

The fundamental investment objective is to seek to earn interest income through investing primarily in fixed-income securities of issuers anywhere in the world.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### Investment strategies

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by investing primarily in fixed income securities of governments, government agencies, supranational organizations or companies located anywhere in the world. The portfolio adviser employs a strategy of fundamental economic analysis of each country and currency region. Interest rate anticipation is based on global macroeconomic trends and the impact on fiscal and monetary policies of the respective countries. The portfolio adviser may invest in global (including emerging markets), non-investment-grade corporate debt securities (high yield) rated below BBB(-) by Standard & Poor's (or another rating agency).

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- obtain the desired exposure to foreign currencies

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

TDAM has obtained an exemption from securities regulatory requirements to permit the Fund to invest:

- up to 20% of its net assets in securities of any one issuer if those securities are issued, or guaranteed fully as to principal and interest, by a foreign government (other than the United States) or certain supranational entities, such as the World Bank, and are rated AA or higher by Standard & Poor's or have an equivalent rating by any other approved credit rating organization; or
- up to 35% of its net assets in securities of any one issuer if those securities are issued, or guaranteed fully as to principal and interest, by a foreign government (other than the United States) or certain supranational entities, such as the World Bank, and are rated AAA by Standard and Poor's or have an equivalent rating by any other approved credit rating organization.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund's investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- concentration risk
- credit risk
- derivatives risk
- foreign currency risk
- interest rate risk
- international market risk
- large investor risk (as at June 24, 2009, two unitholders held 29.13% and 13.07%, respectively, of the units of the Fund)
- liquidity risk
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

This document provides specific information about the TD Global Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

## Who should invest in the Fund?

The Fund may be suitable for medium to long-term investors who:

- would like to have some foreign currency exposure
- are contributing to the income portion of a diversified portfolio
- are willing to accept a low to moderate level of risk

## Distribution policy

The Fund may distribute net income quarterly or at other times and distributes net income and net realized capital gains annually in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$22.04	\$69.47	\$121.77	\$277.19
Institutional Series	\$ 4.31	\$13.57	\$ 23.79	\$ 54.15

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD Global Bond Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

## Fund details

<b>Fund type</b>	High Yield Bond
<b>Securities offered</b>	Investor Series units Institutional Series units O-Series units H-Series units Q-Series units
<b>Start date</b>	Investor Series – June 29, 1998 Institutional Series – September 24, 2003 O-Series – Not issued to the public prior to the date of this prospectus H-Series – Not available to the public prior to the date of this prospectus Q-Series – Not available to the public prior to the date of this prospectus  The Fund was formed on June 8, 1998.
<b>Portfolio adviser</b>	TD Asset Management Inc. (TDAM)
<b>Management fee</b>	Investor Series – Up to 1.75% (excluding gst) Institutional Series – Up to 1.00% (excluding gst) O-Series – Negotiated with, and paid by unitholders directly to, the Manager H-Series – Up to 1.75% (excluding gst) Q-Series – Up to 1.00% (excluding gst)
<b>Administration fee</b>	Investor Series – 0.15% (excluding gst) H-Series – 0.15% (excluding gst)

## What does the Fund invest in?

### Investment objectives

The fundamental investment objective is to seek to provide income and the opportunity for capital appreciation over the longer term by investing primarily in high-yield bonds or other income-producing securities.

The fundamental investment objective may only be changed with the approval of a majority of unitholders, given at a meeting called for that purpose.

### Investment strategies

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by focusing on high-yield corporate bonds and other income-producing securities from issuers located anywhere in the world. The portfolio adviser believes a bottom-up strategy emphasizing analysis of individual corporations in the context of a global macroeconomic environment will add value and enhance

long-term performance. The selection process is based on methodical risk/return analysis with the objective of maximizing risk-adjusted returns for the Fund. Generally, the Fund employs a “buy-and-hold” strategy.

The Fund may use specified derivatives, such as options, futures and forward contracts, to:

- hedge against losses associated with rising interest rates
- gain exposure to fixed income instruments without actually investing in them directly (including when owning the derivative investment is more efficient or less costly than owning the fixed income instrument itself)
- hedge a portion or all of the foreign currency exposure for up to significant periods of time

The Fund holds money market instruments or cash to meet its obligations under the derivatives instruments.

The Fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities. For more information, see *Securities lending, repurchase and reverse repurchase transactions* in *Your guide to understanding the Fund Profile* in the first part of this document.

We may change the Fund’s investment strategies at our discretion without notice or approval.

## What are the risks of investing in the Fund?

Risks of investing in the Fund may include:

- capital depreciation risk
- credit risk
- derivatives risk
- equity risk
- foreign currency risk
- income trust risk
- interest rate risk
- international market risk
- large investor risk (as at June 24, 2009, four unitholders held 22.81%, 13.72%, 13.37% and 13.07%, respectively, of the units of the Fund)
- liquidity risk
- repurchase and reverse repurchase agreements risk
- securities lending risk
- series risk

These and other risks, which may also apply to the Fund, are described under the heading *Fund-specific risks* in the first part of this document.

This document provides specific information about the TD High Yield Income Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

# TD High Yield Income Fund

## Who should invest in the Fund?

The Fund may be suitable for long-term investors who:

- are seeking a high level of income
- would like to have some currency diversification
- are contributing to the income portion of a diversified portfolio
- are willing to accept a low to moderate level of risk

## Distribution policy

The Fund intends to make a distribution monthly that in the case of Investor Series and Institutional Series units, consists of net income and in the case of H-Series and Q-Series units, may consist of net income, net realized capital gains and/or return of capital. If the distributions in a year are less than the Fund's net income and net realized capital gains for the year, the Fund will make an additional distribution in December.

## Fund expenses indirectly borne by investors

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in this Fund with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Fund's MER for the Series units during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 year	3 years	5 years	10 years
Investor Series	\$19.37	\$61.07	\$107.05	\$243.67
Institutional Series	\$ 5.64	\$17.77	\$ 31.15	\$ 70.91
H-Series <sup>1</sup>	—	—	—	—
Q-Series <sup>1</sup>	—	—	—	—

<sup>1</sup> No units have been issued as at the date of this simplified prospectus.

See **Fees and expenses** in the first part of this document for more information on the costs of investing in the Fund that are not included in the calculation of the MER.



This document provides specific information about the TD High Yield Income Fund. It should be read in conjunction with the rest of the simplified prospectus of the TD Mutual Funds dated July 22, 2009. This document and the document that provides general information about the TD Mutual Funds together constitute the simplified prospectus.

#### MANAGER

TD Asset Management Inc.

#### MAILING ADDRESS

TD Asset Management Inc.  
Toronto Dominion Bank Tower  
Toronto-Dominion Centre  
P.O. Box 100  
Toronto, Ontario  
M5K 1G8

#### TELEPHONE

English: 1-800-386-3757

French: 1-800-409-7125

Chinese: 1-800-288-1177

#### INTERNET

Site: [www.tdassetmanagement.com](http://www.tdassetmanagement.com)

E-mail: [td.mutualfunds@td.com](mailto:td.mutualfunds@td.com)

#### IN PERSON

Visit your TD Canada Trust branch.

TD Mutual Funds are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank.

TD Mutual Funds is a trade-mark of The Toronto-Dominion Bank, used under license.

