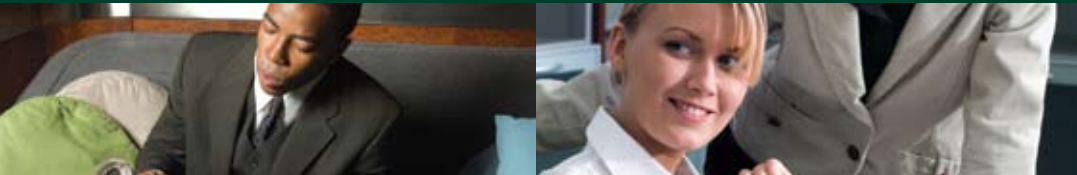


Solutions

WINTER 2009

IDEAS & STRATEGIES FOR FINANCIAL SUCCESS



Investing *can* be comfortable

With TD Comfort Portfolios, you can take comfort in knowing that an investment expert is looking out for your best interests.

Trying to manage your own investment portfolio is no easy task. Every day, the investments you hold could be affected by events taking place on the other side of the world. And with the wide range of investment choices available, researching the possibilities could practically be a full-time job.

That's why we created TD Comfort Portfolios®. Whether you're a conservative, moderate, or growth-oriented investor, there's a Comfort Portfolio that's designed to meet your needs. All you need to do is determine your investor profile with your TD Mutual Funds® Representative, and then select the Comfort Portfolio that matches your investor profile.

Expertise brings comfort

With one decision, you get the peace of mind that comes from knowing that some of the industry's best professionals are

managing your Comfort Portfolio. Each Comfort Portfolio invests in top-quality TD Mutual Funds, carefully designed to provide the potential for income and/or growth, depending on your investor profile.

Each Comfort Portfolio is regularly monitored and adjusted when necessary. Once you've invested, you can take comfort in knowing that an investment expert is looking out for your best interests.

One decision, many benefits

We recognize that investors are not all the same. That's why we created five TD Comfort Portfolios. Whether you are seeking income and long-term growth, or just growth, there's a Comfort Portfolio that has been designed for you.

With TD Comfort Portfolios, you benefit from:

Effective diversification. Each Comfort Portfolio holds up to five



With one decision, you get the peace of mind that comes from knowing that some of the industry's best professionals are managing your Comfort Portfolio.

TD Mutual Funds, chosen to match your investor profile. In turn, each professionally managed TD Mutual Fund holds a diversified portfolio of individual securities. Spreading your money across a number of investments may help to reduce the risk associated with a downturn in any one investment.

Professional management. TD Comfort Portfolios are managed by TD Asset Management Inc. (TDAM), one of Canada's largest and most respected investment management firms. The TDAM professionals monitor the TD Comfort Portfolios so that they stay true to their investment objectives.

Continued on Page 2

Investing can be comfortable

Continued from Page 1

Top-quality funds. TD Comfort Portfolios invest only in select TD Mutual Funds. Morningstar® has consistently ranked TD Mutual Funds as one of the best fund families in Canada.

Ease of investment. After an initial investment of just \$2,000, you can use a Pre-Authorized Purchase Plan (PPP) to invest automatically in your Comfort Portfolio with as little as \$25 a month.

Ongoing support. Your TD Mutual Funds Representative can help you choose the Comfort Portfolio that could be right for you and answer any questions you may have now or in the future, concerning your investments. ■

How our portfolio strategy team works for you

Thierry Vallée and James Gauthier, of the TD Mutual Funds Portfolio Strategy Team, are responsible for the design of TD Comfort Portfolios. Here, they answer some key investor questions.

Why is diversification so important?

Thierry Vallée: "Different types of investments react differently to changing market conditions, so you don't want to put all your eggs in one basket. Proper diversification means knowing how much to invest in bonds and stocks, as well as how much to invest inside and outside of Canada. With TD Comfort Portfolios, we have done this work for you. We have created five distinct portfolios with different characteristics to meet the needs of investors from conservative to aggressive."

What should be considered when selecting mutual funds for a portfolio?

Thierry Vallée: "You want to invest in

quality, but also have mutual funds that work together to create balance in your portfolio. This balance can help to reduce volatility. With TD Comfort Portfolios, we have chosen funds from the TD Mutual Funds lineup that complement each other."

Will my investments still need to be monitored and reviewed?

James Gauthier: "Although we recommend investing based on long-term goals, changes in market conditions can cause your portfolio to shift off track. TDAM regularly analyzes markets and monitors each Comfort Portfolio."

Spotlight

Tax-Free Savings Account — what you should know

Beginning in 2009, you have a new way to save money, tax-free.

The new Tax-Free Savings Account (TFSA) allows Canadian residents who are at least 18 years of age¹ to contribute up to \$5,000 a year² and earn tax-free investment income.

The TFSA is now available from TD Canada Trust. Contributions aren't tax-deductible, but income and growth earned inside your TFSA won't be taxed, and withdrawals are tax-free.

Many benefits

You have a wide range of investment options available for your TFSA, including TD Mutual Funds, and it can be a great way to save for both short-term and long-term goals. You can use your TFSA savings to buy a new car, pay for school, take a vacation, finance home renovations or put more money

away for retirement or a rainy day.

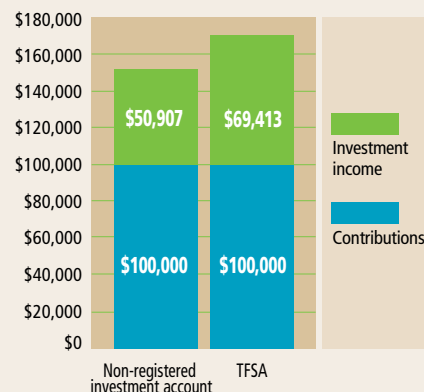
You can access your money tax-free anytime³ and re-contribute any amount you withdraw⁴ in following years. Unused contribution room can be carried forward indefinitely.

Many Canadians will find a TFSA is a great way to supplement retirement income by complementing a Retirement Savings Plan (RSP) or Retirement Income Fund (RIF). However, an RSP may still be the first choice for retirement savings, depending on your specific situation. Unlike a TFSA, RSP contributions are tax-deductible.

Tax-free income

A TFSA can be used to generate income, tax-free, without your having to worry about moving into a higher tax bracket and potentially receiving less federal government benefit

Save more with a TFSA



Annual contributions of \$5,000 over 20 years, at 5% interest, can earn significantly more when invested in a TFSA.

For illustrative purposes only.⁵

money (such as Old Age Security) from programs that are dependent on income levels.

Opening a TFSA at TD Canada Trust is easy. Visit any TD Canada Trust branch, or find out more by visiting

www.tdcanadatrust.com/tfsa ■

Weathering market uncertainty

Effective strategies for any environment

The business headlines lately all seem to be about the economic downturn. And along with news we're seeing lots of dire predictions and speculation about the future. But what's the story behind the headlines? Is it really all doom and gloom? And, more important, what can you, as an investor, do about it?

Behind the turmoil

To put the current turmoil in perspective, it helps to understand its underpinnings. It began with high-risk mortgages in the U.S., which were packaged with less risky loans and resold to investors worldwide. When interest rates rose and property prices fell, investors were suddenly alerted to the potential downside of their investments.

As investors worldwide became increasingly reluctant to invest in debt securities, a global credit crisis erupted. With businesses unable to finance expenditures, unemployment rose, and falling home values made consumers reluctant to spend. The result: global economic slowdown.

Relative strength in Canada

While economic growth in Canada is slowing and we've been affected by falling commodity prices, Canadian financial institutions have stricter regulations and a stronger focus on capitalization, and have therefore fared much better than their U.S. counterparts.

However, the U.S. is still our largest trading partner, and weakness there will continue to have an impact here. How long will the downturn last? Many economists expect it to take a year or longer for house prices to bottom out and government intervention to restore faith in the global financial system.

Getting back to basics

Regardless of whether an economic recovery happens sooner or later than anticipated, there are steps you can take to negotiate the current market volatility and position your portfolio for potential growth when the global economy turns around.

Diversify. A well-diversified portfolio is one of the best defences against market volatility. Holding investments that provide a mix of cash or cash equivalents (for capital preservation), fixed income, and equities (for potential growth) enables you to benefit no matter which asset class is currently leading the pack. It could help you maximize returns and reduce risk.

Stay invested. When equity markets are volatile, many investors flee to the perceived safety of cash or money market instruments. All this does, however, is to potentially "lock in" losses and leave you sitting on the sidelines when the markets begin to pick up.



To put the current turmoil in perspective, it helps to understand its underpinnings.

Focus on the long term. Stock markets are cyclical. Historically, they have gone through peaks and troughs, but the long-term trend has always been upward. Altering your portfolio in response to potentially short-term events can throw your long-term investment strategy off track. The more sensible reaction might be to sit tight and ride out the storm.

Talk to us. If you are uncomfortable with your current exposure to equities, contact your TD Mutual Funds Representative for a portfolio review. If your investor profile has changed, your portfolio may need adjusting. ■

Investor Notice

RSP deadline is fast approaching

The deadline for your Retirement Savings Plan (RSP) contribution is approaching. You have until March 2, 2009, to make your contribution for the 2008 tax year.

It's important to get money into your RSP by this deadline. Wait longer and you won't be able to claim the deduction on your 2008 tax return.

For the 2008 tax year you can contribute the lesser of \$20,000 or 18% of the earned income (less pension adjustment if applicable) reported on your 2007 income tax return. You can also use up missed contributions from past years.

For tips and advice on managing your RSP and other retirement planning matters, visit www.TDretirement.com

Get a head start on tax planning for 2009

When it comes to income tax, you're probably focused on filing your 2008 tax return. But now is also a good time to start 2009 tax planning. The earlier you start, the better your chances of reducing your tax bill.

Here are some strategies for you to consider:

Plan your RSP contribution.

Ensure you maximize your 2009 Retirement Savings Plan (RSP) contribution and receive the maximum RSP tax deduction.

Utilize credits and deductions.

Credits and deductions worth exploring include: charitable donations, medical expenses, child care costs, tuition fees, and transfer of pension income to your spouse for tax purposes.

Open a Tax-Free Savings Account.

The new TFSA will let you earn tax-free

income on contributions of up to \$5,000 a year. (See "Spotlight" article on Page 2.)

Contribute to an RESP.

A Registered Education Savings Plan can be a tax-effective way to invest for a child's or grandchild's education. Contribute annually so the plan is eligible for a yearly Canada Education Savings Grant.

File a tax return for children.

If your kids earned income in 2008, file a tax return on their behalf. They won't pay tax if their income is below the basic personal exemption, and filing a return will create RSP room they can use later. ■



The earlier you start your tax planning, the better your chances of reducing your 2009 tax bill.

Questions? Discover the solutions that you need

Whether you have questions about your mutual fund investments or would like more advice on services or strategies described in *Solutions*, we're here to help. Just visit your TD Canada Trust branch or contact a TD Mutual Funds Representative. And for up-to-date, secure information about your TD Mutual Funds accounts — 24 hours a day, seven days a week — EasyWeb™ Internet banking and EasyLine™ telephone banking are also available for your convenience. For more information, or to register for EasyWeb and EasyLine, please visit any TD Canada Trust branch, or call us at 1-866-222-3456, and we'll help you get where you want to go.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus, which contains detailed investment information, before investing. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer and are not guaranteed or insured. Their values change frequently. There can be no assurances that a money market fund will be able to maintain its net asset value per unit at a constant amount or that the full

amount of your investment will be returned to you. Past performance may not be repeated.

TD Mutual Funds are managed by TD Asset Management Inc., a wholly owned subsidiary of The Toronto-Dominion Bank. Available through TD Investment Services Inc. (principal distributor), TD Waterhouse Canada Inc. (Member CIPF) and independent dealers.

Mutual Funds Representatives with TD Investment Services Inc. distribute mutual funds at TD Canada Trust.

- 1 The holder of a TFSA with TD must be of the age of majority in their province of residence.
- 2 2009 contribution limit. This limit is indexed to inflation.
- 3 Some restrictions may apply, depending on the investments chosen.
- 4 The amount you withdraw can be re-contributed to your TFSA the following year without impacting your contribution room.
- 5 The illustration is based on the Canada Revenue Agency calculator provided on its website and assumes that:
 - TFSA contributions are investing in diversified portfolios with a return consisting of 40% interest, 30% dividends and 30% capital gains.
 - No personal income tax is levied on the investment income or gains accruing in the TFSA.
 - Lump-sum TFSA contributions are made at the start of the year, annual contributions

are made mid-year, and monthly contributions are made at the beginning of each month.

— An annual income of \$40,000 to \$79,999 was used as a basis for estimating the federal income tax rate applicable to the investment income accruing in the taxable account. Your actual tax rate may be different depending on the amount and type of deductions you claim.

— The provincial income tax rate applicable to investment income accruing in the taxable account is equal to half of the federal income tax rate.

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