

# TD Managed Assets Program

SIMPLIFIED PROSPECTUS

## Portfolio Profiles

### TD MANAGED INDEX PORTFOLIOS

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October 6, 2003



# TD MANAGED INDEX INCOME PORTFOLIO

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## FUND DETAILS

FUND TYPE	Strategic asset allocation
SECURITIES OFFERED	Investor Series units e-Series units
START DATE	Investor Series – November 12, 1998 e-Series – November 26, 1999
REGISTERED TAX PLAN ELIGIBILITY	RRSPs, LRRSPs, RRIFs, PRRIFs, LIFs, LRIFs, LIRAs, DPSPs, and RESPs
FOREIGN PROPERTY	Yes. This means that together with all other foreign property you hold in your registered plan (other than an RESP), the cost of units of the Portfolio should not make up more than the foreign property limit (currently 30% of your registered plan's cost).
MANAGEMENT FEES	The Portfolio's management fee with respect to a series of units will vary, but will not exceed the amount by which the consolidated management expense ratio (MER) for that series exceeds the Portfolio's operating expenses as well as the Portfolio's proportionate share of the management fees and operating expenses of the underlying funds with respect to that series. The consolidated MER for the Investor Series and e-Series units of the Portfolio may not exceed 1.50% and 1.20% respectively of the net assets of the Portfolio (including GST).

## WHAT DOES THE FUND INVEST IN?

### *Investment objectives*

The fundamental investment objective is to generate a moderate level of income while preserving investment capital and liquidity and providing some potential for capital growth.

The Portfolio invests primarily in units of TD Index Mutual Funds, with an emphasis on mutual funds with income generating potential. The Portfolio may also invest directly in guaranteed investment certificates, bonds issued by the Canadian or provincial governments and strip bonds.

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

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2 | This document provides specific information about the TD Managed Index Income Portfolio. It should be read in conjunction with the rest of the simplified prospectus of the TD MAP Portfolios dated October 6, 2003. This document and the document that provides general information about the TD MAP Portfolios together constitute the simplified prospectus.

# TD MANAGED INDEX INCOME PORTFOLIO

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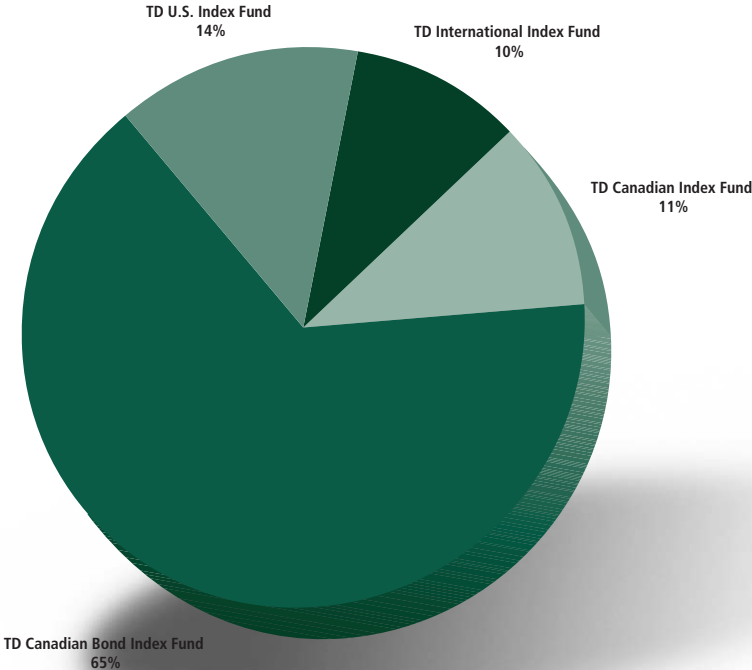
## **Investment strategies**

The portfolio adviser uses strategic asset allocation to achieve the fundamental investment objective. The portfolio adviser:

- allocates assets among the underlying funds in accordance with the target weightings set for the Portfolio;
- rebalances the Portfolio's assets among the underlying funds to maintain the target weightings; and
- monitors the underlying funds on an ongoing basis and reviews them semi-annually.

For more information about the asset allocation process, see **Investment strategies of the Funds** in *Your guide to understanding the Portfolio Profile* in the first part of this document.

The chart below shows you the underlying funds the Portfolio invests in and the target weighting of each underlying fund.



## TD MANAGED INDEX INCOME PORTFOLIO

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### *About the underlying funds*

The table below provides the following details about the underlying funds: target weighting, fundamental investment objectives, portfolio adviser, and risks.

UNDERLYING FUND	TARGET WEIGHTING	FUNDAMENTAL INVESTMENT OBJECTIVES
TD Canadian Index Fund	11%	To provide long-term growth of capital primarily by purchasing Canadian equity securities to track the performance of the S&P/TSX Composite Index. The S&P/TSX Composite Index is comprised of Canadian companies traded on the Toronto Stock Exchange (TSX).
TD Canadian Bond Index Fund	65%	To maximize total return through both interest income and capital appreciation by tracking the performance of the Scotia Capital Universe Bond Index <sup>1</sup> (SC Universe Bond Index). The SC Universe Bond Index is comprised of Canadian investment-grade bonds which mature in more than one year.
TD U.S. Index Fund	14%	To provide long-term growth of capital by primarily purchasing U.S. equity securities to track the performance of The Standard & Poor's 500 Total Return Index (S&P 500 Index). The S&P 500 Index is comprised of 500 widely-held U.S. companies.
TD International Index Fund	10%	To track the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE Index). The MSCI EAFE Index is a broadly diversified index consisting of equity securities of companies domiciled in developed markets outside the U.S. and Canada.

# TD MANAGED INDEX INCOME PORTFOLIO

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ADVISER	RISKS APPLICABLE TO THE UNDERLYING FUND
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TD Asset Management Inc. ("TDAM")	Equity risk, Derivatives risk, Index fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Credit risk, Interest rate risk, Derivatives risk, Index fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Equity risk, Foreign currency risk, Derivatives risk, Index Fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Emerging markets risk, Equity risk, Foreign currency risk, Index fund risk, International market risk, Derivatives risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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<sup>1</sup> Trademark of the Bank of Nova Scotia; TDAM is a registered user of the trademark.

# TD MANAGED INDEX INCOME PORTFOLIO

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## TOP TEN HOLDINGS

The following investments were the holdings of the Portfolio as at September 11, 2003.

	PERCENTAGE (%) OF NET ASSETS
1 TD CANADIAN BOND INDEX FUND	65.1
2 TD U.S. INDEX FUND (CAD)	13.9
3 TD CANADIAN INDEX FUND	11.0
4 TD INTERNATIONAL INDEX FUND	10.0

**Warning:** This information is accurate only as of the date indicated and may change by the time you purchase units of the Portfolio. You may obtain more current information by contacting TDAM, P.O. Box 100, Toronto-Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1G8.

## WHAT ARE THE RISKS OF INVESTING IN THE FUND?

This Portfolio uses an asset allocation strategy. Investing in a mix of different mutual funds helps to reduce volatility, but it also means that the Portfolio's performance depends directly on the performance of the underlying funds in which it invests.

Here are some other things to keep in mind:

- The risks of investing in this Portfolio are similar to the risks of investing in the underlying funds it holds. The table under **About the underlying funds** shows you the specific risks of each underlying fund. The Portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. These and other risks are described under **What are the risks of investing in a mutual fund?** in the first part of this document.
- The Portfolio's ability to achieve its investment objectives is directly related to the ability of the underlying funds to achieve their investment objectives.

In addition, as the Portfolio has more than one series of units, investors in the Portfolio face series risk, which is described under **What are the risks of investing in a mutual fund?** in the first part of this document.

## TD MANAGED INDEX INCOME PORTFOLIO

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### WHO SHOULD INVEST IN THE FUND?

The Portfolio may be suitable for investors who fit an **Income** investor profile and:

- prefer to have professional managers choosing and monitoring their investments;
- want mostly income combined with a moderate amount of capital growth from their investments;
- will accept a low degree of volatility in the value of their investments as indicated by the risks of the underlying funds it holds, outlined in the table above;
- are willing to accept a low level of risk;
- are willing to accept an investment time horizon of two to four years; and
- prefer the cost- and tax-efficiency of an index strategy.

### VOLATILITY



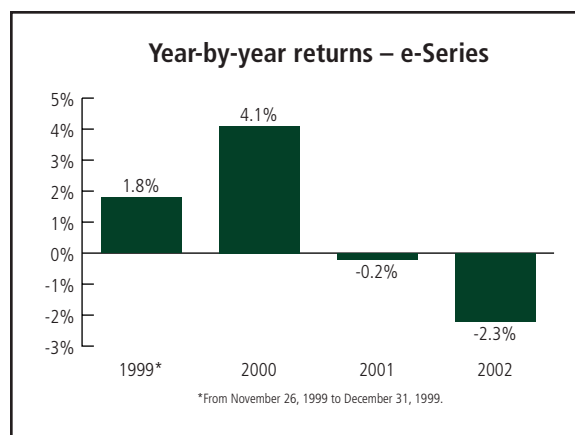
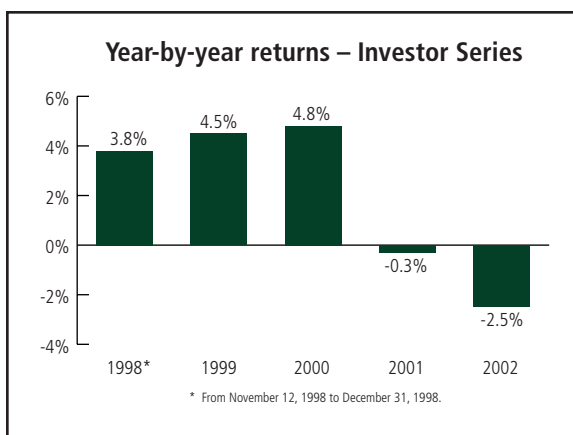
# TD MANAGED INDEX INCOME PORTFOLIO

## PAST PERFORMANCE

The following charts show how the Investor Series units and e-Series units of the Portfolio have performed in the past, and can help you understand the risks of investing in the Portfolio. These returns include the reinvestment of all distributions and would be lower if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The returns for the e-Series units reflect the fact that management fees and operating expenses were not deducted for the period prior to April 19, 2001 because there were no e-Series units distributed to the public prior to April 19, 2001. The Portfolio's past performance does not necessarily indicate how it will perform in the future.

### *Year-by-year returns*

The bar charts show how the Investor Series units' and e-Series units' performance has varied from year to year for each of the years shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year.

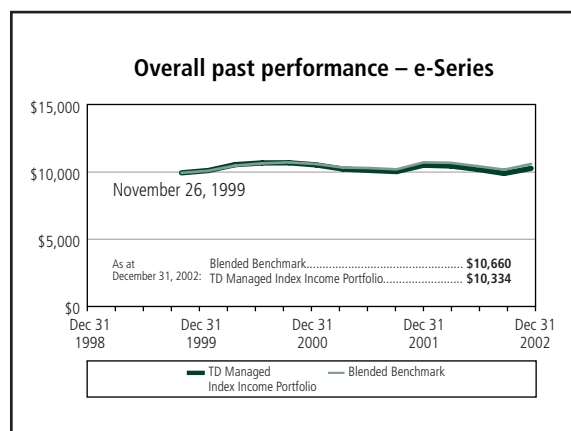
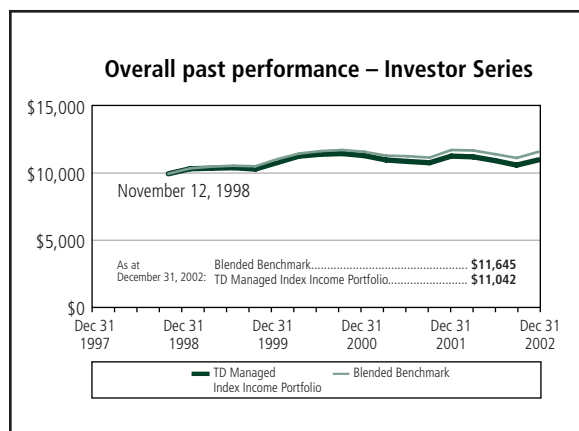


### *Overall past performance*

The graphs compare the growth of a hypothetical \$10,000 investment in Investor Series units and e-Series units of the Portfolio with the growth of its benchmark. The Blended Benchmark consists of:

- 65% Scotia Capital Universe Bond Index. This index is comprised of Canadian investment-grade bonds which mature in more than one year;
- 25% Morgan Stanley Capital International World Index (C\$). This index includes stocks of companies in all the developed markets around the world; and
- 10% S&P/TSX Composite Index. This index is comprised of Canadian companies traded on the Toronto Stock Exchange (TSX).

# TD MANAGED INDEX INCOME PORTFOLIO



## Annual compound returns

The following table shows the Investor Series units' and e-Series units' annual compound total return for each of the periods indicated ending on December 31, 2002, compared with the Blended Benchmark.

	SINCE START DATE	PAST 3 YEARS	PAST YEAR
<b>TD MANAGED INDEX INCOME PORTFOLIO</b>			
Investor Series	2.4%	0.6%	-2.5%
e-Series	1.1%	0.5%	-2.3%
<b>BLENDED BENCHMARK</b>			
Investor Series	3.8%	1.6%	-1.1%
e-Series	2.1%	1.6%	-1.1%

## DISTRIBUTION POLICY

The Portfolio may distribute net income quarterly and net realized capital gains annually in December. Distributions are reinvested in units of the Portfolio, unless you specify, in writing, to receive cash.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance since its start date. This information is derived from the Portfolio's audited annual financial statements. Please see **Introduction** in the first part of this document for information about how you can obtain the Portfolio's audited financial statements.

## TD MANAGED INDEX INCOME PORTFOLIO

### *The Fund's distributions and net asset value per Series unit (\$)*

	1998	1999	2000	2001	2002
<b>DISTRIBUTIONS</b>					
From net income					
Investor Series	0.11 <sup>1</sup>	0.39	0.38	0.27	0.29
e-Series	N/A	0.00	0.42	0.32	0.31
From net realized capital gains					
Investor Series	0.02 <sup>1</sup>	0.00	0.19	0.00	0.00
e-Series	N/A	0.00	0.24	0.00	0.00
As a return of capital					
Investor Series	0.00	0.00	0.00	0.00	0.00
e-Series	N/A	0.00	0.00	0.00	0.00
<b>TOTAL ANNUAL DISTRIBUTIONS</b>					
Investor Series	0.13 <sup>1</sup>	0.39	0.57	0.27	0.29
e-Series	N/A	0.00	0.66	0.32	0.31
<b>NET ASSET VALUE PER SERIES UNIT AT DECEMBER 31</b>					
Investor Series	10.24	10.29	10.22	9.91	9.38
e-Series	N/A	10.44	10.21	9.86	9.32

<sup>1</sup> Represents distributions for the period from November 12, 1998 to December 31, 1998.

### *Ratios and supplemental data*

As at December 31 of the year shown	1998	1999	2000	2001	2002
<b>NET ASSETS (\$000's)</b>					
Investor Series	166	960	1,831	2,080	1,887
e-Series	N/A	< \$500	< \$500	1	25
<b>NUMBER OF UNITS OUTSTANDING</b>					
Investor Series	16,177	93,305	179,156	209,757	201,100
e-Series	N/A	1	1	51	2,680
<b>CONSOLIDATED MER<sup>1,2</sup></b>					
Investor Series	1.48%	1.48%	1.49%	1.50%	1.49%
e-Series	N/A	0.00%	0.00%	1.27% <sup>3</sup>	1.19%
<b>PORTFOLIO TURNOVER RATE<sup>3</sup></b>	5.10%	18.50%	61.80%	101.17%	64.27

10 | This document provides specific information about the TD Managed Index Income Portfolio. It should be read in conjunction with the rest of the simplified prospectus of the TD MAP Portfolios dated October 6, 2003. This document and the document that provides general information about the TD MAP Portfolios together constitute the simplified prospectus.

# TD MANAGED INDEX INCOME PORTFOLIO

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- <sup>1</sup> The consolidated MER is based on the total of all management fees and expenses paid by the Portfolio, including the management fees and expenses that are associated with the Portfolio's investments in the securities of the underlying funds for the year shown expressed as an annualized percent of daily average net assets during the year and includes GST. In each of the years shown above, TDAM has absorbed certain operating expenses of the Portfolio. It is unknown how long such absorption of expenses by TDAM will continue. The absorption of expenses by TDAM may be suspended or terminated at any time by TDAM without prior notice. The consolidated MERs in 2000, 2001 and 2002, had TDAM not absorbed any expenses, would have been 2.89%, 2.83% and 1.50%, respectively, for the Investor Series. The consolidated MER in 2001 and 2002, had TDAM not absorbed any expenses, would have been greater than 100% and 1.20% respectively for the e-Series. TDAM has not quantified these absorptions for any completed financial years prior to the year 2000. Starting October 9, 2001, the consolidated MER for the Investor Series and e-Series units of the Portfolio was capped at 1.50% and 1.20%, respectively (including GST).
- <sup>2</sup> The consolidated MERs for 1998 and 1999 have been restated in accordance with National Instrument 81-102 - Mutual Funds.
- <sup>3</sup> The portfolio turnover rate indicates how actively the portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Portfolio.

## FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

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

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

	One year	Three years	Five years	Ten years
Investor Series	\$15.27	\$48.15	\$84.39	\$192.10
e-Series	\$12.20	\$38.45	\$67.40	\$153.42

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

# TD MANAGED INDEX INCOME RSP PORTFOLIO

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## FUND DETAILS

FUND TYPE	Strategic asset allocation
SECURITIES OFFERED	Investor Series units e-Series units
START DATE	Investor Series – November 12, 1998 e-Series – November 26, 1999
REGISTERED TAX PLAN ELIGIBILITY	RRSPs, LRRSPs, RRIFs, PRRIFs, LIFs, LRIFs, LIRAs, DPSPs, and RESPs
FOREIGN PROPERTY	No
MANAGEMENT FEES PAYABLE BY THE FUND	The Portfolio's management fee with respect to a series will vary, but will not exceed the amount by which the consolidated management expense ratio (MER) for that series exceeds the Portfolio's operating expenses as well as the Portfolio's proportionate share of the management fees and operating expenses of the underlying funds with respect to that series. The consolidated MER for the Investor Series and e-Series units of the Portfolio may not exceed 1.50% and 1.20% respectively of the net assets of the Portfolio (including GST).

## WHAT DOES THE FUND INVEST IN?

### *Investment objectives*

The fundamental investment objective is to generate a moderate level of income while preserving investment capital and liquidity and providing some potential for capital growth.

The Portfolio invests primarily in units of TD Index Mutual Funds, with an emphasis on mutual funds with income generating potential. The Portfolio may also invest directly in guaranteed investment certificates, bonds issued by the Canadian or provincial governments and strip bonds.

A further investment objective of the Portfolio is to maintain 100% eligibility for RRSPs and other registered plans.

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

# TD MANAGED INDEX INCOME RSP PORTFOLIO

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### **Investment strategies**

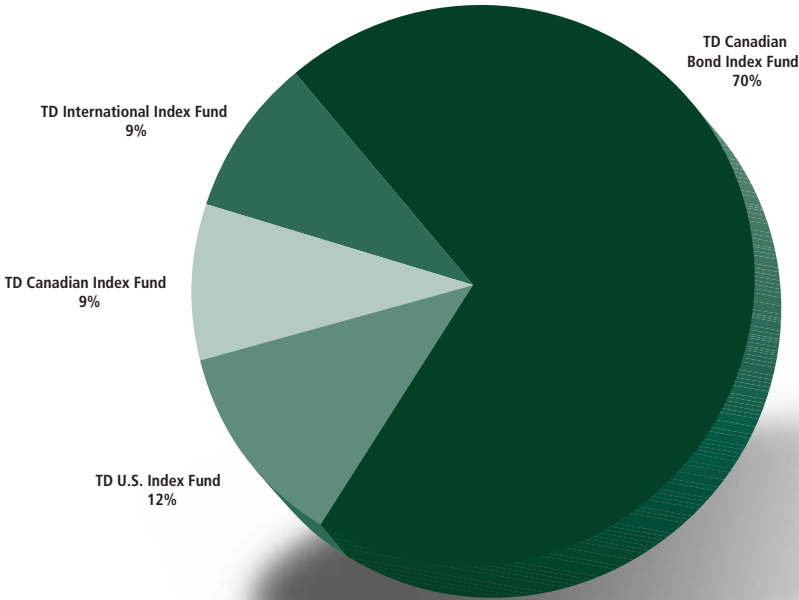
The portfolio adviser uses strategic asset allocation to achieve the fundamental investment objective. The portfolio adviser:

- allocates assets among the underlying funds in accordance with the target weightings set for the Portfolio;
- rebalances the Portfolio’s assets among the underlying funds to maintain the target weightings; and
- monitors the underlying funds on an ongoing basis and reviews them semi-annually.

The Portfolio may only invest in foreign securities up to the foreign property limit (currently 30% of the cost of all Portfolio property) imposed under the Tax Act.

For more information about the asset allocation process, see **Investment strategies of the Funds** in **Your guide to understanding the Portfolio Profile** in the first part of this document.

The chart below shows you the underlying funds the Portfolio invests in and the target weighting of each underlying fund.



## TD MANAGED INDEX INCOME RSP PORTFOLIO

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### *About the underlying funds*

The table below provides the following details about the underlying funds: target weighting, fundamental investment objectives, portfolio adviser, and risks.

UNDERLYING FUND	TARGET WEIGHTING	FUNDAMENTAL INVESTMENT OBJECTIVES
TD Canadian Index Fund	9%	To provide long-term growth of capital primarily by purchasing Canadian equity securities to track the performance of the S&P/TSX Composite Index. The S&P/TSX Composite Index is comprised of Canadian companies traded on the Toronto Stock Exchange (TSX).
TD Canadian Bond Index Fund	70%	To maximize total return through both interest income and capital appreciation by tracking the performance of the Scotia Capital Universe Bond Index <sup>1</sup> (SC Universe Bond Index). The SC Universe Bond Index is comprised of Canadian investment-grade bonds which mature in more than one year.
TD U.S. Index Fund	12%	To provide long-term growth of capital by primarily purchasing U.S. equity securities to track the performance of The Standard & Poor's 500 Total Return Index (S&P 500 Index). The S&P 500 Index is comprised of 500 widely-held U.S. companies.
TD International Index Fund	9%	To track the Morgan Stanley Capital International Europe, Australasia and Far East Index (MSCI EAFE Index). The MSCI EAFE Index is a broadly diversified index consisting of equity securities of companies domiciled in developed markets outside the U.S. and Canada.

## TD MANAGED INDEX INCOME RSP PORTFOLIO

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ADVISER	RISKS APPLICABLE TO THE UNDERLYING FUND
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TD Asset Management Inc. ("TDAM")	Equity risk, Derivatives risk, Index fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Credit risk, Interest rate risk, Derivatives risk, Index fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Equity risk, Foreign currency risk, Derivatives risk, Index fund risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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TDAM	Emerging markets risk, Equity risk, Foreign currency risk, Index fund risk, International market risk, Derivatives risk, Repurchase and reverse repurchase agreements risk, Securities lending risk, Series risk, Underlying fund risk
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<sup>1</sup> Trademark of the Bank of Nova Scotia; TDAM is a registered user of the trademark

# TD MANAGED INDEX INCOME RSP PORTFOLIO

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## TOP TEN HOLDINGS

The following investments were the holdings of the Portfolio as at September 11, 2003.

	PERCENTAGE (%) OF NET ASSETS
1 TD CANADIAN BOND INDEX FUND	70.0
2 TD U.S. INDEX FUND (CAD)	11.9
3 TD CANADIAN INDEX FUND	9.1
4 TD INTERNATIONAL INDEX FUND	9.0

**Warning:** This information is accurate only as of the date indicated and may change by the time you purchase units of the Portfolio. You may obtain more current information by contacting TDAM, P.O. Box 100, Toronto-Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1G8.

## WHAT ARE THE RISKS OF INVESTING IN THE FUND?

This Portfolio uses an asset allocation strategy. Investing in a mix of different mutual funds helps to reduce volatility, but it also means that the Portfolio's performance depends directly on the performance of the underlying funds in which it invests.

Here are some other things to keep in mind:

- The risks of investing in this Portfolio are similar to the risks of investing in the underlying funds it holds. The table under **About the underlying funds** shows you the specific risks of each underlying fund. The Portfolio takes on the risks of an underlying fund in proportion to its investment in that fund. These and other risks are described under **What are the risks of investing in a mutual fund?** in the first part of this document.
- The Portfolio's ability to achieve its investment objectives is directly related to the ability of the underlying funds to achieve their investment objectives.

In addition, as the Portfolio has more than one series of units, investors in the Portfolio face series risk, which is described under **What are the risks of investing in a mutual fund?** in the first part of this document.



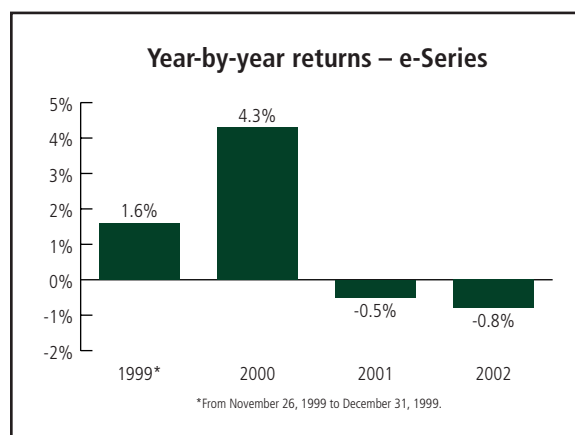
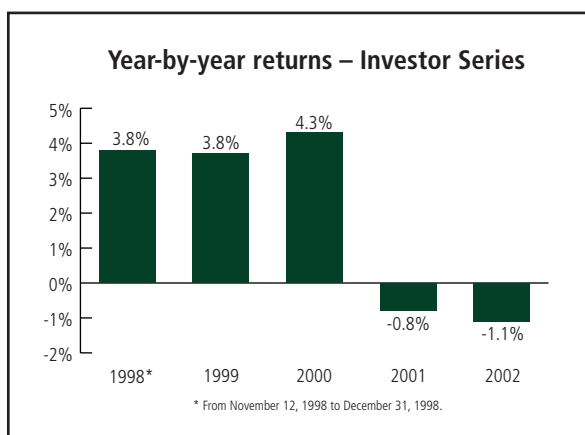
# TD MANAGED INDEX INCOME RSP PORTFOLIO

## PAST PERFORMANCE

The following charts show how the Investor Series units and e-Series units of the Portfolio have performed in the past, and can help you understand the risks of investing in the Portfolio. These returns include the reinvestment of all distributions and would be lower if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The returns for the e-Series units reflect the fact that management fees and operating expenses were not deducted for the period prior to April 2, 2000 because there were no e-Series units distributed to the public prior to April 2, 2000. The Portfolio's past performance does not necessarily indicate how it will perform in the future.

### *Year-by-year returns*

The bar charts show how the Investor Series units' and e-Series' units performance has varied from year to year for each of the years shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year.

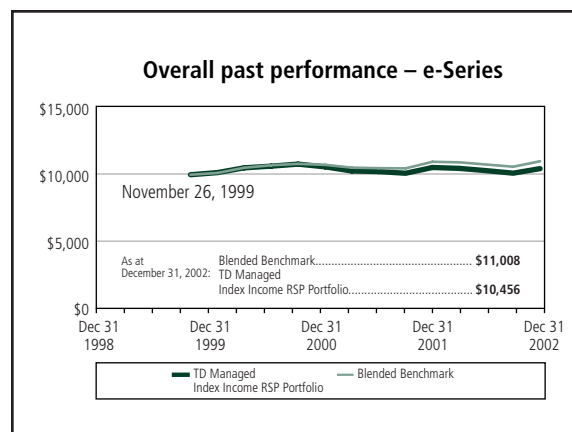
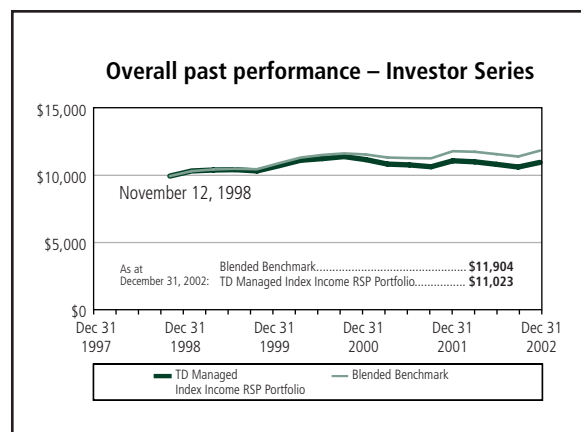


### *Overall past performance*

The graphs compare the growth of a hypothetical \$10,000 investment in Investor Series units and e-Series units of the Portfolio with the growth of its benchmark. The Blended Benchmark consists of:

- 70% Scotia Capital Universe Bond Index. This index is comprised of Canadian investment-grade bonds which mature in more than one year;
- 20% Morgan Stanley Capital International World Index (C\$). This index includes stocks of companies in all the developed markets around the world; and
- 10% S&P/TSX Composite Index. This index is comprised of Canadian companies traded on the Toronto Stock Exchange (TSX).

# TD MANAGED INDEX INCOME RSP PORTFOLIO



## Annual compound returns

The following table shows the Investor Series units' and e-Series units' annual compound total return for each of the periods indicated ending on December 31, 2002, compared with the Blended Benchmark.

	SINCE START DATE	PAST 3 YEARS	PAST YEAR
<b>TD MANAGED INDEX INCOME RSP PORTFOLIO</b>			
Investor Series	2.4%	0.8%	-1.1%
e-Series	1.5%	1.0%	-0.8%
<b>BLENDED BENCHMARK</b>			
Investor Series	4.3%	2.8%	0.4%
e-Series	3.2%	2.8%	0.4%

## DISTRIBUTION POLICY

The Portfolio may distribute net income quarterly and net realized capital gains annually in December. Distributions are reinvested in units of the Portfolio, unless you specify, in writing, to receive cash.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Portfolio and are intended to help you understand the Portfolio's financial performance since its start date. This information is derived from the Portfolio's audited annual financial statements. Please see **Introduction** in the first part of this document for information about how you can obtain the Portfolio's audited financial statements.

## TD MANAGED INDEX INCOME RSP PORTFOLIO

### *The Fund's distributions and net asset value per Series unit (\$)*

	1998	1999	2000	2001	2002
<b>DISTRIBUTIONS</b>					
From net income					
Investor Series	0.26 <sup>1</sup>	0.55	0.35	0.26	0.30
e-Series	N/A	0.00	0.30	0.31	0.34
From net realized capital gains					
Investor Series	0.00	0.00	0.10	0.00	0.00
e-Series	N/A	0.00	0.05	0.00	0.00
As a return of capital					
Investor Series	0.00	0.00	0.00	0.00	0.00
e-Series	N/A	0.00	0.00	0.00	0.00
<b>TOTAL ANNUAL DISTRIBUTIONS</b>					
Investor Series	0.26 <sup>1</sup>	0.55	0.45	0.26	0.30
e-Series	N/A	0.00	0.35	0.31	0.34
<b>NET ASSET VALUE PER SERIES UNIT AT DECEMBER 31</b>					
Investor Series	10.12	9.94	9.92	9.57	9.17
e-Series	N/A	10.23	10.32	9.95	9.52

<sup>1</sup> Represents distributions for the period from November 12, 1998 to December 31, 1998.

### *Ratios and supplemental data*

As at December 31 of the year shown	1998	1999	2000	2001	2002
<b>NET ASSETS (\$000's)</b>					
Investor Series	168	1,711	1,472	2,492	3,150
e-Series	N/A	< \$500	173	266	279
<b>NUMBER OF UNITS OUTSTANDING</b>					
Investor Series	16,597	172,128	148,423	260,342	343,394
e-Series	N/A	1	16,792	26,783	29,324
<b>CONSOLIDATED MER<sup>1,2</sup></b>					
Investor Series	1.49%	1.49%	1.50%	1.51%	1.49%
e-Series	N/A	0.00%	1.13%	1.15%	1.18%
<b>PORTFOLIO TURNOVER RATE<sup>3</sup></b>	0.60%	21.40%	57.50%	98.26%	15.78%

# TD MANAGED INDEX INCOME RSP PORTFOLIO

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<sup>1</sup> The consolidated MER is based on the total of all management fees and expenses paid by the Portfolio, including the management fees and expenses that are associated with the Portfolio's investments in the securities of the underlying funds for the year shown expressed as an annualized percent of daily average net assets during the year and includes GST. In each of the years shown above, TDAM has absorbed certain operating expenses of the Portfolio. It is unknown how long such absorption of expenses by TDAM will continue. The absorption of expenses by TDAM may be suspended or terminated at any time by TDAM without prior notice. The consolidated MER in 2000, 2001 and 2002, had TDAM not absorbed any expenses, would have been 2.81%, 2.81% and 1.50%, respectively, for the Investor Series. The consolidated MER in 2000, 2001 and 2002, had TDAM not absorbed any expenses, would have been 1.19%, 3.19% and 1.20%, respectively, for the e-Series. TDAM has not quantified these absorptions for any completed financial years prior to the year 2000. Starting October 9, 2001, the consolidated MER for the Investor Series and e-Series units of the Portfolio was capped at 1.50% and 1.20%, respectively (including GST).

<sup>2</sup> The consolidated MERs for 1998 and 1999 have been restated in accordance with National Instrument 81-102 - Mutual Funds.

<sup>3</sup> The portfolio turnover rate indicates how actively the portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Portfolio.

## FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

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

The table below is intended to help you compare the cumulative cost of investing in this Portfolio with the cost of investing in other mutual funds. This example assumes that: (i) you invest \$1,000 in units of the Portfolio for the time periods indicated; (ii) your investment has an annual 5% return; and (iii) the Portfolio's consolidated MER for the Investor Series and e-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:

	One year	Three years	Five years	Ten years
Investor Series	\$15.27	\$48.15	\$84.39	\$192.10
e-Series	\$12.10	\$38.13	\$66.83	\$152.13

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

NOTES

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## NOTES

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