

TD Mutual Funds Simplified Prospectus⁽¹⁾

July 23, 2008

A complete simplified prospectus for the mutual funds listed on this page consists of this document and an additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the Funds. You must be provided with the additional disclosure document.

The Funds and the units of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and such units are not offered for sale or sold in the United States.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

⁽¹⁾ Investor Series units are offered by all Funds

⁽²⁾ e-Series units also offered

⁽³⁾ Institutional Series units also offered

⁽⁴⁾ O-Series units also offered

⁽⁵⁾ Premium Series units also offered

⁽⁶⁾ H-Series units also offered

⁽⁷⁾ D-Series units also offered

Money Market Funds

TD Canadian T-Bill Fund
TD Canadian Money Market Fund⁽³⁾⁽⁴⁾
TD Premium Money Market Fund
TD U.S. Money Market Fund⁽³⁾⁽⁴⁾⁽⁵⁾

Fixed Income Funds⁽³⁾

TD Short Term Bond Fund⁽⁴⁾
TD Mortgage Fund⁽⁴⁾
TD Canadian Bond Fund⁽⁴⁾
TD Canadian Core Plus Bond Fund⁽⁴⁾
TD Corporate Bond Capital Yield Fund
TD Real Return Bond Fund⁽⁴⁾
TD Global Bond Fund
TD High Yield Income Fund⁽⁴⁾

Balanced Funds

TD Monthly Income Fund⁽³⁾⁽⁴⁾⁽⁶⁾
TD Balanced Income Fund⁽³⁾⁽⁷⁾
TD Diversified Monthly Income Fund⁽⁴⁾⁽⁶⁾
TD Balanced Growth Fund⁽³⁾
TD Dividend Income Fund⁽³⁾⁽⁴⁾⁽⁶⁾

Canadian Equity Funds⁽³⁾

TD Dividend Growth Fund⁽⁴⁾⁽⁶⁾
TD Income Trust Capital Yield Fund
TD Canadian Blue Chip Equity Fund⁽⁴⁾
TD Canadian Equity Fund⁽⁴⁾
TD Canadian Value Fund
TD Canadian Small-Cap Equity Fund⁽⁴⁾

U.S. Equity Funds

TD North American Dividend Fund⁽³⁾
TD U.S. Blue Chip Equity Fund⁽³⁾
TD U.S. Quantitative Equity Fund⁽³⁾
TD U.S. Large-Cap Value Fund⁽³⁾
TD U.S. Large-Cap Value Currency Neutral Fund
TD U.S. Mid-Cap Growth Fund⁽³⁾
TD U.S. Small-Cap Equity Fund⁽³⁾⁽⁴⁾

Global Equity Funds

TD Global Dividend Fund⁽³⁾⁽⁴⁾⁽⁶⁾
TD Global Value Fund⁽³⁾
TD Global Select Fund⁽³⁾
TD Global Multi-Cap Fund⁽³⁾⁽⁴⁾
TD Global Sustainability Fund

TD International Equity Fund⁽³⁾
TD International Equity Growth Fund⁽³⁾
TD European Growth Fund⁽³⁾
TD Japanese Growth Fund⁽³⁾
TD Asian Growth Fund⁽³⁾
TD Pacific Rim Fund
TD Emerging Markets Fund⁽³⁾
TD Latin American Growth Fund

Sector Funds

TD Resource Fund⁽³⁾
TD Energy Fund
TD Precious Metals Fund
TD Entertainment & Communications Fund⁽³⁾
TD Science & Technology Fund⁽³⁾
TD Health Sciences Fund⁽³⁾

Index Funds⁽²⁾

TD Canadian Bond Index Fund⁽³⁾⁽⁴⁾
TD Balanced Index Fund
TD Canadian Index Fund⁽³⁾⁽⁴⁾
TD Dow Jones Industrial AverageSM Index Fund
TD U.S. Index Fund⁽³⁾⁽⁴⁾
TD U.S. Index Currency Neutral Fund⁽³⁾
TD Nasdaq[®] Index Fund
TD International Index Fund⁽³⁾⁽⁴⁾
TD International Index Currency Neutral Fund⁽³⁾
TD European Index Fund
TD Japanese Index Fund

Advantage Portfolios

TD Income Advantage Portfolio⁽⁴⁾⁽⁶⁾
TD U.S. Equity Advantage Portfolio
TD U.S. Equity Advantage Currency Neutral Portfolio
TD Global Equity Advantage Portfolio

Comfort Portfolios

TD Comfort Conservative Portfolio
TD Comfort Moderate Portfolio
TD Comfort Balanced Portfolio
TD Comfort Growth Portfolio
TD Comfort Equity Portfolio



Mutual Funds

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Money Market Funds

TD Canadian T-Bill Fund
TD Canadian Money Market Fund
TD Premium Money Market Fund
TD U.S. Money Market Fund

Fixed Income Funds

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TD Mortgage Fund
TD Canadian Bond Fund
TD Canadian Core Plus Bond Fund
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TD Real Return Bond Fund
TD Global Bond Fund
TD High Yield Income Fund

Balanced Funds

TD Monthly Income Fund
TD Balanced Income Fund
TD Diversified Monthly Income Fund
TD Balanced Growth Fund
TD Dividend Income Fund

Canadian Equity Funds

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TD Canadian Blue Chip Equity Fund
TD Canadian Equity Fund
TD Canadian Value Fund
TD Canadian Small-Cap Equity Fund

U.S. Equity Funds

TD North American Dividend Fund
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Global Equity Funds

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TD Comfort Equity Portfolio

In addition to receiving the information contained in this part of the simplified prospectus, you will also receive the Profile(s) for the Fund(s) in which you are investing.

Introduction

In this document, we, us, our and TDAM refer to TD Asset Management Inc. TD Bank Financial Group refers to The Toronto-Dominion Bank (“TD Bank”) and its affiliates.

TDAM is a wholly-owned subsidiary of TD Bank.

This simplified prospectus contains selected important information about the Investor Series, e-Series, Institutional Series, O-Series, Premium Series, H-Series and D-Series units of the mutual funds listed on the front cover (collectively, “TD Mutual Funds” or the “Funds” and individually a “Fund”) to help you make an informed investment decision and understand your rights as an investor. TD Mutual Funds are managed by TDAM. References in the simplified prospectus to a Fund’s last financial year means the financial year ended December 31, 2007.

This simplified prospectus is divided into two parts:

- the first part, this document, contains general information applicable to TD Mutual Funds; and
- the second part, which is bound separately, contains fund-specific information – a Fund Profile – in respect of each TD Mutual Fund listed on the front cover

Additional information about each Fund is available in the following Fund documents:

- Annual Information Form (“AIF”) for the Investor Series, e-Series, Institutional Series, O-Series, Premium Series, H-Series and D-Series units;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus which means that they legally form part of this document, just as if they were printed as a part of this document.

You can request a copy of any or all of these documents, at no cost, from your dealer or by contacting TDAM as follows:

Telephone (toll-free)

English: 1-800-386-3757
 French: 1-800-409-7125
 Chinese: 1-800-288-1177

Internet

www.tdassetmanagement.com

E-Mail

td.mutualfunds@td.com

These documents and other information about the Funds are also available at www.sedar.com.

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

A mutual fund is an investment vehicle that pools the money of many individual investors and uses it to buy securities such as stocks and bonds.

Each mutual fund has an investment objective. Some mutual funds may invest for capital growth, which means the fund is trying to increase the value of your investment over the long term by buying stocks. Others may invest for income, which means the fund is trying to deliver regular interest payments to you by buying bonds.

A professional money manager makes the buy-and-sell decisions concerning which stocks, bonds and other securities will be used to fulfill the investment objective. The value of these securities may vary as they reflect changes in interest rates, exchange rates, economic conditions in North America and abroad, and news about the companies and markets in which the mutual fund invests. When the value of the securities changes, it can make your investment rise or fall in value, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Mutual fund companies record your share of the pool in mutual fund units. The more you invest, the more units you own and the bigger your share of the mutual fund’s income, gains and losses.

In order to withdraw an investment from a mutual fund, the units of the mutual fund can be redeemed by selling the units back to the mutual fund. Under extraordinary circumstances, a mutual fund may suspend redemptions. See **Purchases, switches and redemptions** for details.

Mutual fund investments are not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund units are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer.

How do you determine which Fund(s) to invest in?

Selecting the appropriate Fund(s) depends on your:

- investment goals
- willingness and capacity to accept risk
- investment time horizon

It is important for you to understand these considerations *before* you choose the Fund(s) in which you want to invest.

What are the risks of investing in a mutual fund?

Risk is often measured by volatility or the extent to which the value of a mutual fund's securities fluctuates. The more frequent and greater the fluctuations, the more volatile the mutual fund. As a general rule, investments with the greatest risk also have the greatest potential return. While this risk/return trade-off has generally been true over periods of five years or longer, there have been times in the past when the least volatile investments have been the most rewarding, particularly over periods of a year or less.

Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals. The risks associated with investing in a mutual fund are similar to the risks associated with the securities in which the mutual fund invests. If a mutual fund invests in other mutual funds (each, an "underlying fund"), the risks associated with investing in the mutual fund are similar to the risks associated with the securities in which the underlying funds invest.

How do you reduce risk?

One way to reduce risk is to diversify your investments across the three main asset classes: money market investments for safety, bonds for income and equity investments for growth. Since different types of investments tend to move independently from one another, positive performance in one asset class can help offset negative performance in another, thereby reducing volatility and overall risk in the long term.

When deciding how much risk is right for you, think about how much time you have until you need the money.

- If you are investing for less than a year, you should not take undue risk. There may not be enough time to recover the full amount of your investment if the mutual fund falls in value. Lower-risk money market funds might be the best choice in these circumstances.

- A longer time horizon allows you to take on more risk. Although the value of your investments may drop in the short term, longer investment horizons will help to lessen the effects of short-term market volatility. Short investment horizons may result in you having to sell your investments in adverse conditions. Ideally, investors in growth funds have an investment horizon of five years or more, which should provide enough time for their investments to overcome any short-term decreases in value and grow.

Fund-specific risks

Below is a summary of the various types of investment risks that may be applicable to a Fund. In addition, please refer to the Fund Profiles for specific risks that may apply to each Fund as at the date of this simplified prospectus and if a Fund invests in underlying funds, please also refer to the simplified prospectus of the applicable underlying funds for information about investment risks.

Capital depreciation risk

Some mutual funds and some series of funds aim to distribute a high level of income. In certain situations, such as periods of declining markets or increases in interest rates, a fund may make distributions that include a return of capital. Where the total distributions by a fund in a year exceed the fund's net income and net realized capital gains for the year, the net asset value of the fund may be reduced, which could reduce the fund's ability to generate future income.

Commodity risk

The market value of a mutual fund's investments may be affected by adverse movements in commodity prices. When commodity prices decline, this generally has a negative impact on the earnings of companies whose business is based in commodities, such as oil and gold.

Concentration risk

Some mutual funds, including index mutual funds, may have more of their net assets invested in or exposed to one or more issuers than is usually permitted. A relatively high concentration of assets in or exposure to a single or small number of issuers may reduce the diversification and liquidity of a fund, and increase its volatility. As a result of reduced liquidity, the fund's ability to satisfy redemption requests may be reduced.

Credit risk

Credit risk is the risk that the government, company or special purpose vehicle (such as a trust that issues asset-backed commercial paper) issuing a fixed income or money market security will be unable to make interest payments or pay back the original investment. Securities that have a low credit rating have high credit risk. Lower-rated debt securities issued by companies or governments in developing countries often have higher credit risk. Securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. The market value of a debt security can be affected by a downgrade in the issuer's credit rating, a change in the creditworthiness of the issuer or the perceived creditworthiness of the security and any assets backing the security. Mutual funds that invest in companies or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Derivatives risk

The use of derivatives by a mutual fund is subject to certain risks:

- There is no assurance that liquid markets will exist for a fund to close out its derivative positions. Derivative instruments in foreign markets may be less liquid and more risky than comparable instruments traded in North American markets.
- Exchange-imposed trading limits could affect the ability of a fund to close out its positions in derivatives. These events could prevent a fund from making a profit or limiting its losses.
- Prices of options and futures on a stock index may be distorted if trading of certain stocks in the index is interrupted or trading of a large number of stocks in the index is halted. Such price distortions could make it difficult to close out a position.
- A fund that uses derivatives is subject to credit risk associated with the ability of counterparties to meet their obligations. In addition, a fund could lose its margin deposits if a dealer with whom a fund has an open derivatives position goes bankrupt.
- There is no assurance that a fund's hedging strategies will be effective. There may be an imperfect historical correlation between the behaviour of the derivative instrument and the investment being hedged. Any historical correlation may not continue for the period during which the hedge is in place.
- Using futures and forward contracts to hedge against changes in currencies, stock markets or interest rates

cannot eliminate fluctuations in the prices of securities in the portfolio or prevent losses if the prices of these securities decline.

- Hedging may also limit the opportunity for gains if the value of the hedged currency or stock market rises or if the hedged interest rate falls. The inability to close out options, futures, forwards and other derivative positions could prevent a fund from using derivatives to effectively hedge its portfolio or implement its strategy.

Equity risk

Mutual funds that invest in equities – also called stocks or shares – are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of funds that own these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.

Foreign currency risk

Changes in foreign currency exchange rates or the imposition of foreign exchange controls will affect the value of securities in some mutual fund portfolios. For example, if the U.S. dollar rises in value relative to the Canadian dollar, a mutual fund's U.S. stocks will be worth more Canadian dollars. On the other hand, if the U.S. dollar falls, a mutual fund's U.S. holdings will be worth fewer Canadian dollars.

Foreign market risk

Mutual funds that invest in securities of foreign issuers are subject to additional risks:

- The economic environment or the particular economic and political factors of the country or geographic region in which the foreign issuer operates may impact the value of its securities.
- Certain foreign countries may have different accounting, auditing and financial reporting standards for issuers of securities, making their securities more difficult to evaluate.
- There may be less information publicly available about a foreign firm than about a Canadian or U.S. company, and the quality of the information may be less reliable.
- Volume and liquidity in some foreign stock and bond markets are less than in Canada and the U.S. and at times price volatility can be greater than in Canada and the U.S.

- Stock exchanges, listed companies and investment dealers in foreign countries may be less regulated than in Canada and the U.S.
- Political and social instability, restrictions on the movement of capital and the threat of expropriation can affect the value of investments in less developed countries.

Income trust risk

Income trusts generally hold securities in or are entitled to receive payments from an underlying active business or investment in property. To the extent that an underlying business or investment in property is susceptible to industry risks, stock market conditions, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust may be similarly affected.

Although their returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk. There is also a remote risk that where claims against an income trust are not satisfied by that trust, investors in that trust could be held liable for any outstanding obligations.

The businesses and investments in property underlying income trusts may focus on a few industries and geographic areas. If those industries or geographic areas prosper, the outlook for those income trusts will generally increase as will the value of a mutual fund that holds the income trust. Conversely, if those industries and geographic regions experience a downturn, the outlook for those income trusts will generally decline, as will the value of the fund. In addition, the fund will suffer because income trusts may not be focused on investments in other industries or geographic areas to offset the downturn.

Amendments to the *Income Tax Act* (Canada) (“Tax Act”) announced in 2006 significantly changed the income tax treatment of most publicly traded income trusts and limited partnerships (other than certain real estate investment trusts) and distributions or allocations, as the case may be, from these entities to their investors. In particular, certain income earned by these entities will be taxed in a manner similar to income earned by a taxable Canadian corporation, and distributions or allocations made by these entities to investors will be taxed in a manner similar to dividends from taxable Canadian corporations. These distributions or allocations will be deemed to be eligible dividends for the enhanced dividend tax credit if paid or allocated to a resident of Canada. These rules are effective commencing for the 2007 taxation year for such income trusts and limited partnerships that commenced public trading after October 31,

2006, but will not commence until the 2011 taxation year for such income trusts and limited partnerships that were publicly traded prior to November 1, 2006, provided there is no “undue expansion” of the trust or limited partnership in the intervening period. The new rules will reduce the tax effectiveness to investors. In addition, the rules have had, and may continue to have, an adverse effect on the trading price of such income trusts and limited partnerships, which may affect the net asset value of the relevant fund. See ***Tax Information – Taxation of Unitholders*** in the AIF for more details.

Interest rate risk

The value of mutual funds that invest in bonds, mortgages and other income-producing securities is primarily affected by changes in the general level of interest rates. Bonds generally pay interest based on the level of rates when the bonds were issued. When interest rates fall, the price of bonds generally rises. That is because existing bonds pay higher rates than new ones, and are therefore in greater demand and worth more. On the other hand, when interest rates rise, bond prices generally fall, reducing the unit value of funds that hold them.

Large investor risk

Units of mutual funds may be purchased and sold by large investors (“large unitholders”), such as other mutual funds and investment products which may or may not be managed, controlled or advised by TDAM or a party related to TDAM, or counterparties to derivatives contracts with any of them. If a large unitholder redeems a portion or all of its investment from a fund, that fund may have to incur capital gains and other transaction costs in the process of making the redemption. In addition, some securities may have to be sold at unfavourable prices, thus reducing the fund’s potential return. Conversely, if a large unitholder were to increase its investment in a fund, that fund may have to hold a relatively large position in cash for a period of time while the portfolio adviser attempts to find suitable investments. This could also negatively impact the performance of the fund.

Liquidity risk

Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or other reasons. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the holder to losses or additional costs.

Regulatory risk

Certain issuers involved in specially regulated industries, such as the energy or telecommunications industry, may experience an adverse impact on revenue or costs as a result of compliance with the relevant regulatory requirements. In addition, issuers in regulated industries may require permits and approvals prior to commencing projects. Delays or rejections of these proposed plans would hinder the issuer's growth and increase its costs.

Repurchase and reverse repurchase agreements risk

Sometimes mutual funds enter into what are called repurchase transactions and reverse repurchase transactions. A repurchase transaction is where a fund sells a security that it owns to a third party for cash and agrees to buy the same security back from the same party at a specified price on an agreed future date. In a reverse repurchase transaction, a fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a specified price on an agreed future date.

The risk with these types of transactions is that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the fund is left holding the security and may not be able to sell the security at the same price it paid for it, plus interest, if the other party defaults and the value for the security has dropped in the meantime. In the case of a repurchase transaction, the fund could incur a loss if the other party defaults and the value of the security sold has increased more than the value of the cash and collateral held.

These risks are reduced by requiring the other party to provide collateral to the fund. The value of the collateral has to be at least 102% of the market value of the security sold (for a repurchase transaction) or of the cash paid for the securities purchased (for a reverse repurchase transaction). Repurchase transactions, together with securities lending transactions (as described below), are limited to 50% of a fund's assets, excluding cash held by the fund for securities sold in a repurchase transaction and collateral received in a securities lending transaction.

Securities lending risk

Mutual funds may engage in securities lending transactions. In a securities lending transaction, the fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities.

Over time, the value of the securities loaned in a securities lending transaction might exceed the value of the collateral held by the fund. If the third party defaults on its obligation to return the securities to the fund, the collateral may be insufficient to enable the fund to purchase replacement securities and the fund may suffer a loss for the difference.

Those risks are reduced by requiring the other party to provide collateral to the fund. The value of the collateral must be at least 102% of the market value of the securities loaned. Securities lending transactions, together with repurchase transactions (as described above) are limited to 50% of a fund's assets, excluding collateral received in a securities lending transaction and cash held by the fund for securities sold in a repurchase transaction.

TDAM has entered into a securities lending authorization agreement with Canadian Imperial Bank of Commerce ("CIBC"), as lending agent. Under the terms of the securities lending authorization agreement, CIBC will assess the creditworthiness of, and approve, each borrower.

In engaging in securities lending, each fund will bear the risk of loss of any collateral it invests, as well as the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

A fund will not be responsible for any expenses incurred in respect of the securities lending program other than such reasonable expenses that the fund may incur in connection with the performance of its obligations under the securities lending authorization agreement.

If securities are on loan on the record date established for a particular voting matter, the lender is generally not entitled to exercise the voting right of such loaned securities.

Series risk

Mutual funds may have more than one series of units. If so, each series has its own fees and certain expenses, which the fund tracks separately. If a fund cannot pay the expenses of one series using that series' proportionate share of the fund's assets, such fund could have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of the other series.

Small company risk

The share price of smaller companies is usually more volatile than that of more established larger companies. Smaller companies may be developing new products which have not yet been tested in the marketplace or their products may quickly become obsolete. They may have limited resources, including limited access to funds or unproven management, and their shares may trade less frequently and in smaller volume than shares of large companies. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. The value of these investments may rise and fall substantially.

Specialization risk

Some mutual funds invest primarily in companies in particular industries or particular geographic areas of the world. If the particular industry or geographic region prospers, the outlook for companies in the industry or geographic region will generally increase, as will the value of the funds that invest in them. Conversely, if the particular industry or geographic region experiences a downturn, the outlook for companies in the industry or geographic region will generally decline, as will the value of the funds that invest in them. In addition, the fund may suffer because there are relatively few other investments in companies within other industries or geographic areas to offset the downturn.

Tracking risk

Certain mutual funds (“Tracking Funds”) may seek to have all or a substantial portion of their returns linked to the performance of one or more recognized indices (the “Reference Index”), units of another mutual fund(s) (the “Reference Fund”) or to a basket of securities (the “Reference Securities”) by either directly purchasing the appropriate securities or by entering into forward contracts and other derivative instruments.

The return of a Tracking Fund may be lower than that of its respective Reference Index, Reference Fund or the Reference Securities because the Tracking Fund bears its own fees and expenses, including commissions and the costs of the forward contracts and other derivatives that it may use to achieve its investment objectives.

Tracking Funds that use derivatives to achieve their investment objectives face the same risks of using derivatives as discussed above under Derivatives risk, including the risk that a counterparty might not fulfill its obligations. The ability of such Tracking Funds to achieve their investment objectives depends on whether suitable derivative arrangements can be entered into. If a Tracking Fund is not able to find enough suitable counterparties with whom to enter into derivative arrangements, the Tracking Fund may be unable to track the performance of its corresponding Reference Index, Reference Fund or Reference Securities, to the extent desired. A Tracking Fund may also be terminated if enough suitable counterparties cannot be found.

There may be a delay between the time an investor buys units of a Tracking Fund and the time the Tracking Fund gets additional exposure to the Reference Index, Reference Fund or Reference Securities through the use of derivatives or otherwise. During this delay, the Tracking Fund may be unable to track the performance of its corresponding Reference Index, Reference Fund or Reference Securities on the purchase amount of those units to the extent desired. If new purchases or redemptions of units are large compared to the size of the Tracking Fund, the ability of the Tracking Fund to track its Reference Index, Reference Fund or Reference Securities may be significantly reduced.

Organization and management of TD Mutual Funds

The table below sets out the companies that are involved in managing or providing services to the Funds and the functions they perform.

Manager

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

As manager, TDAM manages the overall business and affairs of the Funds.

Trustee

TD Asset Management Inc.
 Toronto, Ontario

TDAM is also the trustee (the “Trustee”) of the Funds. The Funds are organized as trusts. When you invest in a Fund you are buying units of a trust. The Trustee holds actual title to the property in the Funds – the cash and securities – on behalf of its unitholders.

Principal Distributor

TD Investment Services Inc.
 Toronto, Ontario

TD Investment Services Inc. (“TDIS”) (a wholly-owned subsidiary of TD Bank) is the principal distributor of the Investor Series, e-Series and Premium Series units for the Funds other than TD Canadian Core Plus Bond Fund, TD Corporate Bond Capital Yield Fund, TD Income Trust Capital Yield Fund, TD U.S. Large-Cap Value Currency Neutral Fund, TD Income Advantage Portfolio, TD U.S. Equity Advantage Portfolio and TD U.S. Equity Advantage Currency Neutral Portfolio.

Custodians

The Toronto-Dominion Bank,
 Toronto, Ontario is the custodian of:

- TD Balanced Index Fund
- TD Income Advantage Portfolio
- TD U.S. Equity Advantage Portfolio

Canadian Imperial Bank of Commerce (“CIBC”),
 Toronto, Ontario is the custodian of all other Funds.

The custodian, or any sub-custodian it may appoint, has physical or book-based custody of the assets of the Funds.

Registrar and transfer agent

The Toronto-Dominion Bank
 Toronto, Ontario

As registrar and transfer agent, TD Bank maintains all unitholder records, processes purchase, switch, conversion and redemption orders, issues investor account statements and annual tax reporting information on behalf of the Funds.

Portfolio adviser

TD Asset Management Inc.
Toronto, Ontario

The portfolio adviser provides or arranges to provide investment advice and portfolio management services to the Funds. The investment decisions made by the individual portfolio managers are not subject to the approval or ratification of a committee; however they are subject to oversight by the Investment Performance Oversight Committee of TDAM. TDAM may retain external advisers who provide investment expertise for the Funds, particularly for Funds that invest in securities of companies in specialized niche markets or particular industry or geographic sectors. TDAM accepts responsibility for loss if an external adviser who is not registered as an adviser in Ontario fails to meet its standard of care in performing its services for the Fund. It may be difficult to enforce legal rights against advisers located outside Canada because they reside outside Canada and all or a substantial portion of their assets are situated outside Canada.

See the Fund Profile for the portfolio adviser, in addition to TDAM, for each Fund.

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants
Toronto, Ontario

The Auditors conduct an audit of the financial records of the Funds and report to the unitholders on the Funds' annual financial statements in accordance with Canadian generally accepted auditing standards.

Independent Review Committee

TDAM has established an independent review committee ("IRC") in respect of each of the investment funds managed by TDAM, including the Funds, to which National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") applies. The IRC acts as an impartial and independent committee to review and, if appropriate, provide approvals or positive recommendations respecting any conflict of interest matters referred to it by TDAM. The committee consists of four independent members, whose terms range from two to three years. The IRC prepares, at least annually, a report of its activities for unitholders. The report is available on the TDAM website at www.tdassetmanagement.com or at the unitholder's request at no cost by contacting TDAM by email at td.mutualfunds@td.com.

Additional information about the IRC, including the names of the members, is available in the AIF.

Certain Funds invest in other mutual funds, including mutual funds managed by TDAM. Unitholders of such Funds have no rights of ownership in the securities of the underlying fund(s). Where TDAM is the manager of both the Fund and the underlying fund(s) in which the Fund has invested, TDAM will not exercise the right to vote that is attributable to the securities of the underlying fund(s). TDAM may arrange for these securities to be voted by unitholders of the applicable Fund. However, given the costs and complexity of doing so, TDAM may not arrange for a flow through of voting rights.

Purchases, switches and redemptions

When you invest in a Fund, you are buying units of an open-ended mutual fund trust. The units of the Funds offered under this simplified prospectus are offered on a “no-load” basis. These units are categorized into series as follows:

Investor Series	Investors purchasing on a “no-load” basis
e-Series	Investors purchasing on a “no-load” basis who want to complete their transactions electronically
Institutional Series	Large investors such as group savings plans and others who make the required minimum investment, as determined by TDAM from time to time (excluding TD segregated funds)
Premium Series	Large investors and others who make the required minimum investment, as determined by TDAM from time to time
O-Series	Large investors who make the required minimum investment as determined by TDAM and have entered into O-Series agreements with TDAM
H-Series	Investors purchasing on a “no-load” basis who wish to receive a regular monthly cash flow from a Fund. Distributions will consist of net income, net realized capital gains and/or a return of capital monthly.
D-Series	Large investors who make the required minimum investment as determined by TDAM and have entered into D-Series agreements with TDAM

Other series of units offered by certain of the Funds are the Advisor Series, F-Series, T-Series and S-Series units, which are offered under a separate simplified prospectus. Other series of units of a Fund may be offered by the Funds under separate simplified prospectuses, confidential offering memoranda or otherwise.

How we price a Fund’s units

All transactions are based on the price of a Fund’s units – the net asset value (“NAV”) per Series unit. The valuation day for each Fund is the day on which a NAV per Series unit is calculated (“Valuation Date”). The NAV per Series unit for each Fund is generally calculated as at 4 p.m. Eastern Time (“ET”) on each day that the Toronto Stock Exchange (“TSX”) is open for trading, but in some circumstances, we may calculate it at another time. The NAV per Series unit can change daily. The NAV per Series unit is the price for all purchases (including purchases made on the reinvestment of distributions), switches, conversions and unit redemptions.

Under current Canadian securities rules the NAV of the Funds must be calculated in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The Canadian securities regulatory authorities have granted relief to all investment funds, including the Funds, from complying with certain changes to Canadian GAAP for the purposes of calculating and reporting NAV

(other than in financial statements). The relief allows the Funds to calculate NAV in the same way as it is currently calculated (other than in financial statements). The relief is for an interim period ending on the earlier of September 30, 2008 or the date on which proposed amendments to National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”) that are consistent with this relief are finalized. The Canadian securities regulatory authorities have published amendments to NI 81-106, in final form, that would remove the requirement that NAV be calculated in accordance with Canadian GAAP (other than in financial statements). Provided all necessary approvals are obtained, the amendments will come into force on September 8, 2008. As a result of the amendments, the NAV of the Funds (other than in financial statements) will continue to be calculated using the fair value of the assets and liabilities of the Funds.

We calculate a separate NAV for each series of units of a Fund by taking the series’ proportionate share of the Fund’s common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series.

The NAV per Series unit is derived by dividing the NAV of the series by the total number of units outstanding for the series. You will find more information about the calculation of NAV per Series unit in the AIF.

The Money Market Funds (other than TD U.S. Money Market Fund) endeavour to maintain a unit price of \$10 by allocating net income and net realized gains on a daily basis to unitholders of record on the previous day and distributing these amounts monthly. TD U.S. Money Market Fund endeavours to maintain a unit price of U.S. \$10 by allocating net income and net realized gains on a daily basis to unitholders of record on the previous day and distributing these amounts monthly. Although the Money Market Funds intend to maintain a constant price for their units, there is no guarantee that the price will not go up or down. The Money Market Funds report all net income and realized gains and losses on income account.

How to purchase, switch, convert and redeem units

You can purchase, switch, convert and redeem Investor and Premium Series units of the Funds in the following ways:

In person

- At any TD Canada Trust branch

By telephone (toll-free)

- Contact TDAM at:
1-800-386-3757 (English)
1-800-409-7125 (French)
1-800-288-1177 (Chinese)

By mail

- If purchasing, your order must be mailed with a cheque made out to TDIS. If purchasing, redeeming, switching or converting, you must provide clear and full instructions with a signature for verification.

Internet

- www.tdcanadatrust.com if you have a TD Mutual Funds Account.

Dealer

- Through dealers.

Automatically

- Through a Pre-Authorized Purchase Plan for purchases or a Monthly Income Plan for redemptions.

You can purchase, switch, convert and redeem Institutional Series, O-Series, H-Series and D-Series units of the Funds in the following ways:

By mail

- If purchasing, your order must be mailed with a cheque made out to TDAM. If purchasing, redeeming, switching or converting, you must provide clear and full instructions with a signature for verification.

Dealer

- Through dealers.

Automatically

- Through a Pre-Authorized Purchase Plan for purchases or a Monthly Income Plan for redemptions.

How to purchase, switch, convert and redeem e-Series units

The e-Series units are designed specifically for investors who want to complete their transactions through the Internet (at www.tdcanadatrust.com/tseriesfunds) or by other means authorized by TDAM. In order to become an e-Series unitholder you must have an active TD e-Series Funds account, or other account approved by TDAM, and have a valid e-mail address. In addition, you must complete the TD e-Series Funds Understanding and Consent form, consenting to receive all unitholder information electronically. You must provide this consent with all subsequent purchases of TD e-Series units as well. Unitholder information includes simplified prospectuses, confirmations, annual and financial reports and other information that is delivered to unitholders. If an e-Series unitholder wishes to revoke this consent, the unitholder may be required to convert their e-Series units to Investor Series units or redeem their e-Series units of the Fund. While a conversion would not be a disposition for tax purposes, any redemption or switch would be a disposition for tax purposes and may result in the unitholder realizing a capital gain or capital loss, which may result in tax liability in a non-registered account.

TDAM and each Fund reserves the right to deliver paper-based documents in certain circumstances, at their discretion.

Dealers authorized by TDAM to distribute e-Series units may periodically experience periods of systems disruption or capacity issues. During such periods TDAM may allow clients of such dealers to purchase or redeem e-Series units by telephone. Once the dealer systems are restored, purchases of e-Series units will be required to be made through those systems.

Currency purchase options

All Funds have a base currency in Canadian dollars, except for TD U.S. Money Market Fund, TD Dow Jones Industrial AverageSM Index Fund and TD U.S. Index Fund, which are based in U.S. dollars.

Units of the following Funds offered under this simplified prospectus are offered in both Canadian and U.S. dollars:

- TD U.S. Blue Chip Equity Fund (Investor Series and Institutional Series)
- TD North American Dividend Fund (Investor Series and Institutional Series)
- TD U.S. Mid-Cap Growth Fund (Investor Series and Institutional Series)
- TD U.S. Small-Cap Equity Fund (Investor Series and Institutional Series)
- TD Latin American Growth Fund (Investor Series)
- TD Entertainment & Communications Fund (Investor Series and Institutional Series)
- TD Science & Technology Fund (Investor Series and Institutional Series)
- TD Health Sciences Fund (Investor Series and Institutional Series)
- TD Dow Jones Industrial AverageSM Index Fund (Investor Series and e-Series)
- TD U.S. Index Fund (Investor Series, e-Series, Institutional Series and O-Series)

Units of TD U.S. Money Market Fund offered under this simplified prospectus are available in U.S. dollars only. The units of all other Funds offered under this simplified prospectus are available in Canadian dollars only.

All purchases, switches, conversions, redemptions of and distributions with respect to U.S. dollar-based units are made in U.S. dollars. A U.S.-dollar bank account is required to place an order to purchase or redeem these units and to enroll in the Pre-Authorized Purchase Plan or the Monthly Income Plan in respect of such units.

How we process your purchase, switch, conversion and redemption orders

The price of the units of a Fund is based on the Fund's NAV per Series unit, next determined after receipt by the Fund of the purchase, switch, conversion or redemption order.

If a Fund receives your order before 4 p.m. ET (3 p.m. ET for e-Series units or orders placed over the Internet) on a Valuation Date, you will receive that day's applicable closing NAV per Series unit whether purchasing or redeeming or converting units. Your dealer may set earlier times for its receipt of orders than the times set by a Fund. If a Fund receives your order at or after 4 p.m. ET (3 p.m. ET for e-Series units or orders placed over the Internet) on a Valuation Date, or at any time on a day that is not a Valuation Date, you will receive the applicable closing NAV per Series unit on the next Valuation Date. In the event that TDAM determines that the NAV per Series unit will be calculated at a time other than as at 4 p.m. ET on each day that the TSX is open for trading, the NAV per Series unit paid or received will be determined relative to that other time. All complete orders are processed within three business days (one business day for the Money Market Funds), or such other period as required by securities regulatory authorities. You will find more information about purchasing, switching, converting and redeeming units of the Funds in the AIF.

If we do not receive your cheque or if your cheque is returned, we will cancel your purchase order and redeem the units. If we redeem the units for more than you paid, the difference will go to the Fund. If we redeem the units for less than you paid, TDIS or your dealer will pay the Fund the difference and may collect this difference from your dealer (who may be entitled to collect it from you) or from you, respectively, together with any additional costs incurred in connection with the cancelled order.

We may accept or reject an order to buy or convert within one business day of receiving it. If we accept your order, we will send you a confirmation, which is your proof of the transaction. If you sign up for the Pre-Authorized Purchase Plan or Monthly Income Plan, you will only receive confirmation of the first transaction made under the plan.

We do not issue a certificate when you purchase units of a Fund, but you should receive a confirmation of the transaction. A record of the number of units you own and their value should appear on your account statement.

Short-term trading

Mutual funds are typically considered long-term investments. Short-term or excessive trading to time the market can hurt the investment performance or increase the administrative costs of a Fund, affecting all unitholders in the Fund.

TDAM has adopted policies and procedures to monitor, detect and deter short-term or excessive trading. If you redeem or switch units of any Fund up to 30 days (90 days in the case of e-Series units) from the date of purchase, except units purchased through distribution reinvestment, you may be charged a short-term trading fee of up to 2% of the purchase cost of those units. This fee is in addition to any other redemption or switch fees you may incur. See **Fees and expenses**. This fee is paid to the applicable Fund.

We retain the right to reject a purchase of units by a unitholder who, in TDAM's opinion, is engaging in short-term or excessive trading. If we reject your order, we will return any money we have received immediately, without interest.

While TDAM attempts to monitor, detect and deter short-term or excessive trading, we cannot ensure that such trading activity will be completely eliminated.

Purchases

The units of the Funds offered under this simplified prospectus are offered on a “no-load” basis. This means you do not pay a charge or commission when you purchase or redeem units of a Fund. See **Fees and expenses** and **Dealer compensation**.

Minimum initial investments and account balances

Minimum initial investment and account balance levels are established in an effort to control the cost of servicing accounts which impacts all unitholders. Due to the relatively high cost of maintaining accounts, if at any time the value of the series units in any of your Fund accounts has fallen below the minimum account balance requirement, we may:

- convert your units to another series of the same Fund for which you meet the minimum account balance requirements; or
- if conversion is not possible, redeem your series units in that Fund at the then applicable closing NAV (less any applicable fees) and send the proceeds to either your mailing address or your designated bank account; or
- if you hold TD Premium Money Market Fund, switch your units and any related Pre-Authorized Purchase Plan to TD Canadian Money Market Fund.

We will send a transaction confirmation to notify you if any of these have happened in your accounts.

The minimum initial investment and account balance for each series of units (except for units purchased through distribution reinvestment, where no minimum applies) are as follows:

Fund / Series	Minimum Initial Investment	Minimum Additional Investment	Minimum Account Balance
TD Premium Money Market Fund – Investor Series	\$100,000	\$5,000	\$100,000
Advantage Portfolios and Comfort Portfolios – Investor Series	\$2,000	\$100	\$2,000
All Other Funds			
Investor Series	\$100	\$100	\$100
e-Series	\$100	\$100	\$100
Institutional Series	*	*	*
Premium Series	\$250,000	\$5,000	\$250,000
O-Series	*	*	*
H-Series	\$5,000	\$100	\$5,000
D-Series	*	*	*

* Minimums for these series of units are as negotiated with TDAM on an individual client basis.

Please note that if you are purchasing Fund units in U.S. dollars, the above minimum requirements for each series of units are applicable in U.S. dollars.

See **Optional services** for minimum initial investment and account balance requirements applicable to our Pre-Authorized Purchase Plan and Monthly Income Plan.

TD Canada Trust or dealers may set minimum initial investment and minimum account balance requirements which may be higher than those set by TDAM.

Switches

You can redeem all or a portion of your units of one Fund to buy units of **another** Fund or a TD Managed Assets Program (“TD MAP”) Portfolio as long as you meet the minimum initial investment, minimum account balance and other requirements. This is called a switch. See **Fees and expenses**.

When we receive your order to switch, we will redeem your units in the original Fund and use the proceeds to buy units of the same series of the new Fund or TD MAP Portfolio. TDAM may limit your right to switch from one Fund to another Fund or to a TD MAP Portfolio, without notice.

A switch is a disposition for tax purposes and may result in a capital gain or capital loss, which may have tax implications if you hold your units in a non-registered account. See **Income tax considerations for investors** for more details.

An exchange rate will be applied to switches between U.S.-dollar denominated Fund units and Canadian-dollar denominated Fund units. See *Fees and expenses*.

Conversions

You can convert from one series of units to another series of units of the *same* Fund as long as you meet the minimum initial investment, minimum account balance and other account requirements. This is called a conversion. See *Fees and expenses*.

A conversion does not result in a disposition for tax purposes and consequently does not result in the unitholder realizing a capital gain or capital loss at the time of conversion.

Redemptions

If we have not received all of the documentation needed to settle your redemption request within ten business days, we are required under securities legislation to repurchase your units. If the redemption proceeds are less than the repurchase amount, TDIS or your dealer will pay the Fund the difference and may collect this difference from your dealer (who may be entitled to collect it from you) or from you, respectively, together with any additional costs in connection with the incomplete order. If the redemption proceeds are greater than the repurchase amount, the Fund will keep the difference.

The redemption proceeds will only be payable to you and will be sent to your address of record, or to a bank account specified by you from time to time, within three business days, or such other period as required by securities regulatory authorities, of receiving a complete redemption request.

A redemption of units is a disposition for tax purposes and may result in a capital gain or capital loss, which may have tax implications if you hold your units in a non-registered account. See *Income tax considerations for investors* for more details.

When you may not be allowed to redeem your units

Under exceptional circumstances, as permitted by Canadian securities legislation, we may suspend your right to redeem units of any Fund:

- if normal trading is suspended on a stock, options or futures exchange within or outside Canada on which securities or specified derivatives are traded which represent more than 50% by value or underlying market

exposure of the total assets of that Fund and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or

- with the consent of Canadian securities regulatory authorities.

Optional services

Pre-Authorized Purchase Plan

If you want to invest in a Fund or Funds on a regular basis, you can set up a Pre-Authorized Purchase Plan (“PPP”). We will automatically transfer money from your bank account to purchase units in the Fund you choose. You may enroll in the plan, free of charge, by completing an application form that may be obtained from TD Canada Trust or dealers including TDIS, and from TDIS for e-Series units. Transaction confirmations will be sent only for the initial contribution after setting up your PPP or making a change to your PPP. You may invest weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually. You can change the amount you are investing, or suspend or cancel the plan at any time by advising TDIS or another dealer or at branches of TD Canada Trust. We may cancel your plan if your payment is returned because there are insufficient funds in your bank account.

The minimum PPP requirements for each series of units in a Fund are as follows:

Fund / Series	Minimum PPP Investment	Minimum Initial Investment	Minimum Account Balance
TD Premium Money Market Fund – Investor Series	\$5,000	\$100,000	\$100,000
Advantage Portfolios and Comfort Portfolios – Investor Series	\$25	\$2,000	\$2,000
All Other Funds			
Investor Series	\$25	N/A	N/A
e-Series	\$25	N/A	N/A
Premium Series	\$5,000	\$250,000	\$250,000
H-Series	\$25	\$5,000	\$5,000

Please note that if you are purchasing Fund units in U.S. dollars, the above minimum requirements for each series of units are applicable in U.S. dollars.

The Funds have received relief from the requirement to deliver an annual renewal simplified prospectus and any amendment to you, unless you request it. These documents are available at www.tdassetmanagement.com or www.sedar.com.

You may exercise your statutory right to withdraw from the initial purchase under a PPP. This right will not apply in respect of any subsequent purchases under the PPP, but you continue to have all other statutory rights under securities law, including rights arising from any misrepresentation, whether or not you request or receive a copy of a renewal prospectus or amendment. See *What are your legal rights?* for more details.

Monthly Income Plan

If you would like to make regular redemptions from your investment in a Fund held in a non-registered account, you can set up a Monthly Income Plan (“MIP”). There is no charge for this service. You may redeem from an account from each series of units in a Fund on a monthly basis. We will deposit the proceeds directly to your designated bank account or mail a cheque for the proceeds to the address you specify. If your investment is below the minimum account balance requirement for a Fund, we may ask you to increase your investment to the minimum amount or to cancel your plan. You may cancel the plan at any time.

The minimum requirements for each series of units in a Fund are as follows:

Fund / Series	Minimum MIP Redemption	Minimum Initial Investment	Minimum Fund Balance Per Account
TD Premium Money Market Fund – Investor Series	\$100	\$200,000	\$100,000
Advantage Portfolios and Comfort Portfolios – Investor Series	\$100	\$10,000	\$2,000
All Other Funds			
Investor Series	\$100	\$10,000	\$1,000
e-Series	\$100	\$10,000	\$1,000
Premium Series	\$100	\$350,000	\$250,000
H-Series	\$100	\$10,000	\$5,000

Please note that on Fund units denominated in U.S. dollars, the above minimum requirements for each series of units are applicable in U.S. dollars.

It is important to remember that if your regular redemptions are more than what your Fund series units are earning, you will eventually redeem the full amount of your original investment.

Retirement and savings plans

You may establish a Retirement Savings Plan, Group Retirement Savings Plan, Locked-in Retirement Plan, Retirement Income Fund, Life Income Fund, Locked-in Retirement Income Fund, Prescribed Retirement Income Fund, Locked-in Retirement Account or Education Savings Plan with The Canada Trust Company, as trustee, for the purpose of purchasing units of the Funds. The trustee will attend to registration of such plans under the provisions of the Tax Act, and, if applicable, under the provisions of any similar provincial legislation. Legislation has recently been enacted which will permit investors to establish plan trusts in relation to Registered Disability Savings Plans (each an “RDSP”) for the 2008 and subsequent taxation years and Tax-Free Savings Accounts (each a “TFSA”) for the 2009 and subsequent taxation years. You may establish an RDSP or a TFSA, when available, for the purpose of purchasing units of the Funds. The aforementioned plans, including RDSPs and TFSAs, together with Deferred Profit Sharing Plans, are referred to as “Registered Plans”.

Units of the Funds may also be purchased by a self-administered Registered Plan.

You can open a Registered Plan by completing an application form that may be obtained from TD Canada Trust or TDIS.

Fees and expenses

The following table lists the fees and expenses you may pay if you invest in TD Mutual Funds. Some of these fees and expenses you pay directly. Others are payable by the Fund, which will reduce the value of your investment in the Fund.

You will be sent written notice at least 60 days (or such shorter period as permitted by Canadian securities regulatory authorities) before the effective date of a change that could result in an increase in charges to the Fund.

Fees and expenses payable by the Funds

Management fee

Each Fund, either directly or indirectly, pays TDAM one or more annual management fees. If the Fund has more than one series of units, a different management fee based on the NAV per Series unit is payable in respect of each series. The fee is calculated and accrued daily and paid monthly. Each Fund will be required to pay Goods and Services Tax (“GST”) on the management fees paid to TDAM. Where a Fund invests in other mutual funds, there are fees and expenses payable by the other funds in addition to those paid by the Fund, however there will be no duplication of management fees or sales or redemption fees. See the Fund Profile for the management fee that is payable by the Fund. Management fees are included in a Fund’s MER, as described below.

We may charge management fees that are less than the management fees we are otherwise entitled to charge series units of a Fund. We may charge the maximum rate of the annual management fee without giving notice to unitholders.

The Funds do not pay any management fees or operating expenses with respect to O-Series units of the Fund. Instead, we charge an O-Series fee directly to holders of O-Series units.

Management fee distributions

If you make a large investment in a Fund, as determined by TDAM from time to time, we may charge fees to the particular Fund that are less than our usual management fee that would otherwise apply in respect of your investment in the Fund. The Fund will distribute to you the amount of the reduction which will be reinvested in additional units of the same series of the Fund. Any management fee distribution is paid out of net income or capital gains of a Fund first, then as a return of capital.

Fund expenses – Portfolio Transaction Costs

Each Fund may pay costs associated with portfolio transactions (“Portfolio Transaction Costs”), including, but not limited to, brokerage commissions to purchase and sell portfolio securities and for research and execution costs, if any. While Portfolio Transaction Costs are charged to the Fund they are not currently included in the MER calculation of the Fund but are included in the calculation of the Trading Expense Ratio.

Fees and expenses payable by the Funds
Fund expenses – Fund operating expenses

Except in respect of Investor Series units of TD Income Trust Capital Yield Fund, TDAM will pay all of the operating expenses for the Funds (including for services provided by us or our affiliates), other than “Fund Costs”. The Fund Costs are costs and expenses associated with:

- all taxes;
- borrowing;
- each Fund’s IRC*;
- compliance with any new governmental and regulatory requirements; and
- new types of costs or expenses not incurred prior to the date of this document or any amendment thereof.

TDAM pays the operating expenses with respect to O-Series units of the Funds.

If the Fund has more than one series of units, the unitholders of each series bear their pro rata share of the Fund Costs which are common to the operation of all series as well as those expenses which are attributable solely to that series of units.

The unitholders of Investor Series units of TD Income Trust Capital Yield Fund bear their pro rata share of the operating expenses of the Fund which are common to the operation of all series as well as those expenses which are attributable solely to that series of units. These operating expenses (which may be paid to us or our affiliates) include recordkeeping and communications costs, custodial, legal, audit and filing fees, bank charges and Fund Costs.

Fund Costs are included in a Fund’s MER.

* As at the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of \$40,000 (\$55,000 for the Chair) and \$2,000 (\$4,000 for the Chair) for each meeting of the IRC that the member attends, plus expenses for each meeting. These fees and expenses, plus associated legal and insurance costs, are allocated among all of the funds managed by TDAM to which NI 81-107 applies, including the Funds, in a manner that is considered by TDAM to be fair and reasonable.

Administration fee

An annual administration fee will be payable to TDAM in respect of Investor Series and H-Series units of each Fund other than the Money Market Funds, TD Short Term Bond Fund, TD Canadian Bond Fund, the Index Funds and Investor Series units of TD Income Trust Capital Yield Fund. The administration fee will be equal to a specified percentage of the net asset value of the Investor Series and H-Series units, respectively, calculated and accrued daily and paid monthly.

Fees and expenses payable by the Funds

No administration fee will be charged with respect to other series units of the Funds offered under this simplified prospectus.

The administration fees, if any, paid to TDAM by a Fund in respect of a series may, in any particular period, exceed or be lower than the operating expenses TDAM incurs for that series of the Fund (which expenses exclude Fund Costs and do not include Portfolio Transaction Costs).

Management expense ratio (“MER”)

The MER for each series of units is the total of the series’ proportionate share of the Fund Costs and series-specific fees and expenses, if any, including the Fund’s proportionate share of the MER of any underlying fund in which the Fund has invested, expressed as an annualized percentage of the average net asset value allocated to that series of units during the period. The MER includes GST, but excludes Portfolio Transaction Costs.

Currently the MER for each series of units of the Funds, other than for Investor Series units of TD Income Trust Capital Yield Fund, will consist of the management fee, administration fee (if applicable) and Fund Costs. Currently, the MER for Investor Series units of TD Income Trust Capital Yield Fund will consist of the management fee, operating expenses described above and Fund Costs.

Fees and expenses payable directly by you
Sales charges

You do not pay a sales charge when you purchase or redeem units of a Fund directly through TDIS or at branches of TD Canada Trust.

You can also purchase or redeem units through a dealer. Some dealers may charge you a fee or sales charge for their services.

Switch fee

You do not pay a fee when you switch units of a Fund directly through TDIS or at branches of TD Canada Trust, however a short-term trading fee (as described below) for switching from one Fund to another Fund or a TD MAP Portfolio may apply if the switch occurs up to 30 days (90 days in respect of e-Series units) after the original purchase.

You do not pay a short-term trading fee when you convert units of a Fund directly through TDIS or at branches of TD Canada Trust.

You can also switch or convert units through another dealer. Some dealers may charge you a switch fee or charge for their services.

Fees and expenses payable directly by you

Short-term trading fee	Each Fund, except Money Market Funds, may charge a short-term trading fee of up to 2% of your purchase cost if you redeem (including on a switch) your units (other than e-Series units) up to 30 days, or your e-Series units up to 90 days, after your purchase of such units (except units purchased through distribution reinvestment). A short-term trading fee may also be referred to as an early redemption fee.
Registered Plan fees	No fees are charged for opening or administering a Registered Plan sponsored by TD Bank or any of its affiliates. A fee of up to \$25 may be charged to a Registered Plan, regardless of its sponsor, by TD Bank or any of its affiliates, upon termination of a Registered Plan account.
Annual Fund maintenance fee	An annual Fund maintenance fee of up to \$25 may be charged by a Fund to your account. This fee will be waived for investors who continuously maintain an investment of \$10,000 or more in a series of units.
O-Series fee	Holders of O-Series units will pay an annual fee to TDAM, which is negotiable. This fee is calculated and accrued daily and paid monthly.
Early redemption fee	See <i>Short-term trading fee</i> .
Index Fund transaction charge	The following Index Funds may, after 60 days' notice (or such shorter period as permitted by securities regulatory authorities), charge a portfolio transaction fee of up to 0.50% of the amount invested on your initial investments and subsequent purchases (except units purchased through distribution reinvestment): <ul style="list-style-type: none"> TD Canadian Index Fund TD Dow Jones Industrial AverageSM Index Fund TD U.S. Index Fund TD U.S. Index Currency Neutral Fund TD Nasdaq[®] Index Fund TD European Index Fund TD International Index Currency Neutral Fund TD Japanese Index Fund
Fee for wiring redemption proceeds to your account	In addition to the bank wire costs, we charge an administrative handling fee of up to \$25 if redemption proceeds are wired to a designated account.
NSF charge	Bank NSF charge of up to \$50 may be charged.

Fees and expenses payable directly by you

Foreign currency spread

If you switch or convert units denominated in one currency to units of a Fund or TD MAP Portfolio denominated in another currency, a currency conversion may be required. In all such circumstances, TD Bank will convert the currency at rates established or determined by it. TD Bank may earn revenue, based on the differences between the applicable buy and sell rates for the currencies and the rate at which the buy and sell rates are offset in the market. Conversion of currency, if required, will take place at the Valuation Date.

Impact of sales charges

TD Mutual Funds are “no-load” mutual funds with respect to the series of units offered under this simplified prospectus. This means you do not pay a charge or commission to purchase or redeem units through TDIS or at a TD Canada Trust branch. The following table shows the amount of fees* you would pay if you made an investment of \$1,000 in Investor Series, e-Series, Institutional Series, O-Series, Premium Series, H-Series or D-Series units of a Fund on a “no-load” basis, if you held that investment for one, three, five or ten years and redeemed the entire investment immediately before the end of each period:

	Fee at time of purchase	Redemption fee before the end of:			
		1 Year	3 Years	5 Years	10 Years
Sales charge option	N/A	N/A	N/A	N/A	N/A
Redemption charge option	N/A	N/A	N/A	N/A	N/A
No-load option	\$0	\$0	\$0	\$0	\$0

You may pay a charge if you purchase, switch, convert or redeem units through a dealer other than TDIS or other than through a TD Canada Trust branch.

* See *Fees and expenses payable directly by you* for information relating to the annual Fund maintenance fee.

Dealer compensation

The dealer and its representative that you select are your agents to place orders on your behalf. TDAM and the Funds are not liable for any recommendations or investment advice provided to you by your dealer or its representative.

Trail commissions

TDAM may pay to your dealer an annual trail commission of up to 1.0% based on the average daily value of Investor Series, e-Series, Institutional Series, Premium Series or

H-Series units held by the dealer’s clients. We expect that dealers will pay a portion of the trail commission to their representatives for the services they provide to their clients. We may change or cancel the terms of the trail commissions at any time without prior notice. Trail commissions are paid out of our management fee and are calculated and accrued daily and paid no less frequently than quarterly.

Other forms of dealer support

We provide a broad range of marketing and support programs to assist dealers in business promotional activities relating to the sale of units of TD Mutual Funds, all in accordance with securities legislation. We provide research and marketing materials, including brochures, reports, and domestic and global market commentaries.

Dealer compensation from management fee

TD Mutual Funds are sold at no charge by TDIS and at the branches of TD Canada Trust and may be sold through other dealers. TDAM paid dealers approximately 50.0% of the total management fees TDAM earned on all the TD Mutual Funds (whether offered under this or another simplified prospectus) in the last completed financial year ended December 31, 2007.

Income tax considerations for investors

This information is a general summary of Canadian federal income tax rules. It assumes you are a Canadian resident individual (other than a trust) and that you hold your units as capital property for purposes of the Tax Act. More detailed information is available in the AIF. You should consult your tax advisor about your tax situation.

Funds held in a Registered Plan

If you hold units of the Funds in a Registered Plan, distributions paid by a Fund and any capital gains from redeeming or switching are generally sheltered from tax until you decide to make withdrawals from the plan.

Based on the legislative proposals released by the Department of Finance on July 14, 2008, it is expected that units of the Funds will also be permitted investments for a TFSA, starting in 2009. In such circumstances, if a TFSA held units of a Fund, distributions from the Fund on such units, gains on the disposition of the units, and withdrawals of amounts from the TFSA would not be subject to tax.

Funds held in a non-registered account

If you hold units of the Funds in a non-registered account, you must take into account distributions paid or payable by a Fund in calculating your taxable income whether or not they are reinvested in additional units of the Fund. You must also include in your taxable income any taxable capital gains from redeeming or switching your units.

Distributions by the Funds

Distributions from TD Mutual Funds, including management fee distributions, are generally taxable in your hands whether or not these amounts were paid to you in cash or through reinvestment in additional units. Distributions may include capital gains, interest income, foreign source income or taxable dividends from taxable Canadian corporations, which are taxed just as if you had received the same type of income directly. Dividends from taxable Canadian corporations are eligible for the dividend tax credit. An enhanced gross-up and dividend tax credit is available for “eligible dividends” designated by a taxable Canadian corporation. To the extent available under the Tax Act and the Canada Revenue Agency’s administrative practice, a Fund will designate any eligible dividends received by the Fund as eligible dividends to the extent such eligible dividends are included in distributions to unitholders.

Generally, distributions in excess of a Fund’s net income and net realized capital gains for the year are a return of capital and are not taxable to you, although they will generally reduce the adjusted cost base of your units. All things being equal, this will result in the same capital gain or capital loss on a disposition of your units as if the distribution had not entailed a return of capital. It is expected that distributions paid on the H-Series units of the Funds are more likely to

include a return of capital than other series of the Funds. In addition, it is expected that distributions paid on the Investor Series or Institutional Series units of TD Income Trust Capital Yield Fund, or Investor Series units of TD Corporate Bond Capital Yield Fund will include a return of capital. The portion of such distributions that is a return of capital will not be taxable to you but will reduce the adjusted cost base of your units. To the extent that the adjusted cost base of your units would be less than zero as a result of you receiving a distribution on your units that is a return of capital, you will be deemed to have realized a capital gain to the extent that your adjusted cost base is below zero and the adjusted cost base of your units will be increased by the amount of such deemed gain. We will provide you with information regarding any distributions that are a return of capital. For more information contact your tax advisor.

Purchasing units

When you purchase units of a Fund, a portion of the price you pay may reflect income and capital gains of the Fund that have not yet been realized or distributed. These amounts must be included in your income when paid to you, even though the Fund earned these amounts before you owned units. This could occur if you buy units prior to a distribution made in the year of your purchase, such as in December when many of the Funds make their only or largest distribution.

Redeeming or switching units

If your units are redeemed or switched, a capital gain or capital loss may be realized. The capital gain (capital loss) will be equal to the difference between the amount you receive for the redemption or switch, net of any reasonable costs of redeeming or switching the units, and the adjusted cost base of the units.

In certain situations, where a unitholder disposes of units of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if a unitholder, the unitholder’s spouse or a person affiliated with the unitholder (including a corporation controlled by the unitholder) has acquired units of the same Fund within 30 days before or after the original unitholder disposed of the units, which are considered to be “substituted property”. In these circumstances, the capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the adjusted cost base of the units which are substituted property.

Generally, one-half of a capital gain is included in computing your taxable income as a “taxable capital gain”. One-half of a capital loss may be deducted against your taxable capital gains in the year of disposition or, subject to certain limitations imposed under the Tax Act, carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years.

We will provide you with details on the proceeds from the redemption or switch. However, in order to calculate your gain or loss, you need to calculate the adjusted cost base of your units before disposition. The adjusted cost base is determined separately for each series of units of a Fund owned by an investor.

How to calculate the adjusted cost base (“ACB”) of your total investment in Investor Series, e-Series, Institutional Series, O-Series, Premium Series, H-Series or D-Series units of a Fund

ACB	=	the cost of your initial investment
Plus		the cost of any additional investments
Plus		reinvested distributions (including management fee distributions)
Minus		the capital returned in any distributions
Minus		the ACB of any previous redemptions or switches

In the case of Funds denominated in U.S. dollars, you must convert U.S. dollars to Canadian dollars using the exchange rate on the relevant date for the purpose of calculating the ACB of your units.

Fees payable by you to TDAM in respect of O-Series units may be deductible by you for income tax purposes to the extent such fees are reasonable and represent fees for services provided to you in respect of the administration or management of your assets. Such fees will not be deductible to the extent they represent fees for services provided by TDAM to the Funds rather than to you. You should consult your own tax advisors with respect to the extent to which such fees may be deductible.

Funds with a portfolio turnover rate greater than 70%

Each Fund discloses its portfolio turnover rate in its management report of fund performance. The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio adviser manages its portfolio investments. The amount of activity in an Index Fund may be affected by a change in the composition of an index or by a large purchase or redemption. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in

the course of the year. The higher a Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the likelihood that gains or losses will be realized by the Fund. Any distribution of net income or the taxable portion of the net realized capital gains paid or payable by the Fund to you, in a non-registered account, must be included in your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

What are your legal rights?

Under securities laws in some provinces and territories, you have the right to:

- withdraw from your agreement to buy units of a Fund within two business days of receiving the simplified prospectus, or cancel your purchase within 48 hours of receiving confirmation of your order. For Pre-Authorized Purchase Plans, you do not have this withdrawal right with respect to purchases of units of a Fund where you do not request to receive subsequent renewal prospectuses and amendments.
- cancel your purchase agreement and get your money back, or make a claim for damages if the simplified prospectus, AIF or financial statements misrepresent any facts about the Fund. The time limit to exercise these rights depends on the governing legislation in your province or territory.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Additional information

TDAM may waive any term or condition, including the minimum initial investment, minimum account balance and other requirements relating to the offering of units of the Funds at any time, at its discretion.

The Funds are permitted to purchase securities issued by TD Bank or any affiliate thereof if the purchase is made on an exchange, receives IRC approval and the other terms of NI 81-107 are complied with.

In addition, the Index Funds have applied for regulatory approval to purchase securities of a related issuer in a new offering in order to hold such securities in substantially the same proportion as those securities are reflected in a permitted index.

The Funds have received regulatory approval to engage in secondary market transactions with dealers that are related to TDAM, and are principal dealers in the Canadian debt securities markets, in order to purchase or sell non-government debt securities or government debt securities which, without the approval, they would not be permitted to purchase from or sell to such dealers. Such transactions must receive IRC approval and comply with the other terms of the regulatory approval.

The Funds are permitted to purchase securities of an issuer in a distribution in respect of which a dealer related to TDAM has acted as an underwriter if the purchase receives IRC approval and the other terms of NI 81-102 and NI 81-107 are complied with, including the purchase of debt securities if they have an approved credit rating, the purchase of equity securities pursuant to a prospectus, and the purchase of equity securities pursuant to a private placement if the issuer is a reporting issuer.

TD Mortgage Fund, TD Short Term Bond Fund and TD Monthly Income Fund have received regulatory approval to engage in principal transactions in mortgages or guaranteed mortgages, as the case may be, with affiliates of TDAM. Such transactions must receive IRC approval and comply with the other terms of the regulatory relief.

The Funds have received regulatory approval to purchase non-exchange traded securities of a related issuer in the secondary market. Such transactions must receive IRC approval and comply with the other terms of the regulatory approval.

The Funds have applied for regulatory approval to purchase in the primary market non-exchange traded securities of a related issuer if such securities have an approved credit rating, IRC approval is obtained and certain other terms are complied with. It is not clear whether or when such approval will be received.

The Funds may apply to securities regulatory authorities for relief from the restrictions prohibiting a Fund from engaging in a securities lending transaction with a related party, including TD Bank or its affiliates or associates. As of the date of this simplified prospectus such relief has not been sought. In the event that relief is sought and granted the Funds may enter into securities lending transactions with TD Bank or any of its affiliates or associates, subject to any terms or conditions that may be included as a term of such relief.

TDAM may change the auditors of a Fund or reorganize a Fund by merging it with another mutual fund managed by TDAM, in each case with the approval of the IRC and without the approval of unitholders of the Fund, provided unitholders of the Fund have been given written notice at least 60 days before the effective date of the change or reorganization.

Certain of the Funds may invest in asset-backed commercial paper sponsored by TD Bank subject to receiving ant necessary relief from securities regulatory authorities and IRC approval and complying with any terms or conditions.

Additional information regarding the terms of the regulatory approvals is provided under *Investment restrictions and practices* in the AIF.

Funds-linked deposit notes

From time to time, notes (the “Notes”) may be issued by TD Bank or others, the returns of which are linked, in whole or in part, to the performance of a notional investment portfolio comprised of one or more Funds. TDAM and its affiliates may each receive fees and/or other benefits in connection with the Notes and in connection with the hedging of any obligation under the Notes.

TDAM, as manager of the Funds, reviews the structure of the Notes and reviews testing done to determine the impact on a Fund of transactions associated with the Notes. Potential risks to the Fund include large investor risk and the possibility of short-term trading to meet redemption requests in respect of the Notes. Certain measures have been implemented to decrease any risks to the Funds associated with these transactions. Transactions in respect of the Notes will generally be in accordance with a pre-defined, formulaic trading strategy. In addition, the Manager has imposed limits with respect to the portion of a Fund that can be held by the issuer of the Notes which take into consideration the impact on a Fund of potential purchases and redemptions of Fund units by the issuer of the Notes. However, there is a risk that the issuer of the Notes will need to redeem units of the Funds, which may create realized capital gains or losses and increase the transaction costs of the Funds. See *What is a mutual fund and what are the risks of investing in a mutual fund? – Fund-specific risks – Large investor risk and Purchases, switches and redemptions – Short-term trading.*

Your guide to understanding the Fund Profile

The Fund Profiles provide important information to help you evaluate the Funds in light of your investment needs. These are bound separately and give you specific information about the Funds offered under this simplified prospectus.

You should refer to this section when reading the Fund Profile to make sure you have complete information about a particular Fund.

Fund details

Fund type	Identifies the category to which the Fund belongs.
Securities offered	Each Fund is an open-ended mutual fund trust which distributes its earnings to unitholders as income, dividends or capital gains and may return capital to unitholders. There is no limit to the number of series units a Fund may offer. Each series unit represents an equal, undivided beneficial interest in the assets of a Fund and entitles the holder to one vote at any meeting of unitholders (other than in respect of a matter where there is a separate series vote because a particular series of the units is affected in a manner that is different than other series of units).
Start date	Date when series units of the Fund were first available to the public. The date of formation of the Fund is also provided.
Portfolio adviser	Identifies the portfolio adviser of the Fund.
Management fee	Describes the maximum annual rate of fees payable to the Manager of the Fund for managing the overall business and affairs of the Fund.
Administration fee	Describes the maximum annual rate of fee in respect of Investor Series and H-Series units payable to the Manager of the Fund, if applicable.

Investment objectives

Investment objectives describe what a Fund intends to achieve. Each of the Funds has its own fundamental investment objective and uses particular investment strategies to achieve its objective.

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

Investment strategies

This section outlines the process by which the portfolio adviser seeks to achieve a Fund's investment objectives. We may change a Fund's investment strategies at our discretion without notice or approval.

Investment restrictions

The Funds have adopted the standard investment restrictions and practices set out by Canadian securities regulatory authorities except where noted in the Fund Profile.

Use of derivatives

From time to time each of the TD Mutual Funds may use derivatives as permitted by Canadian securities regulatory authorities provided their use is consistent with the investment objectives and strategies of the Fund. A Fund may use derivatives, such as options, swaps, futures and forward contracts, for both hedging and non-hedging purposes.

When using derivatives for hedging purposes, a Fund seeks to offset or reduce a specific risk associated with all, or a portion, of an existing investment or position, or group of investments or positions. A Fund's hedging activity may therefore involve the use of derivatives to manage interest rate risk and reduce the Fund's exposure to underlying interests such as securities, indices and currencies.

A Fund may also use derivatives for non-hedging purposes to gain exposure to underlying interests, such as individual securities, asset classes, indices, currencies, market sectors and markets without having to invest directly in such underlying interests; to reduce transaction costs; and to expedite changes to the Fund's investment portfolio. While derivatives are being used by a Fund for non-hedging purposes, the Fund must generally hold cash, the interest underlying the derivative and/or a right or obligation to acquire such underlying interest in sufficient quantities to permit the Fund to meet its obligations under the derivative contract without recourse to the other assets of the Fund.

Underlying funds

Certain Funds ("top funds") invest in other mutual funds or underlying funds. No sales charge will apply to the purchase or redemption of securities of an underlying fund by a top fund. There will be no duplication of management fees as a result of a Fund investing in another mutual fund.

You can obtain copies of the simplified prospectus, annual information form, management reports of fund performance and financial statements of an underlying fund at www.sedar.com or for certain documents, by calling your dealer or by calling TDAM at 1-800-386-3757.

Securities lending, repurchase and reverse repurchase transactions

With a view to increasing returns, the Funds may enter into securities lending, repurchase or reverse repurchase agreements, as outlined in each of the Fund Profiles, in a manner consistent with their respective investment objectives and as permitted by the Canadian securities regulatory authorities.

In a securities lending transaction a Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund intends to retain exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where a Fund sells a security that it owns to a third party for cash and agrees to buy the same security back from the same party at a specified price on an agreed future date. The Fund intends to retain its exposure to changes in the value of the security, while earning fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a Fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a specified price on an agreed future date. The difference between the Fund's purchase price for the security and the resale price is intended to provide the Fund with additional income.

Securities lending, repurchase and reverse repurchase agreements will be entered into in accordance with the laws of Canadian securities regulatory authorities including the following requirements:

- the value of the collateral must be at least 102% of the market value of the securities sold (for a repurchase transaction), or of the cash paid for the securities purchased (for a reverse repurchase transaction) or loaned (for a securities lending transaction);
- securities lending transactions, together with repurchase transactions, are limited to 50% of the Fund's total assets, excluding collateral received in securities lending transactions and cash held by the Fund for securities sold in repurchase transactions;
- the value of the securities and collateral will be monitored and reset daily;
- internal controls, procedures and records will be maintained, including collateral requirements, limits on transaction sizes and a list of approved third parties for such transactions based on factors such as creditworthiness; and
- securities lending agreements may be terminated at any time and repurchase and reverse repurchase agreements must be completed within 30 days.

All requirements described above will be reviewed annually to ensure the risks associated with securities lending, repurchase and reverse repurchase agreements are being properly managed.

What are the risks of investing in the Fund?

Risks specific to the individual Fund are identified in this section. General information about risks is outlined under ***What is a mutual fund and what are the risks of investing in a mutual fund?***

Who should invest in the Fund?

This section identifies the type of investor that the Fund may be suited for in terms of risk tolerance and investment time horizon.

Distribution policy

The distribution policy of the Fund is listed in this section, and outlines when the distributions are made. Each Fund will distribute a sufficient amount of its net income and net realized capital gains, if any, on an annual basis which will generally result in no ordinary income tax being payable by the Fund. For any series of a Fund, 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 amount and frequency of distributions may be changed from time to time without notice to unitholders. You can get information on the most recent distribution amount at www.tdassetmanagement.com.

Money Market Funds allocate net income and net realized gains, if any, daily and distribute them monthly.

H-Series units of a Fund may make a monthly distribution consisting of net income, net realized capital gains and/or a return of capital.

TD Income Trust Capital Yield Fund and TD Corporate Bond Capital Yield Fund may make a monthly distribution consisting of net income, net realized capital gains and/or a return of capital as well as a distribution of net realized capital gains, not previously made payable, in December.

Distributions in respect of units held in Registered Plans are immediately reinvested in additional units (of the same series) of the relevant Fund. For non-registered accounts, unless you indicate to us in writing that you wish to receive distributions in cash, all distributions in respect of units are immediately reinvested in additional units (of the same series) of the relevant Fund. Unitholders will receive distributions in the same currency in which their units are held.

Fund expenses indirectly borne by investors

This section provides you with information intended to help you compare the cost of investing in the series units of a Fund with the cost of investing in other mutual funds. TDAM may have waived or absorbed a portion of a Fund's operating expenses during the past financial year. In such cases, the Fund's operating expenses would have been higher had it not done so, and consequently, would have increased the Fund expenses indirectly borne by you. Any waivers or absorptions of expenses by TDAM may be suspended or terminated at any time by TDAM without notice.

No information is provided for O-Series units because holders of O-Series units pay an annual O-Series fee to TDAM, which is negotiable.

Glossary

American Depository Receipts (ADRs)

See depository receipt.

asset-backed commercial paper (ABCP)

A short-term debt obligation issued by a special purpose vehicle (such as a trust) that is backed by specific pools of assets such as trade or credit receivables, equipment leases, mortgages or personal lines of credit. Bank-sponsored ABCP, while not guaranteed by the sponsoring bank, typically has “global-style” liquidity and transparency. It is generally not leveraged and is backed by mainly traditional assets as listed above. By contrast, non-bank-sponsored ABCP is sponsored by third-party conduits operated by non-bank financial institutions, tends to be highly leveraged and is backed by a mix of traditional and non-traditional assets.

bankers’ acceptance

These are short-term promissory notes issued by corporations with the unconditional guarantee of a major Canadian chartered bank. They are sold at a discount to mature at par value.

benchmark

Benchmarks are widely recognized indices that are used to compare portfolio or mutual fund returns to a given market.

bond

Any interest-bearing government or corporate security that obligates the issuer to pay the bondholder interest at a predetermined rate, usually at specific intervals, and to repay the principal amount of the security at maturity.

bottom-up investing

An investment approach that focuses on the analysis of individual stocks before considering the impact of economic trends or market cycles. Stocks that are considered attractive despite economic trends or market cycles, are purchased based on this analysis.

closed-end funds

A type of fund that has a fixed number of shares or units that are bought and sold on stock exchanges or over the counter markets, and may trade above or below their net asset value. Unlike open-end mutual funds, closed-end funds do not issue and redeem shares or units on a continuous basis.

commercial paper

Short-term obligations issued by corporations that are generally not secured by company assets. They are sold at a discount to mature at par value.

common share (stock)

A security that represents ownership in a corporation. Owners typically are entitled to vote on the selection of directors and other important matters as well as to receive dividends, when declared, on their holdings. In the event that a corporation is liquidated, the claims of secured and unsecured creditors and owners of bonds and preferred stock take precedence over the claims of those who own common shares.

convertible security

A security that can be converted into another security. For example, convertible bonds or preferred shares can be converted into a set number of common shares of the same company at a given price.

counterparty

The opposite side or party in a derivative transaction.

debenture

A bond unsecured by any pledge of property. It is supported by the general credit of the issuing corporation.

debt instrument

Written promise to pay a debt; for example, a bill, note, bond, banker’s acceptance, certificate of deposit, or commercial paper.

depository receipt

A negotiable financial instrument issued by a bank to represent a foreign company’s publicly traded securities. The trust company or bank (depository) issues depository receipts against the securities, and these are traded as depository receipts in the depository’s home market. They allow investors to avoid the inconvenience of dealing with foreign markets and currency exchanges. The most common types are American Depository Receipts (ADRs), which trade in the United States.

derivatives

A contract whose value is based on the performance of an underlying financial asset, index or other investment. Derivatives, such as an option or future, are available based on the performance of assets, interest rates, currency exchange rates, and various domestic and foreign indices.

diversification

Managing risk by putting assets in several different investments with a view to reducing the impact of any one security in a portfolio. For example, you may diversify by investing in different asset classes such as stocks, bonds and money market instruments or investing in several different countries.

dividend

A per share payment designated by a company's board of directors to be distributed among shareholders.

equity

Stocks or shares representing an ownership interest in a corporation.

forward contract

An agreement to buy or sell a specific quantity of a commodity, government security, foreign currency, or other financial instrument at a specified price on a future specified date. Forward contracts are not traded on a public commodity exchange.

futures contract

Similar to a forward contract, except it has standard terms and conditions and is traded on a public commodity exchange.

guaranteed investment certificate (GIC)

A deposit instrument most commonly available from Canadian banks, trust companies and other financial institutions, requiring a minimum investment and paying a predetermined rate of interest for a stated term.

hedge

A strategy used with a view to offsetting or reducing an investment risk. For instance, the use of forward contracts to lock in exchange rates for converting a foreign currency.

hybrid investment or security

Investment that combines the characteristics of two different types of investments. For example, a structured note, which is a form of a bond, may have the interest rate it pays tied to the rise and fall of the price of a commodity or an equity security.

index

A statistical measure of a portfolio of stocks or bonds representing a portfolio of the overall market.

index participation units

Shares of a fund that trade on a major securities exchange. Like index mutual funds, index participation units are designed to track the performance of a certain index by investing in the constituent companies included in that index. Like the stocks in which they invest, shares can be traded throughout the trading day.

liquidity

The ease with which an investment may be converted to cash at a reasonable price.

money market securities

Short-term debt securities maturing in one year or less. These include treasury bills, bankers' acceptances, commercial paper, discount notes and guaranteed investment certificates.

mortgage

A contract in which the borrower of money pledges real estate as collateral for the loan.

mortgage-backed security (MBS)

A debt security that gives you a share of the payments from a pool of mortgages. An MBS pays monthly income, which is a combination of interest and a portion of the principal of the underlying mortgages.

National Instrument(s) 81-10()

A series of rules and policies issued by the Canadian Securities Authorities that regulate all prospectused mutual funds in Canada. For more information, please see <http://www.osc.gov.on.ca>.

note

Unsecured written promise to pay a specified amount to a certain entity on demand or on a specified date with or without interest.

option

A derivative giving the holder the right, but not the obligation, to buy or sell an asset at a predetermined price within a fixed period of time. In exchange for that right, the option holder (or buyer) pays the option writer (or seller) a premium. If the right is not exercised by the specified date, the option expires and the buyer forfeits the premium.

portfolio adviser

The person or entity with responsibility for investing the assets or providing investment advice to a mutual fund.

preferred share

A security in a company, which entitles the owner to certain specified rights (notably the right to receive dividends) “in preference” to the rights of holders of common shares.

private placement

The issuance and sale of securities without a prospectus to a group of investors, such as life insurance companies, trust companies, pension funds, mutual funds, and venture capital companies.

real return bond

A bond that provides the investor with a real rate of return after giving effect to inflation. The “real rate of return” is the difference between the rate of inflation and the nominal interest rate on the investment. Accordingly, a real return bond is different from a conventional bond in that the “real” yield to maturity is known at the time the bond is issued. The nominal yield and cash flow amounts are unknown, as they are adjusted to take into account the rate of inflation throughout the life of the bond. For example, an investor who purchases a real return bond with a 4% real interest rate would receive interest payments equal to 6% if the applicable inflation rate was 2%.

start date

The date that a particular series units of a Fund is first available for sale to the investing public.

swap

Agreement between two or more parties to exchange payment obligations of two (or more) securities without exchanging the underlying securities.

top-down investing

An investment approach that begins with an analysis of trends in the general economy before specific industries or sectors are considered. Stocks that are considered attractive within selected industries or sectors are purchased based on this analysis.

treasury bill

A short-term government debt security, also referred to as a “T-bill”. Treasury bills are sold at a discount and then mature at their par value. The difference between the issue price and the par value is in effect the interest payment.

warrant

A type of derivative security, usually issued together with bonds or preferred shares, that entitles the holder to buy a proportionate amount of common stock at a specified price over a specified period.

yield curve

A graphic line chart that shows the relationship among yields of similar bonds with different maturity dates.

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can obtain these documents, free of charge, by calling TDAM; from your broker or dealer; or by sending an e-mail to td.mutualfunds@td.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.tdassetmanagement.com or at www.sedar.com.

Contact TDAM at:

Telephone (toll-free)

1-800-386-3757 (English)

1-800-409-7125 (French)

1-800-288-1177 (Chinese)

MANAGER OF TD MUTUAL FUNDS:

TD Asset Management Inc.

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

A complete Simplified Prospectus for the mutual funds listed on the front cover consists of this document and an additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the Funds. You must be provided with the additional disclosure document.

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