

Performance Report

July 1, 2005 to December 31, 2005

TD Managed Income and Moderate Growth Portfolio

Inside...

- Your investment's performance
- Your Portfolio mix
- The Portfolio advantage
- A note from the President
- Investment tip

Questions?

Contact your
Financial Advisor
John Smith at (416) 555-1234

**Professionally
Managed
Portfolio
Solutions**

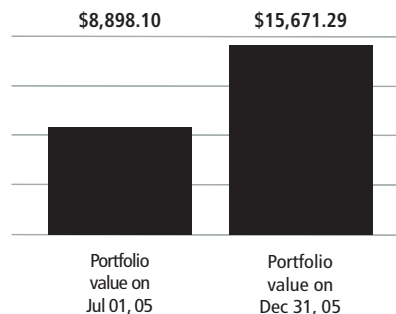
Your Rate of Return **1**

This section shows you at a glance, how your TD Managed Assets Program® (TD MAP®) Portfolio has performed since you opened it and in the shorter term. Your personalized rate of return figures are annualized for periods greater than one year. They are calculated using a time-weighted rate of return formula, that takes into account the timing and dollar amount of all purchases and redemptions you have made since your initial purchase

Last six months	4.87%
One year	10.88%
Three year	9.30%
Since initial purchase on May 11, 2002	4.71%

Your 6 Month Portfolio Summary **2**

Portfolio value on July 1, 2005	\$8,898.10
+ Your contributions and withdrawals	\$6,112.70
+ How much your investments have grown	\$660.49
= Portfolio value on December 31, 2005	\$15,671.29



1 This shows you exactly how your TD MAP Portfolio has done on a percentage return basis since you opened it, and over specific periods of time from six months to five years.

2 This six-month snapshot summary charts the actual dollar value of your Portfolio over the last six months, including any contributions and withdrawals you have made, as well as your Portfolio growth.

The Portfolio Advantage

The TD Managed Assets Program provides you with professionally managed portfolio maintenance and automatic rebalancing, as well as offering global exposure to maximize return potential.

Professional Portfolio Management:

The Portfolio's money managers have access to the latest in-depth market information and research. They're in contact with the managers of the funds in your Portfolio to ensure their strategies remain consistent and to regularly monitor performance.

Automatic Rebalancing:

Staying abreast of market developments and individual funds is our job. Daily rebalancing means that no matter how markets change, your Portfolio will maintain its original asset mix and stay on track with its objectives.

Global Exposure:

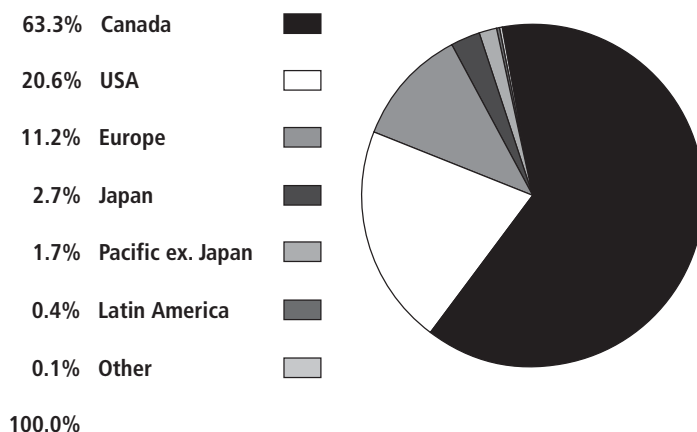
A globally diversified portfolio can reduce your overall risk when one market or currency underperforms. Global exposure can also offer increased growth potential. Each TD MAP Portfolio maximizes the amount of global exposure according to its investment objectives and risk tolerance.

Economic and Market Commentary 3

by Craig Alexander, VP & Deputy Chief Economist - TDBFG

The Canadian economy has shown three consecutive years of growth and the outlook for 2006 is positive. The economy is expected to expand at a moderate pace, while inflation and unemployment should remain relatively low. Business investment is set to overtake consumer spending as the main contributor to Canada's long-term success. Our relatively healthy economy and current account, combined with fiscal surpluses, should keep our dollar looking good to foreign investors, while the U.S. dollar may continue to decline. Although the fallout from the strong Canadian dollar may prompt the Bank of Canada to hold the line on interest rates in early 2006, stronger economic conditions in the second half of next year are expected to lead the Bank to resume raising rates. Corporate profit growth in Canada, the U.S. and globally is expected to be more moderate in 2006, which may lead to low- to mid-single digit returns in equity markets. Commodity prices are expected to dip next year but to remain at highly profitable levels for most resource industries. Canadian producers stand to benefit, making their shares attractive to investors. Modestly higher interest rates may dampen bond prices, but Canadian bonds are expected to outperform U.S. bonds.

Geographic Mix



3 The experts at TD Economics provide their professional insights on factors affecting both present-day and future economic activity, along with enlightened forecasts.

Portfolio Manager's Commentary 4

Diminished inflation concerns and the continued strength of the Canadian dollar reinforced the view that the Bank of Canada would hike interest rates in a measured and somewhat predictable fashion. As a result, Canadian bondmarkets rallied in the third quarter, and the Portfolio's allocation to the TD Canadian Bond and the TD Short Term Bond Funds boosted performance. However, the Portfolio's allocation to high yield bonds, particularly in the U.S., detracted somewhat from performance due to the strengthening Canadian dollar.

Overall, equity markets had some significant issues to deal with in the second half of 2005. In particular, rising oil prices, combined with a number of lower-than-expected global economic growth rates, dampened stock indices around the world. Early in the second half, rising energy prices and booming demand from China buoyed the resource-heavy Canadian equity market. The third quarter saw strong performance by Canadian equities compared to other stock markets. Once the U.S. election was decided, oil prices began to recede and Canadian equity markets began to lag. Meanwhile, the impact of a stronger Canadian dollar on global equity returns hindered performance, but the Portfolio's use of the TD U.S. RSP Index and the TD International RSP Index Funds lessened the effect. As well, global markets rallied late in the fourth quarter as oil prices fell.

A note from the President

The market recovery is now in its third year and it's a good time to remind ourselves that a rational, disciplined, long-term approach to investing continues to be the best strategy. It can be all too easy to get caught up in the excitement about the latest hot sector or emerging trend and stray from the fundamentals of investing. If you find yourself tempted to make an impulsive investment decision, ask yourself –

- Does it fit my investment goals and objectives?
- Is it in keeping with my long-term plan?
- Have I done enough research to understand this investment and the long-term, historical market cycles that will affect its performance?

The primary feature of the TD MAP Portfolios is that they are designed to help you maintain a rational, disciplined approach. Your Portfolio is managed for you by our professional Portfolio Managers who make informed investment decisions based on the Portfolio's long-term objectives and a thorough analysis and understanding of the markets and investments.

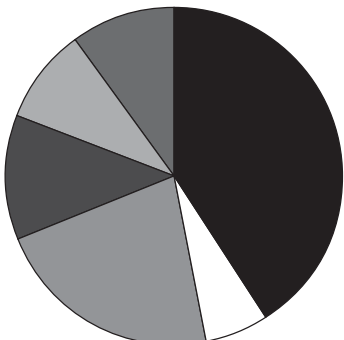
In this way, we hope to help you achieve your long-term financial goals and continue to grow with TD MAP. Thank you for investing with us.

Yours truly,



Tim Pinnington
President, TD Mutual Funds

Portfolio Holdings 6

5		<p>41% Canadian Bonds 34% TD Canadian Bond Fund 7% TD Short Term Bond Fund</p> <p>6% Global Bonds 6% TD High Yield Income Fund</p> <p>22% Canadian Equity 5% TD Canadian Equity Fund 8% TD Dividend Income Fund 9% TD Canadian Blue Chip Equity Fund</p> <p>12% U.S. Equity 3% TD U.S. Index Fund 4% TD U.S. Equity Fund 5% TD U.S. Large-Cap Value Fund</p> <p>9% International Equity 9% TD International Equity Fund</p> <p>10% World Equity 10% TD Global Select Fund</p> <p>100% Your total portfolio</p>
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4 The Portfolio Manager explains how economic conditions affected the performance of the Portfolio over the last six months.

5 This chart shows you how the Portfolio is divided between asset categories.

6 The individual funds that make up the Portfolio are listed here.



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Investment Tip

2005 brought us a return to positive market growth and a reminder that rising bull markets always follow the decline experienced in bear markets. History has shown that no matter how poor market conditions become, they are inevitably followed by periods of growth and, over the long term, climb to new highs.

The most important lesson for investors is the value of staying invested so that they don't miss out when markets recover. Waiting on the sidelines hoping to get back into the markets at the "right time" is seldom successful as recoveries are very hard to predict. Rallies usually begin six

months before a sustained economic recovery. In addition, missing the beginning of most market recoveries usually means missing out on the greatest market gains.

TD MAP Portfolios are designed and managed to help you achieve your long-term goals. This means that you can stay invested and feel confident that your Portfolio is well-positioned to reduce the risk in poor markets and capitalize on growth during good markets. An annual review of your objectives with your Financial Advisor is generally all that's needed to confirm that your Portfolio continues to be right for you.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus, which contains detailed investment information and obtain a copy from your dealer before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated. TD Managed Assets Program are managed by TD Asset Management Inc. and are available through TD Investment Services Inc. (principal distributor), TD Waterhouse Canada Inc. (Member CIPF) and independent dealers.