

Snapshot of TD Monthly Income Fund

Anne Leeson, Investment Planning Counsel

May 2010 - Geoff Wilson has been added as a co-manager of this fund. This strengthens the Bond management side of this fund. Geoff has been a manager with TD Asset Management since 1996 and has the lead/co manager responsibilities for several TD Mutual Funds.

In the March 31, 2010 review, the Management team gives us the following market overview and portfolio review.

Canadian equities rallied in March as data continued to support further improvement in economic activity. Health care, industrials and financial sectors led the advance. In the equity portion of the Fund, the added value from stock selection in financials and materials generally offset the negative effect of sector positioning.

Things going forward should be positive for Canadian Banks. During their recent quarterly reporting, Canadian banks noted declines in their loan loss provisions. Loan losses are likely to continue falling in the coming quarters as the economy improves, which would bolster the banks' bottom lines.

As the Canadian economy builds momentum, the Bank of Canada has indicated that it may begin removing the low emergency overnight interest rates of the past year, possibly as early as the third quarter of 2010. Higher short-term interest rates would further benefit the banks' net income margins and lead to a significant jump in earnings.

Among the Income trusts, strength in energy trusts more than offset the negative contributions from resources and REITs.

The team reinforced their belief that equity markets will remain volatile going forward, but the income from dividends and distributions in this fund should moderate volatility and enhance returns.

Top 10 Holdings	Sector	Country	% of Fund
Canadian Oil Sands Trust	Energy	Canada	5.4%
The Royal Bank of Canada	Financials	Canada	5.2%
Bank of Montreal	Financials	Canada	4.6%
Toronto-Dominion Bank	Financials	Canada	4.6%
CIBC	Financials	Canada	4.6%
Bank of Nova Scotia	Financials	Canada	4.3%
Manulife Financial Corp	Financials	Canada	2.0%
Suncor	Energy	Canada	2.0%
Enbridge Inc.	Energy	Canada	1.5%
RioCan Real Estate Inv Tr	Financials	Canada	1.3%

Source: TD Monthly Income Fund Update as at March 31, 2010

I hope this gives you a good picture of how the managers of the TD Monthly Income fund have been working to maximize your investment in their portfolio. Please call me for any questions at 519-680-3043.

Your Financial Coach – Anne Leeson, CFP



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