TD Wealth

Double Doppelgänger

Portfolio Strategy and Implementation

Winter 2018

Brought to you by:

TD Wealth | Portfolio Advice & Investment Research

This document is for distribution to Canadian clients only.
Please refer to the last page of this document for important information.

simple

A simple solution is a result of a sophisticated and disciplined process.

This document is simple. It explains what is going on in the market today, why it matters to you and what we can do to help. Providing you with a solution that leverages the thought leadership and expertise of the TD Wealth Asset Allocation Committee, TD Securities, TD Economics and various respected external global asset managers.

Disciplined process

Asset Allocation Committee

Provides asset allocation direction and themes

Implementation Committee

Determines asset class weights by investor profile

Investment Management Committee

Determines risk factor allocations and selects investment products to fulfill asset mix in portfolios

See "about us" for more information.

in this issue

A message from Brad Simpson, Chief Wealth Strategist.. 4
Your Wealth Personality 7

The market today
Where are we now?.. 9
Asset allocation 10
Market themes..11
Long time coming..12
Yearning for yield 13
Rarefied air 15
Trump effect 16
Global a go go 17

Managing portfolios
What to do now..20
A new way of thinking 21
The right fit 22
Risk Priority Portfolios..23
About us...33
Important information..34

a remarkable time

Brad Simpson
Chief Wealth Strategist, TD Wealth

Current expansion is almost twice as long as average

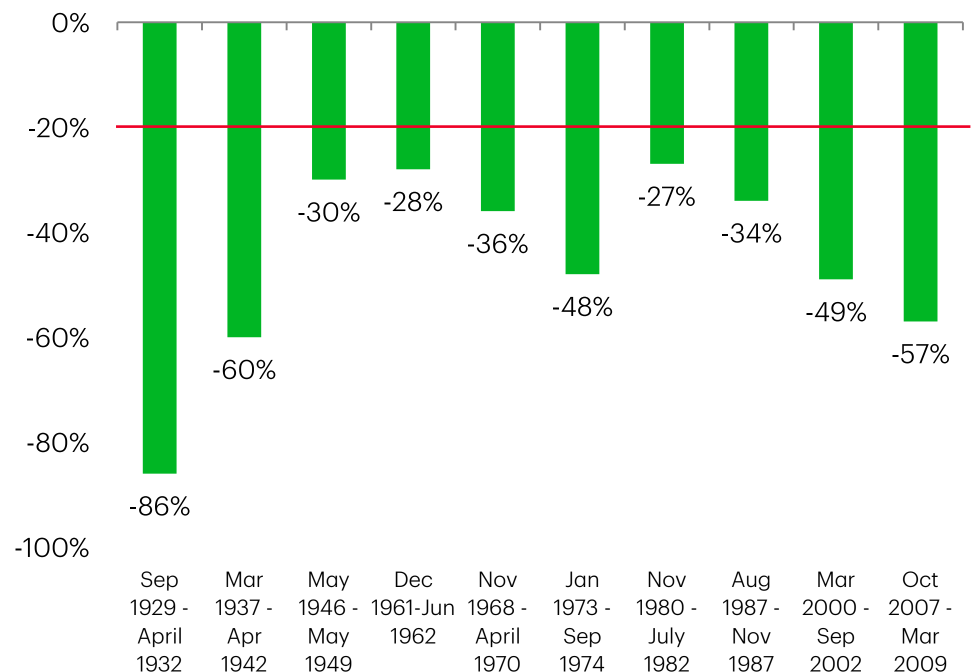
This is a remarkable time to be an investor. Gone are the painful memories of the Global Financial Crisis, replaced by a far more cheery and prosperous time when everyday markets seem to continuously reach new all-time highs. We are also at the 30-year anniversary of the 1987 Black Monday stock market crash. On Monday Oct. 19, 1987, following large declines in Asian and European markets, the S&P 500 Index (S&P 500) fell 20.4%. It was the biggest single day decline in percentage terms by this legendary blue-chip benchmark. Below you will find dreary evidence of major stock market declines and subsequent economic recessions over the past 100 years.

It is interesting to note that at 102 months, the current expansion is the second longest bull market since 1929, and almost twice as long as the average. It is with no surprise that investors are beginning to ask when this long and aging bull market will come to an end, and when it does, will it have the same cruel fate as market corrections of the past? The one thing that almost all these declines have in common is the lack of investors who foresaw them coming.

Bull market runs

Bull Market	Return	Duration (Months)
Jul 1926 - Aug 1929	152%	37
Mar 1935 - Feb 1937	129%	23
Apr 1942- Apr 1946	158%	49
Oct 1960 - Nov 1961	39%	13
Oct 1962 - Nov 1968	103%	73
May 1970 - Dec 1972	74%	31
Mar 1978 - Nov 1980	62%	32
Aug 1982 - Aug 1987	229%	60
Oct 1990-Mar 2000	417%	113
Oct 2002 - Sep 2007	101%	60
Mar 2009 - Nov 2017	272%	102

Figure 1: Bear markets



Source: Bloomberg Finance L.P. As at November 23, 2017.

Clear analytic thinking

The future is unknown to all, which includes economists, portfolio managers and dare I say chief wealth strategists. In the words of Ezra Solomon, and also attributed to the legendary Canadian economist, Sir John Kenneth Galbraith: The only function of economic forecasting is to make astrology look respectable. We attribute this to our belief that the economy is an open complex system, a concept we first introduced back in our November 2016 issue of Monthly Perspectives entitled Newtonian Wisdom. When it comes to predictions, they work well in closed systems, such as error analysis in engineering and manufacturing. However, in many other circumstances, particularly those associated with human action, systems are intrinsically open and cannot be treated as closed, meaning that understanding uncertainty is considerably more challenging. The reason for this is that human beings learn and adapt as they go along, and perhaps even more important is that they are impacted by emotion.

Consider the following insights from legendary portfolio managers and traders sharing their memories of Black Monday 1987:

Blair Hull: The 1987 crash is the only time I've ever seen the market makers scared to death.

Alan Rogers: I was so scared that I got $10,000 out of the bank, took it home, and stored it in the rafters. When I moved out, I forgot that I'd stashed the money. I think it's still there.

Edward Thorp: Our head trader was frozen with fear and at first refused to execute the trades.

Paul Tudor Jones: They learned the hard way that markets, left to their own devices, can and will break down into panic and chaos.

Peter Borish: The early part of Black Monday was probably due to portfolio insurance, but the second part of the day was due to fear.

Jim Leitner: Black Monday woke me up to the fact that black swans happen much more frequently than a normal distribution would imply.

Eric Rosenfeld: The Wednesday morning meeting is what sticks with me. We had just lost the entire year's profit, but we sat there in a reasoned way and systematically went through the portfolio. It reinforced my view that avoiding panic and clear, analytic thinking wins the day.

We couldn't agree more with the last comment identifying the importance of clear and analytic thinking. However, during the heat of the crisis, clear rationale was not ruling the day for most investors. The reason for this was that the crisis, like most crises, came by surprise. And like everyone else, most professionals were caught off guard.

Source: Bloomberg Finance L.P. As at November 14, 2017.

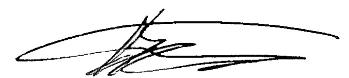
Uncertain things can and will likely occur

The key to their success, however, was their understanding that uncertain things can and likely will occur. At these times, it is important to be certain of two things: 1) You have a well-crafted, appropriately priced, asset- and risk-diversified portfolio; and 2) You understand with certainty how you will make decisions during uncertain times. This is why at TD Wealth, we have an investment philosophy that guides our thinking: Risk Priority Management. Embrace Human Behaviour is one of the key principles of our philosophy, which we define as follows:

Traditional finance assumes that all investors are rational and well-informed, and that the economic environment in which they operate has a very mechanical business cycle that is very predictable. In practice, human beings learn and adapt as they go along, and thus, the financial environment in which they function changes accordingly. We believe it's wise to consider the investment world as a complex adaptive system and to pursue returns and manage risk based on this idea.

This leads us to the title of our Winter 2018 Strategy Implementation: Double Doppelgänger. A doppelgänger is the idea that somewhere out there is a darker, evil version of one's self. Think of it as Dr. Jekyl and Mr. Hyde but without the beaker of serum or the shared DNA. This idea goes back to medieval times; however, most of us were introduced to this concept by more modern fare. Spiderman, for example, has a doppelgänger that has all of the hero's strengths but is hard wired to be bad. Harry Potter's nemesis, Voldemort, was very much Harry's darker alter ego. And for those with a penchant for literature, The Double by Fyodor Dostoevsky comes to mind. The common theme in all these tales is that no one seeks to find their evil doppelgänger, it finds you and when it does, the outcome is never good.

We think this is an excellent analogy for today's financial markets and investors. We are nine years into an economic and stock market recovery and it's about as good as it gets. We have accelerating global economic growth, easy monetary policy and little volatility. To borrow from a recent edition of The Economist, we are in the middle of "The bull market in everything." During times like this, no one is seeking the market's evil twin. But somewhere, lurking where you least expect it, is the darker side of the market and those who invest in it. No one can predict when it will appear. But as history illustrates, it's not if, but rather when it does. As mentioned earlier, we cannot predict the future, but we can prepare for it and make sure our client portfolios don’t get hit by an evil doppelgänger.



Brad Simpson
Chief Wealth Strategist, TD Wealth

who are you?

embrace human behaviour

Uncover your wealth personality

We understand that your personality can impact the way you make financial decisions.

Embrace human behaviour is one of the core principles of our investment philosophy. This not only impacts how we create and execute investment strategy, but how we directly construct and manage client investment portfolios. Simply put, discovering what drives you, helps drive more personalized wealth advice.

Who are you?

That's why we believe the first step in helping you achieve your financial goals is to understand who you really are. Even the savviest investors can benefit from knowing their Wealth Personality.

With this in mind, we've harnessed research from behavioural economics and developed a Discovery Process to uncover your Wealth Personality.

Your TD advisor can guide you through our proprietary discovery process to develop a wealth strategy that's as unique as you are.

What is your Wealth Personality?

Schedule a discovery session with a TD advisor to uncover your Wealth Personality.

the market today

where are we now?

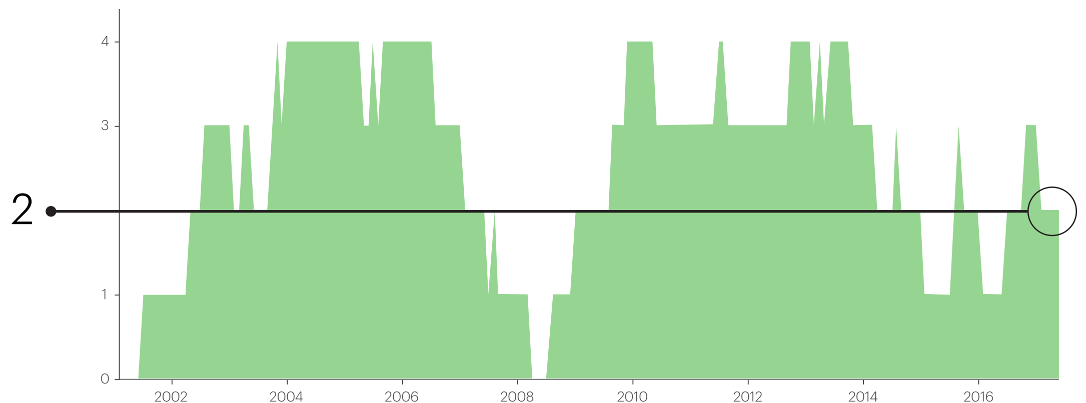
cautious

Most of us are familiar with the need to have a long-term investment horizon, yet prudence (and experience) dictates that most decisions are made for the present.

As one of the most important investment steps is to determine a timely view (i.e., where are we now?), the TD Wealth Asset Allocation Committee looks at the following inputs to answer this question: a) The condition of the current private credit cycle; b) Market potential based on various valuation metrics; c) The level and trend of the purchasing sentiment of public corporations; and d) The breadth of factors behind market returns. Utilizing these inputs, the committee determines which of the following four investment regimes we are currently in:

4. Assertive
3. Positive
2. Cautious
1. Defensive

Financial environment model



Source: Thomson Reuters Datastream, TD Asset Management Inc.

While not fail proof, this method provided good defensive guidance in the early 2000s (tech wreck) and 2007 to 2009 (Global Financial Crisis). It also provided positive direction in the intervening years. Our current stance is 2: cautious.

where are we now?

asset allocation

Canada continues to be underweight, with a slight reduction in Growth and Aggressive Growth profiles, which reflect a move from modest underweight to neutral in Emerging Markets.

While not the only input, our cautious stance impacts the asset allocation of all investor profiles, from the most conservative to the most aggressive. The following are the Implementation Committee's current recommended tactical allocations, highlighting the changes from the previous quarter. Green indicates the increase in allocation compared to the previous quarter while red indicates the decrease in allocation over the same period.

Recommended tactical asset mix by investor profile

Asset Class	Conservative Income		Balanced Income		Balanced	
	Strategic	Tactical	Strategic	Tactical	Strategic	Tactical
Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fixed Income	78.0%	78.0%	68.0%	68.0%	53.0%	53.0%
Government	47.0%	47.0%	38.0%	38.0%	29.0%	29.0%
Corporate	31.0%	31.0%	30.0%	30.0%	24.0%	24.0%
Equity	20.0%	20.0%	30.0%	30.0%	45.0%	45.0%
Canadian	10.0%	7.0%	15.0%	11.0%	23.0%	18.0%
U.S.	6.0%	6.0%	9.0%	9.0%	13.0%	13.0%
International	4.0%	7.0%	6.0%	10.0%	9.0%	14.0%
Emerging Markets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Asset Class	Balanced Growth		Growth		Aggressive Growth	
	Strategic	Tactical	Strategic	Tactical	Strategic	Tactical
Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fixed Income	38.0%	38.0%	18.0%	18.0%	0.0%	0.0%
Government	20.0%	20.0%	9.0%	9.0%	-	-
Corporate	18.0%	18.0%	9.0%	9.0%	-	-
Equity	60.0%	60.0%	80.0%	80.0%	98.0%	98.0%
Canadian	30.0%	24.0%	40.0%	32.0%	49.0%	39.0%
U.S.	18.0%	18.0%	24.0%	24.0%	30.0%	30.0%
International	12.0%	18.0%	14.0%	22.0%	17.0%	27.0%
Emerging Markets	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%

Source: TD Wealth. As at October 31, 2017. Recommendations are provided as a guideline when building individual portfolios. Always consider individual circumstances and objectives before investing.

where are we now?

market themes

long time coming

Cautious optimism about accelerating global growth against policy uncertainty and ongoing structural challenges.

yearning for yield

Central banks transitioning policies from emergency to neutral, but expect lower for longer rate environment to continue.

rarefied air

Neutral rating in equities reflects strong corporate fundamentals offset by stretched valuations in the U.S.

Trump effect

Potential sources of volatility include elevated global imbalances, particularly Canadian household debt and friction between the U.S. and its trading partners.

global a go go

Preference for international equities is driven by attractive valuations, and potential for higher growth and inflation to boost earnings.

long time coming

Globally, economic fundamentals appear healthy: trade, PMIs, industrial production, job creation and overall activity is strong, but it sure took a long time to get here. It took nine years of slow arduous progress for the world's largest economy to achieve below average growth.

To help understand this, remember just how bad it all was almost ten years ago and how long it has taken the U.S., and other major economies, to get back on their feet. We must also give due consideration to the extraordinary circumstances of the Global Financial Crisis, combined with the equally remarkable measures taken to get out of the Great Recession that followed. A reoccurring position among professional and lay investors alike is the notion that it has been so good for so long that a dire end must be forthcoming. It may be prudent to consider the risk of anchoring bias in this position. People often base their decisions on their past experience (e.g., usually at this point in an economic cycle there would be a recession) and have difficulty adjusting or changing their views to new information.

In times past, the global economy would be booming at this point, but this tepid recovery means that the risk of overheating is still very low. Instead of using a calendar to measure the current health of the global economy, it may be better to use a scale to consider its modest size. Figure 2 is a rough sketch of the conditions that have acted as a precursor to past recessionary environments, none of which we have today. In fact, these inputs are all expansionary. Incredibly we are amidst one of the longest economic expansions in modern history and in many ways the global economy is just getting going.

Figure 2: Recessionary Indicators Dashboard

Start of Recession	Yield Curve	Inflation Trends	Labour Market	Credit Perform.	ISM Mfg.	Earnings Quality	Housing Market
November 1973	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	--	Recessionary
January 1980	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	--	Recessionary
July 1981	Recessionary	Expansionary	Expansionary	Recessionary	Recessionary	--	Recessionary
July 1990	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary
March 2001	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	Recessionary	Neutral
December 2007	Recessionary	Recessionary	Neutral	Recessionary	Recessionary	Recessionary	Recessionary
Present	Expansionary	Expansionary	Expansionary	Expansionary	Expansionary	Expansionary	Expansionary

Recessionary Expansionary Neutral

Source: Credit Suisse. As at October 31, 2017.

Seven indicators
of a healthy economy

1

Yield Curve

Steepness of the yield curve is far from flat or inverted.

2

Inflation Trends

Inflation remains stubbornly low, particularly core inflation.

3

Labour Market

Employment and hiring trends are very positive while wage growth is still subdued.

4

Credit performance

Current credit performance indicates little stress in the economy.

5

ISM Manufacturing

Global manufacturing sector (ISM) and other purchasing manager indices (PMIs) are very positive.

6

Earnings Quality

The current pace of write-downs is consistent with the middle innings of an economic cycle.

7

Housing Market

It is atypical for recessions to occur while housing volumes are increasing.

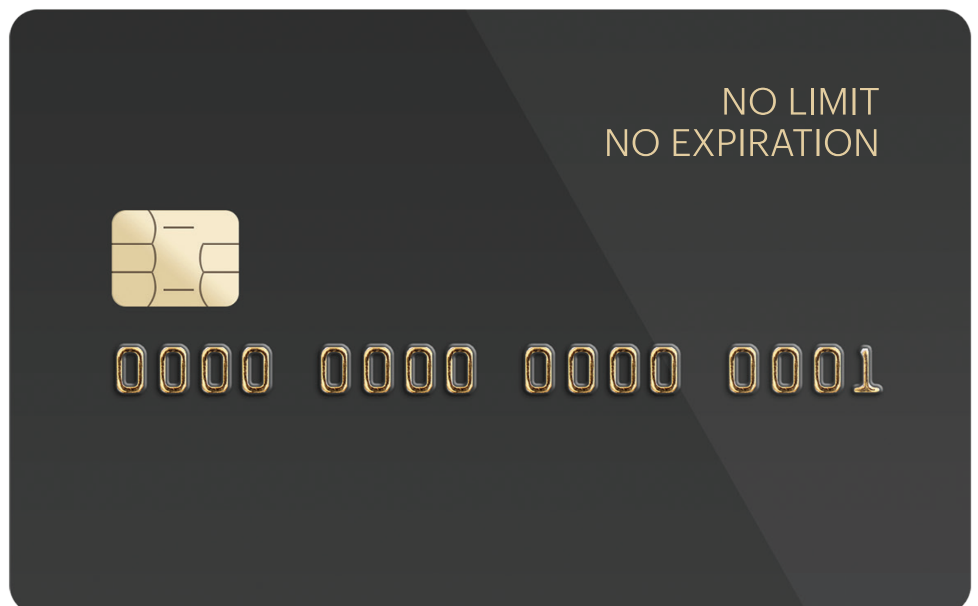
yearning for yield

quantitative
~~easing~~
tightening

The big news in financial markets today is the beginning of the shift from quantitative easing (QE) to quantitative tightening (QT) as the U.S. Federal Reserve (Fed) starts reducing the size of its balance sheet and the European Central Bank (ECB) starts to taper its quantitative easing program. Although the Bank of Japan will likely continue with its easy money policies, this cannot be seen as enough to pick up the slack for Fed or ECB asset purchases. Nor should this be seen as the global central banks closing the safe door. Instead, and more accurately, central banks are transitioning their policies from "emergency" to "neutral".

Take the Bank of Canada (BoC) for example, which raised interest rates twice this year, once in July by 25 basis points (bps), and again in September by the same amount. These two rate hikes erased the two cuts the BoC implemented in 2015 in response to the oil price shock, which brought the rate to what was considered an emergency level, before it was lowered again. In the end, the BoC simply went from emergency level 1 to emergency level 2 in 2015, and now back to emergency level 1 in 2017.

Similarly, quantitative tightening may be seen as the equivalent action taken by the central banks as a whole. Previously, quantitative easing essentially gave the financial system a credit card with almost no interest rate, limit or due date and now, with quantitate tightening, there may be a limit and some of the outstanding balance needs to be paid back. As such, we expect the lower rate environment to continue.



yearning for yield (cont'd)

Fixed income is becoming risky

Meanwhile, as economists and portfolio managers ponder dot plots and potential 25 bps rate moves, investors continue to hunt for higher interest rates often at the expense of credit quality. Today, credit spreads are back to the cyclical lows seen in 2007 prior to the Global Financial Crisis (figure 3).

While some may argue that this is just a return to a time when things were "normal", credit markets have changed so much over the past ten years that comparing the two eras is almost meaningless. For instance, companies with an investment grade rating have taken advantage of generational low interest rates to significantly leverage their balance sheet to enhance equity returns. As a result, the credit quality of many of these companies has deteriorated. The high yield market has also changed significantly. In the period before the Global Financial Crisis, credit markets in the euro zone contained fewer than 10% BBB-rated securities and the U.S. credit market held a little over 30%. Today, global credit markets are almost 45% exposed to BBB rated issuers and this proportion is on the rise. An added measure of concern is the fact that more and more of these bonds are considered to be "covenant-lite". Usually when a company issues a bond they have covenants, which provide constraints on the borrower's behaviour over the duration of the loan. These covenants can take many forms including: restrictions on taking out additional debt or maintenance of certain financial ratios, like interest coverage. Covenant-lite is when a company borrows from the public with limited or no restrictions. Increased amounts of non-investment grade bonds, taking up a greater proportion of the bond market with fewer covenants is a change that investors need to be aware of. Going forward, it is imperative that investors understand that just because it is called fixed income does not mean that there is no risk. On the contrary, there is considerable risk in global credit markets and this is no time to be complacent. There is no free lunch. Research, due diligence and a commitment to not be enticed by a higher yield is critical from here.

Figure 3: Corporate Bond spreads back to normal?

Source: Bloomberg Financa L.P. As at November 20, 2017.

rarefied air

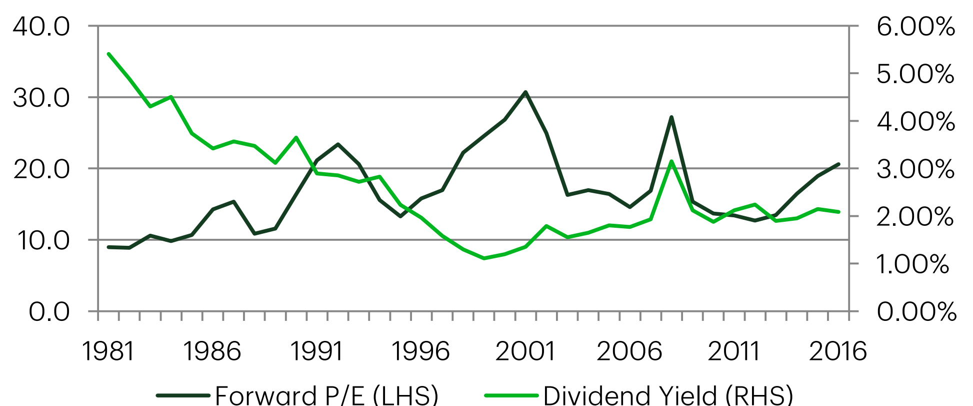
disposition effect states don't sell too early

Since bottoming in the spring of 2009, a time when everything seemed truly bleak, the S&P 500 returned almost 300% and has gone up with only a few stops along the way. Surely this extended bull run means that equities are expensive and it is time to sell. But is it? A better way to look at this may be to think of the S&P 500 like a department store whose owners were unsure of their business' ability to survive at the time. As a result, they decided to blow out their inventory with an "everything must go" sale, regroup and come up with a new direction for the business. Today, the results show that the plan, and a whole lot of credit, worked. Now, getting deals at this fictitious department store is not so easy, and buyers need to do their homework because not everything in the store is on sale anymore.

To carry this analogy further, when shopping you need to have some way to gauge value, and so you decide to use the price-earnings metric to judge valuations. Since 1990, the S&P 500 P/E forward multiple has averaged about 16.9x. However, when looking at averages over a long period of time, it is good to consider the different periods being measured. For example, a long-term average will not show that P/E multiples were really high during the 1950s and 1990s, and that P/E multiples were really low during the 1970s. More importantly, average P/E ratios do not consider the economic environments during those periods. While the current market P/E is above average at 19.5x (as at November 24, 2017) the average figure may not be a good comparison or guideline because it reflects a mix of interest rates and P/E multiples over very different economic environments.

High interest rates, as experienced in the 1970s, accompany low P/E multiples. Low interest rates, as witnessed during most of the 1950s and 1990s, generally result in high P/E multiples. With interest rates still close to record lows, P/E multiples should be fairly high. Figure 4 considers the S&P 500's forward P/E ratio, which reflects the companies' ability to increase earnings (their ability to make more money selling their wares) and increase their dividend yield (the amount they are paying you to hold their stock). With both figures close to historical averages, we believe two things should be kept in mind. One, don't sell too early. Be aware of the disposition effect, where investors tend to sell what is working for them too early and hold onto what is not working for them too long. Second, we think investors would be wise to hold high-quality equities that have the ability to increase their dividends and earnings (the "E" in the "P/E"). Furthermore, investors who see managing volatility as a priority, utilizing hedging strategies at a time like this may also be wise.

Figure 4: S&P 500 Index: Forward P/E and Dividend Yield



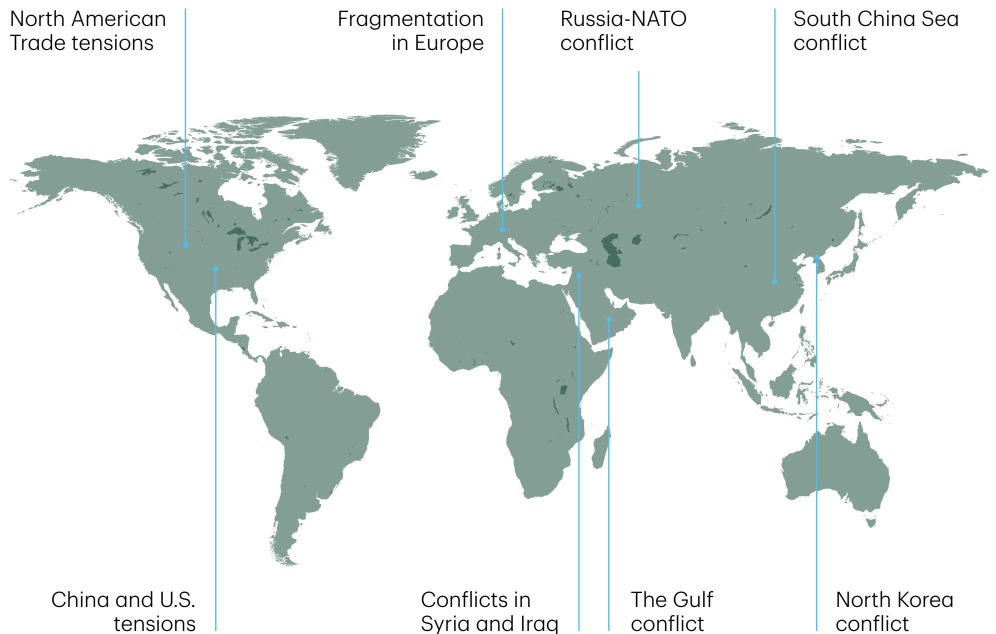
Source: Bloomberg Finance L.P. As at December 30, 2016

Trump effect

Crisis? What Crisis?

There is a classic rock album by Supertramp that came out in 1975 called, Crisis? What Crisis? The art work on the front cover features the extreme contrasts of a sunbather on a lawn chair surrounded by a desolate post-apocalyptic wasteland that could easily be the set from any number of industrial doomsday documentaries shot over the past half century. With current synchronized global growth, easy financial conditions and super-low economic and financial market volatility, it's hard not to feel like the man in the lawn chair. However, potential sources of volatility include elevated global imbalances, particularly Canadian household debt and friction between the U.S. and its trading partners. Elevated asset prices, financial asset valuations that continue to rise in a low-rate environment, anemic inflation and ongoing demographic trends continue to provide headwinds.

Figure 5: Monitoring global risks



For Illustrative purposes only.

Additionally, we believe keeping a close watch on central banks' balance sheets is imperative. Today, the financial market does not seem to view the U.S. Federal Reserve's plan to switch from qualitative easing (QE) to quantitative tightening (QT) as a significant event. It has also ignored the European Central Bank’s (ECB) hints at tapering its bond purchases next year. We really are moving into unchartered territory here, as there is no historical precedent for major central banks actively reducing their balance sheets. In an environment like this, we stress caution, capital preservation and the need to be diversified across asset classes and risk factors.

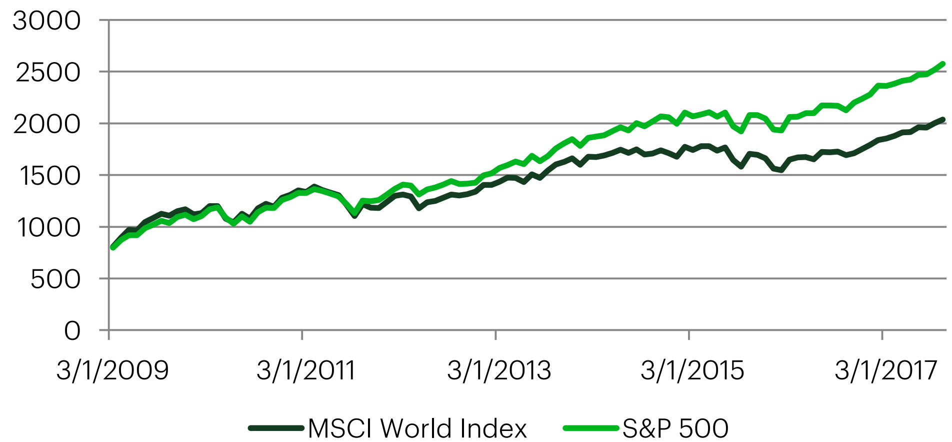
global a go go

euro zone at early stage of expansion

International equities are currently our only asset class that is overweight across our risk profiles due to attractive valuations and potential for higher growth and inflation to boost earnings. Figure 6 highlights the significant difference in returns between the S&P 500 and the MCSI Global Index since the turnaround in March 2009.

What will transpire going forward? Will the gap close as a result of the decline in U.S. valuations or by an increase in global valuations outside the U.S. We believe the latter is most likely as corporate earnings in the euro zone should be well-supported by the improvement in macro data. Using PMI data, figure 7 shows how the euro zone is in an earlier stage of expansion relative to the United States.

Figure 6: S&P 500 vs. MSCI World Index Returns



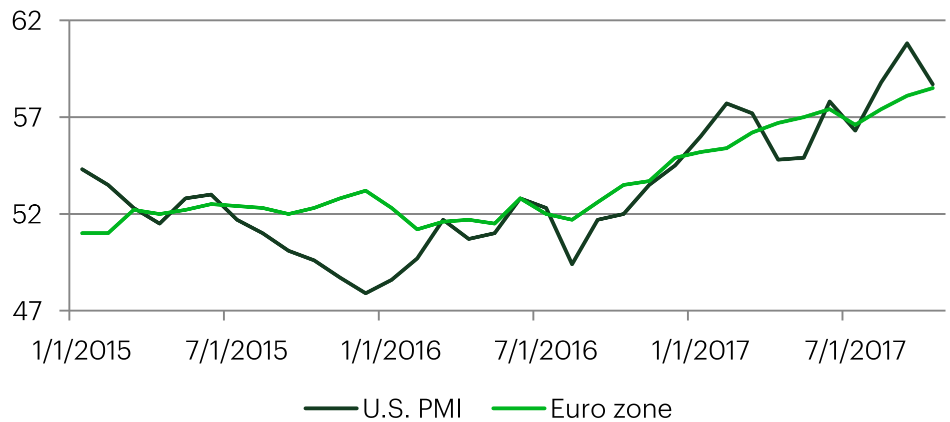
Source: Bloomberg Fiance L.P. As at October 31, 2017.

global a go go (cont'd)

euro zone reduces asset purchases

Meanwhile, monetary policy remains accommodative with the European Central Bank (ECB) unlikely to hike interest rates until 2019 with tightening in policy contingent on inflation expectations. The broadening economic recovery in the euro zone, notable for three consecutive quarters of economic growth at double the trend pace, has given monetary authorities enough confidence in the economic outlook to announce a reduction in asset purchases, much like the U.S. Federal Reserve's announced quantitative tightening. This change will come nine months after the monthly pace of asset purchases were reduced to a €60 billion from €80 billion. Moreover, although the pace of asset purchases are set to slow, the size of the ECB's balance sheet will remain at elevated levels for the foreseeable future, and as such, maintains the highly accommodative monetary policy supporting the strengthening economic recovery. Finally, we believe that Emerging Markets are likely to benefit from strong global economic growth and the Purchasing Managers Indexes in the area are broadly expansionary. Political risks in Brazil and China have diminished and commodity prices have stabilized, which is also a positive.

Figure 7: Purchasing Managers Index



Source: Bloomberg Fiance L.P. As at October 31, 2017.

managing portfolios

what to do now

Risk Priority Management

Innovate and look forward
Invest like an owner
Embrace human behaviour
Mitigate outside and inside risks
Pursue real returns
Pay for what you get
Provide for lifetimes over market cycles

At its foundation, this quarterly strategy is all about going towards the great unknown with informed confidence. Negative events in financial markets can happen at any time and when you least expect them, one's doppelgänger doesn't send a warning. Nations renege on their debts, executives fail in delivering their business plans and investors head to one exit at the same time. For a long time, monetary policy has made negative occurrences disappear. For instance, back in the summer of 2012, when fear over the potential breakup of the euro zone peaked, as bond yields in Italy and Spain reached unsustainable levels, the President of the European Central Bank (ECB), Mario Draghi, made it clear that failure was not an option with the following promise "Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough," Here we are today, six years later, with the brand new renaissance in the euro zone the driver behind our Global a go go theme.

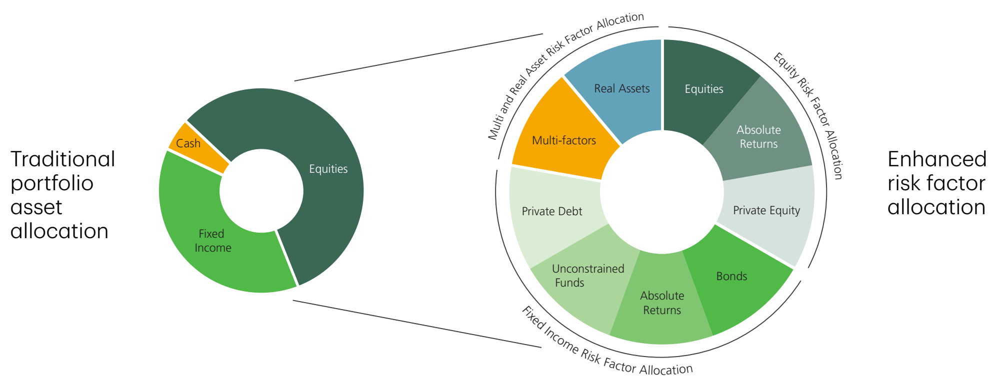
We believe that the best way to traverse the future is to be guided by a well-defined investment philosophy. It is our way of balancing investors' desire for capital growth with their fear of capital loss. Embracing human behaviour is one of our key principles and seems particularly poignant today. Not only have low interest rates changed financial markets, they have changed how we make investment decisions. Back in January, Harvard and MIT published a report entitled "Low Interest Rates and Risk Taking: Evidence from Individual Investment Decisions", which considered the impact of low interest rates on how investors made decisions. The focus of the paper was on the "condition" called "reaching for yield" where they empirically test and conclude that investors can be driven to prefer risky assets when the risk free rate is low. Clearly, this study quantified what I believe many of us know, but it does reinforce just how powerful psychology is to how we make decisions. This study is an example of prospect theory, which describes how people choose between different options and how they estimate (many times in a biased or incorrect way) the perceived outcome of these options. For more about the changing interest rate environment, see two of our recent Monthly Perspectives publications called Rateshock – Fixed Income and Rateshock – Equity.

We believe that these good times could go on longer than many alarmists are prepared to consider. We are reminded of a cartoon published years ago of a guy wearing a sandwich board warning all readers that the world could end tomorrow as he complained to jewelry store clerk that the watch he was about to purchase had only a year warranty. We are at a transition point and believe that this may be an appropriate time to make sure your portfolio is built for the potentially good and potentially bad that may lay ahead. Your advisor is there to help you prepare for both possibilities.

a new way of thinking

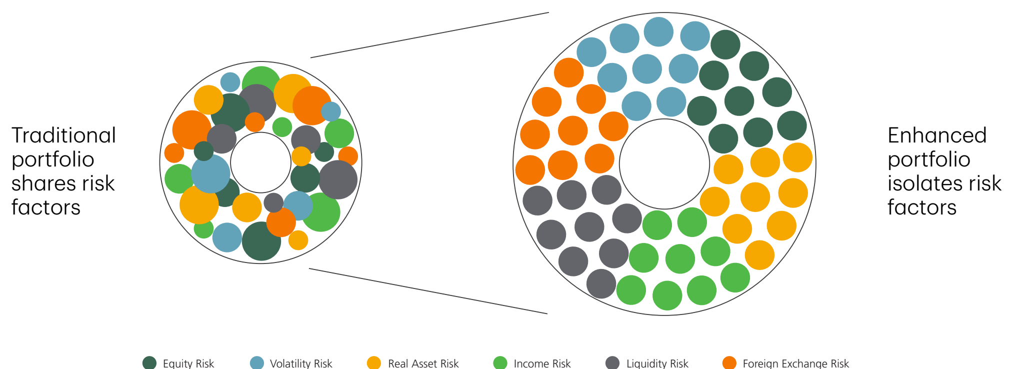
asset allocation

On the surface, Risk Priority Portfolios are built with investment solutions that span beyond traditional asset allocation. The blend of traditional and alternative asset classes is key to achieving risk factor diversification below the surface.

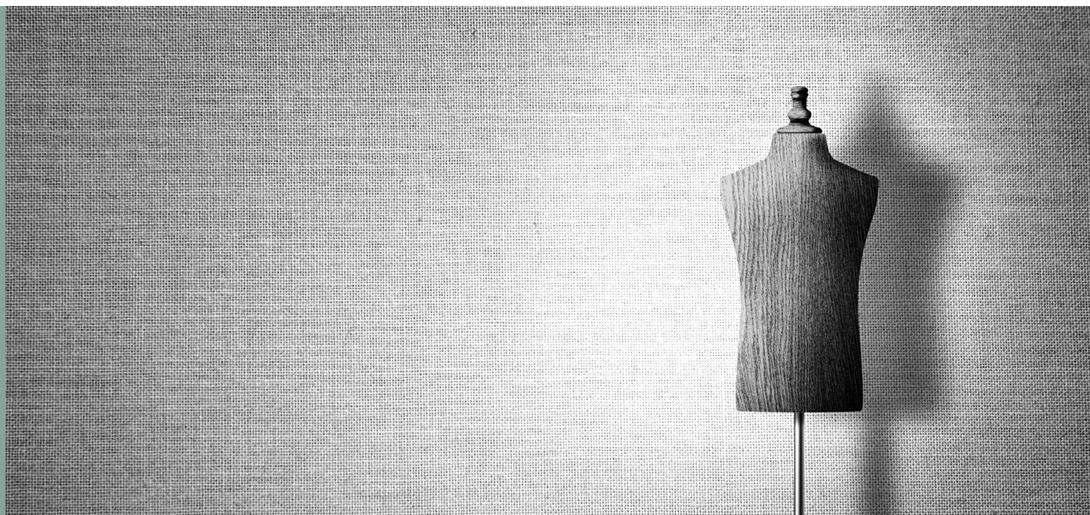


risk factor diversification

Below the surface, Risk Priority Portfolios seek to manage the individual risk factors (elements inside each security that impact the losses or gains of a portfolio) to achieve risk factor diversification and strive for above-average risk-adjusted returns.



the right fit



tailored just for you

At TD Wealth, we believe that clients are looking for investment portfolio solutions, not products. Portfolio solutions that are based on the following criteria:

- Managed to target their personal goals and future needs
- Built based on individual outcomes and absolute returns
- Provide income without chasing yield
- Afford returns that are taxed but not taxing
- Deliver a better balance between risk and return
- Reduce market volatility by better managing risk
- Offer new sources of returns that are less reliant on the direction of equity market

Risk Priority Portfolios are designed to help meet the criteria investors are looking for. The portfolios provide a guided investment framework to craft bespoke investment solutions for unique needs and objectives. Most importantly, this is not an off-the-shelf product; this is a flexible portfolio construction and management platform.

Inspired by best practices from pensions, endowments and family offices, the portfolios are built with unique investment solutions that are supported by institutional risk management and diverse thought leadership from TD Wealth and respected external global asset managers.

Risk Priority Portfolios

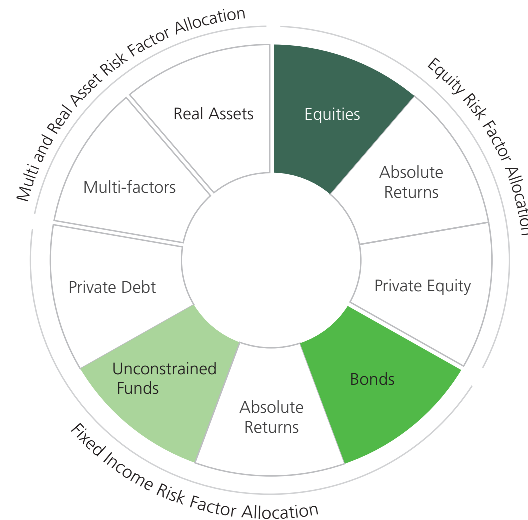
Six portfolios for investors who are looking for robust diversification, but without the use of alternative investment strategies.

Risk Priority PLUS Portfolios

Four portfolios for sophisticated investors who prefer a broad use of alternative investments.

Conservative Income

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. The TD Core Dividend Portfolio was a net contributor adding 2.22%, while the TD Low Volatility Fund was the lone detractor for the quarter, down 0.49%. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down 2.10% and 1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The PIMCO Monthly Income Fund however bolstered the overall return, delivering 1.43% over the quarter and 5.48% since inception. These allocations will continue to provide downside insulation on both the global and Canadian Equity markets.

Risk Rating

Low Medium High

Risk Factors

Fixed Income Factor	
Bonds	64%
Unconstrained Funds	16%
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	20%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

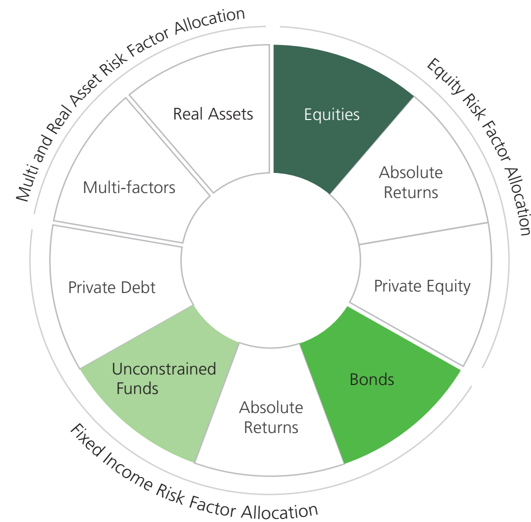
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Equity Factor
TD Core Dividend Equity Portfolio
SPDR S&P 500 ETF
TD Global Low Volatility Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF

Performance as at September 30, 2017.

Balanced Income

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. The TD Core Dividend Portfolio was a net contributor adding 2.22%, while the TD Low Volatility Fund was the lone detractor for the quarter, down 0.49%. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations: the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down 2.10% and 1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The PIMCO Monthly Income Fund however bolstered the overall return, delivering 1.43% over the quarter and 5.48% since inception. These allocations will continue to provide downside insulation on both the global and Canadian Equity markets.

Risk Rating

Low Medium High

Risk Factors

Fixed Income Factor	
Bonds	56%
Unconstrained Funds	14%
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	30%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

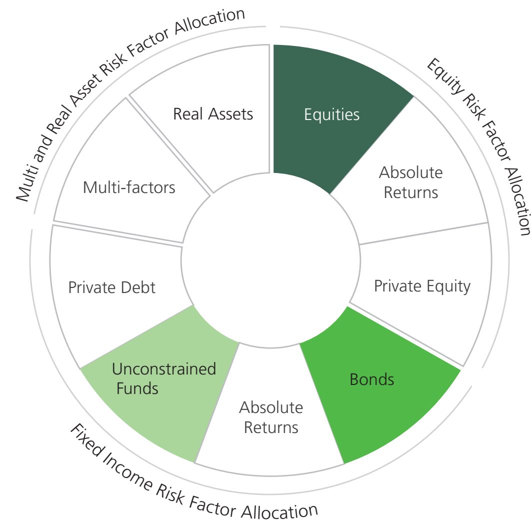
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Equity Factor
TD Core Dividend Equity Portfolio
SPDR S&P 500 ETF
TD Global Low Volatility Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF

Performance as at September 30, 2017.

Balanced

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. The TD Core Dividend Portfolio was a net contributor adding 2.22%, while the TD Low Volatility Fund was the lone detractor for the quarter, down 0.49%. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations: the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down 2.10% and 1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The PIMCO Monthly Income Fund however bolstered the overall return, delivering 1.43% over the quarter and 5.48% since inception. These allocations will continue to provide downside insulation on both the global and Canadian Equity markets.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	44%
Unconstrained Funds	11%
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	45%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

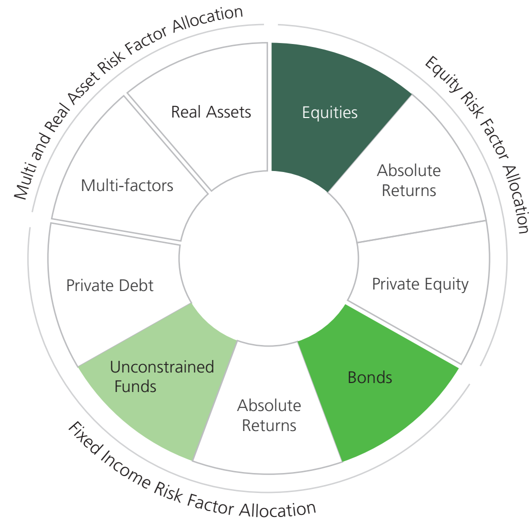
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Equity Factor
TD Core Dividend Equity Portfolio
SPDR S&P 500 ETF
TD Global Low Volatility Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF

Performance as at September 30, 2017.

Balanced Growth

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. During the quarter, the TD Core North American Portfolio was a net contributor adding 2.68%, while the S&P/TSX 60 ETF and Capital Group Global Equity fund were up 3.92% and 2.36% respectively. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down 2.10% and 1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The PIMCO Monthly Income Fund however bolstered the overall return delivering 1.43% over the quarter and 5.48% since inception. These allocations will continue to provide downside insulation on both the global and Canadian Equity markets.

Performance as at September 30, 2017.

Risk Rating

Risk Factors

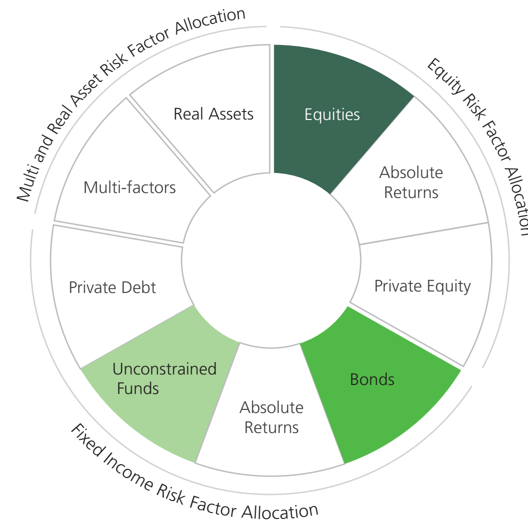
Fixed Income Factor	
Bonds	32%
Unconstrained Funds	8%
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	60%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Equity Factor
iShares S&P/TSX 60 ETF
TD Core North American Equity Portfolio
SPDR S&P 500 ETF
TD U.S. Mid-Cap Growth Fund
Capital Group Global Equity Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF

Growth

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA was up 5.55% over previous three month. During the quarter, the TD Core North American Portfolio was a net contributor adding 2.68%, while the S&P/TSX 60 ETF & Capital Group Global Equity fund were up 3.92% and 2.36% respectively. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down 2.10% and 1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The PIMCO Monthly Income Fund however bolstered the overall return delivering 1.43% over the quarter and 5.48% since inception. These allocations will continue to provide downside insulation on both the global and Canadian Equity markets.

Performance as at September 30, 2017.

Risk Rating

Low Medium High

Risk Factors

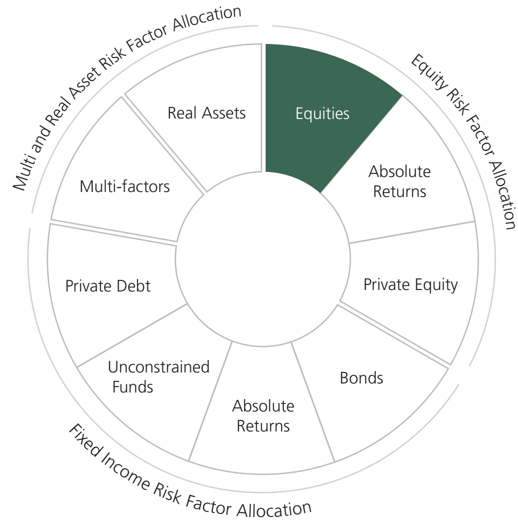
Fixed Income Factor	
Bonds	16%
Unconstrained Funds	4%
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	80%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Equity Factor
iShares S&P/TSX 60 ETF
TD Core North American Equity Portfolio
SPDR S&P 500 ETF
TD U.S. Mid-Cap Growth Fund
Capital Group Global Equity Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF

Aggressive Growth

Risk Priority Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA was up 5.55% over previous three month. During the quarter, the TD Core North American Portfolio was a net contributor adding 2.68%, while the S&P/TSX 60 ETF and Capital Group Global Equity fund were up 3.92% and 2.36% respectively. Exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception. The lone detractor in the portfolio was the exposure to emerging markets through Westwood, down 0.75% over the quarter.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	-
Unconstrained Funds	-
Absolute Return	-
Private Debt	-
Equity Factor	
Equity	100%
Absolute Return	-
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	-

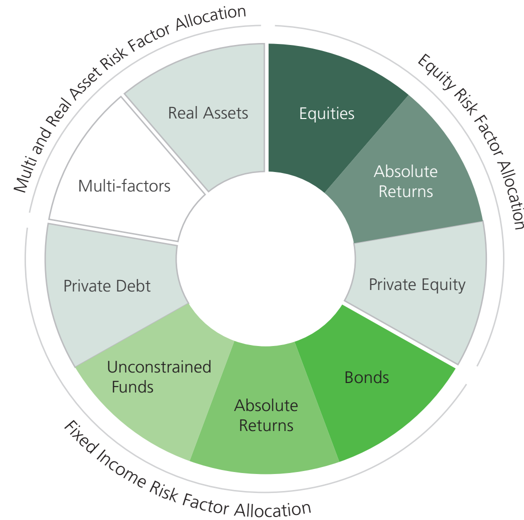
Portfolio Mandates

Equity Factor
iShares S&P/TSX 60 ETF
TD Core North American Equity Portfolio
SPDR S&P 500 ETF
TD U.S. Mid-Cap Growth Fund
Capital Group Global Equity Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF
Westwood Emerging Markets Fund

Performance as at September 30, 2017.

Conservative Income

Risk Priority PLUS Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. During the quarter, the TD Core Dividend Portfolio added value, returning 2.22%, while the TD Low Volatility Fund and Picton Mahoney Market Neutral fund were mild detractors, down 0.49% and 0.38% respectively.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down -2.10% and -1.88% respectively. Both were negatively affected, in part , by the two BOC rate hikes this past summer. The Picton Mahoney Income Opportunities Fund and the RP Debt Opportunities Fund were again net contributors to overall performance, up 1.74% and 1.37% respectively, as their focus continues to be on low volatility and capital preservation. The PIMCO Monthly Income Fund also bolstered overall return, delivering 1.43% over the quarter and 5.48% since inception. Exposure to low and uncorrelated real assets including infrastructure private debt and private equity is the objective behind the addition of the Brookfield Real Assets Hybrid Fund.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	59%
Unconstrained Funds	15%
Absolute Return	6%
Private Debt	-
Equity Factor	
Equity	14%
Absolute Return	3%
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	3%

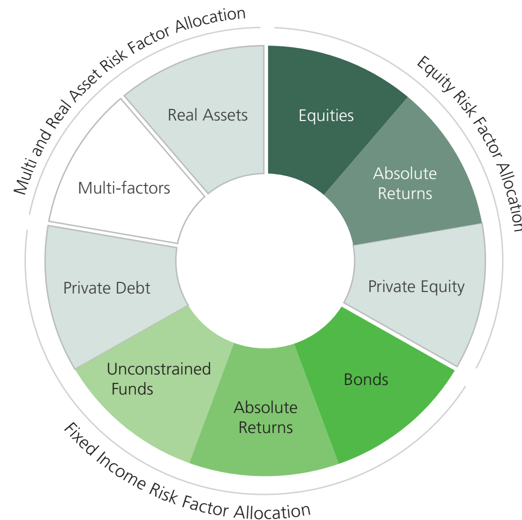
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Absolute Returns
Picton Mahoney Income Opportunities Fund
RP Debt Opportunities Fund
Equity Factor
TD Core Dividend Equity Portfolio
SPDR S&P 500 ETF
TD Global Low Volatility Fund
Vanguard FTSE Developed Markets ETF
Absolute Returns
Picton Mahoney Market Neutral Fund
Real Assets
Brookfield Real Assets Hybrid Fund

Performance as at September 30, 2017. To reflect the recent addition of the Brookfield Real Assets Hybrid Fund, risk factors and portfolio manadates are as at January 1, 2018.

Balanced Income

Risk Priority PLUS Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. During the quarter, the TD Core Dividend Portfolio and CC&L Global Market Neutral Fund were both strong performers adding 2.22% and 3.85% respectively, while the TD Low Volatility Fund was a mild detractor, down 0.49%.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down -2.10% and -1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The Picton Mahoney Income Opportunities Fund and the RP Debt Opportunities Fund were again net contributors to overall performance, up 1.74% and 1.37%, as their focus continues to be on low volatility and capital preservation. The PIMCO Monthly Income Fund also bolstered overall return, delivering 1.43% over the quarter and 5.48% since inception. Exposure to low and uncorrelated real assets including infrastructure private debt and private equity is the objective behind the addition of the Brookfield Real Assets Hybrid Fund.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	50%
Unconstrained Funds	13%
Absolute Return	6%
Private Debt	-
Equity Factor	
Equity	25%
Absolute Return	3%
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	3%

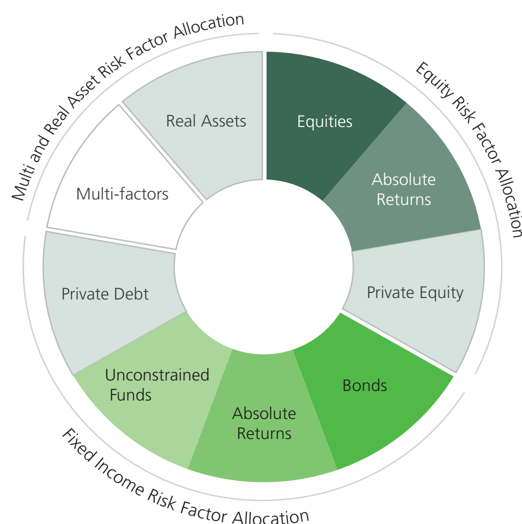
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Absolute Returns
Picton Mahoney Income Opportunities Fund
RP Debt Opportunities Fund
Equity Factor
TD Core Dividend Equity Portfolio
TD Global Low Volatility Fund
Vanguard FTSE Developed Markets ETF
Absolute Returns
CC&L Global Market Neutral Fund
Real Assets
Brookfield Real Assets Hybrid Fund

Performance as at September 30, 2017. To reflect the recent addition of the Brookfield Real Assets Hybrid Fund, risk factors and portfolio manadates are as at January 1, 2018.

Balanced

Risk Priority PLUS Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. During the quarter, the TD Core Dividend Portfolio was a net contributor adding 2.22%, while the S&P/TSX 60 ETF added 3.92%. CC&L Global Market Neutral was a strong performer returning 3.85%, while the Polar Long/Short was a mild contributor, returning 0.05%. Additional exposure to international growth opportunities through the Manulife World Investment Fund continues to be strong with a return of 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down -2.10% and -1.88% respectively. Both were negatively affected, in part , by the two BOC rate hikes this past summer. The Picton Mahoney Income Opportunities Fund and the RP Debt Opportunities Fund were again net contributors to overall performance, up 1.74% and 1.37%, as their focus continues to be on low volatility and capital preservation. The PIMCO Monthly Income Fund also bolstered overall return, delivering 1.43% over the quarter and 5.48% since inception. Exposure to low and uncorrelated real assets including infrastructure private debt and private equity is the objective behind the addition of the Brookfield Real Assets Hybrid Fund.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	37%
Unconstrained Funds	8%
Absolute Return	8.5%
Private Debt	-
Equity Factor	
Equity	33%
Absolute Return	8.5%
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	5%

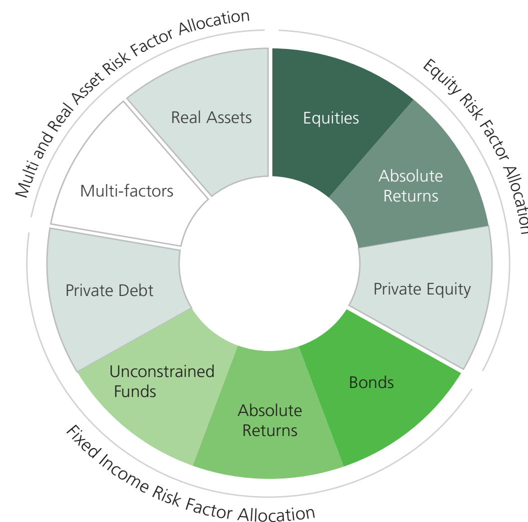
Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Absolute Returns
Picton Mahoney Income Opportunities Fund
RP Debt Opportunities Fund
Equity Factor
iShares S&P/TSX 60 ETF
TD Core North American Equity portfolio
TD Global Low Volatility
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF
Absolute Returns
Polar Long/Short Fund
CC&L Global Market Neutral Fund (5%)
Real Assets
Brookfield Real Assets Hybrid Fund

Performance as at September 30, 2017. To reflect the recent addition of the Brookfield Real Assets Hybrid Fund, risk factors and portfolio manadates are as at January 1, 2018.

Balanced Growth

Risk Priority PLUS Portfolios



More information

Fees and Liquidity

Highlights

The reduction of the SPDR S&P 500 ETF and the redeployment of assets to the Vanguard FTSE Developed Markets ETF (VEA) worked positively for the portfolio as VEA moved up 5.55% over the previous three months. During the quarter, the TD Core North American Portfolio was a net contributor adding 2.68%, while the S&P/TSX 60 ETF added 3.92%. CC&L Global Market Neutral was a strong performer returning 3.85%, while the Polar Long/Short was a mild contributor, returning 0.05%. Additional exposure to international growth markets through the Manulife World Investment Fund continues to be a net contributor, up 1.39% over the previous three months and 15.90% since inception.

Within fixed income, the two largest allocations; the TD Canadian Core Plus Bond Fund and the iShares Canadian Bond ETF were down -2.10% and -1.88% respectively. Both were negatively affected, in part, by the two BOC rate hikes this past summer. The Picton Mahoney Income Opportunities Fund and the RP Debt Opportunities Fund were again net contributors to overall performance, up 1.74% and 1.37%, as their focus continues to be on low volatility and capital preservation. The PIMCO Monthly Income Fund also bolstered overall return, delivering 1.43% over the quarter and 5.48% since inception. Exposure to low and uncorrelated real assets including infrastructure private debt and private equity is the objective behind the addition of the Brookfield Real Assets Hybrid Fund.

Risk Rating

Risk Factors

Fixed Income Factor	
Bonds	25%
Unconstrained Funds	5%
Absolute Return	8.5%
Private Debt	-
Equity Factor	
Equity	48%
Absolute Return	8.5%
Private Equity	-
Multi and Real Asset Factor	-
Multi Factor	-
Real Assets	5%

Portfolio Mandates

Fixed Income Factor
TD Canadian Core Plus Bond Fund
iShares Canadian Universe Bond Index ETF
Unconstrained Fund(s)
PIMCO Monthly Income Fund
Absolute Returns
Picton Mahoney Income Opportunities Fund
RP Debt Opportunities Fund
Equity Factor
iShares S&P/TSX 60 ETF
TD Core North American Equity Portfolio
TD U.S. Mid-Cap Growth Fund
Capital Group Global Equity Fund
Manulife World Investment Fund
Vanguard FTSE Developed Markets ETF
Absolute Returns
Polar Long/Short Fund
CC&L Global Market Neutral Fund
Real Assets
Brookfield Real Assets Hybrid Fund

Performance as at September 30, 2017. To reflect the recent addition of the Brookfield Real Assets Hybrid Fund, risk factors and portfolio manadates are as at January 1, 2018.

about us

Portfolio Advice & Investment Research (PAIR)

PAIR is a team of investment professionals dedicated to delivering investment management services, portfolio construction guidance, product analysis, investment advice. The team leverages the thought leadership and expertise of the TD Wealth Asset Allocation Committee, TD Securities, TD Economics and various respected external global asset managers to provide scalable investment solutions and support.

TD Wealth Asset Allocation Committee (WAAC)

The TD Wealth Asset Allocation Committee was established to deliver a consistent asset allocation message and be the originating source for active asset allocation advice across TD Wealth. The committee has three prime objectives: articulate broad market themes, provide macro-level asset allocation and identify the major risks on the horizon.

TD Wealth Implementation Committee

The Implementation Committee assigns hard numbers to WAAC's views and determines asset class weights by investor profile.

TD Wealth Investment Management Committee

With profiles set, the Investment Management Committee meets for two purposes: First to take these traditional profile weights and translate them into allocations across four primary risk factors: Equity Risk, Fixed Income , Real Asset and Multi Factor. Second, to choose the mandates for these allocations. The most critical part of this step is the consideration of a select number of secondary risk factors.

The right fit

The information contained herein has been provided by TD Wealth and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance.

Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index.

Commissions, management fees and expenses all may be associated with mutual fund and/or exchange-traded fund ("ETF") investments (collectively, "the Funds"). Trailing commissions may be associated with mutual fund investments. ETF units are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. Please read the fund facts or summary documents and the prospectus, which contain detailed investment information, before investing in the Funds. The Funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer and are not guaranteed or insured. Their values change frequently. There can be no assurances that a money market fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment will be returned to you. Past performance may not be repeated.

The TD Wealth Asset Allocation Committee (WAAC) is comprised of a diverse group of TD investment professionals. The WAAC's mandate is to issue quarterly market outlooks which provide its concise view of the upcoming market situation for the next six to eighteen months. The WAAC's guidance is not a guarantee of future results and actual market events may differ materially from those set out expressly or by implication in the WAAC's quarterly market outlook. The WAAC market outlook is not a substitute for investment advice.

TD Mutual Funds and the TD Managed Assets Program portfolios are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank and are available through authorized dealers.

TD Wealth represents the products and services offered by TD Waterhouse Canada Inc. (Member – Canadian Investor Protection Fund), TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company).

FTSE TMX Global Debt Capital Markets Inc. 2018 "FTSE®" is a trade mark of FTSE International Ltd and is used under licence. "TMX" is a trade mark of TSX Inc. and is used under licence. All rights in the FTSE TMX Global Debt Capital Markets Inc.'s indices and / or FTSE TMX Global Debt Capital Markets Inc.'s ratings vest in FTSE TMX Global Debt Capital Markets Inc. and/or its licensors. Neither FTSE TMX Global Debt Capital Markets Inc. nor its licensors accept any liability for any errors or omissions in such indices and / or ratings or underlying data. No further distribution of FTSE TMX Global Debt Capital Markets Inc.'s data is permitted without FTSE TMX Global Debt Capital Markets Inc.'s express written consent. Bloomberg and Bloomberg.com are trademarks and service marks of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. All rights reserved. All trademarks are the property of their respective owners. ® The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.