



The Rewards of Dividend Investing

If you're retired, or nearly retired, dividend-paying stocks can help supplement your income, while offering you potential growth and stability

Why dividends?

Stocks that pay dividends are often blue-chip companies in essential industries such as utilities, health care, energy, consumer staples and financial. So, including some of these stocks in your portfolio means you would have a combination of high-quality stocks along with the potential of regular income.

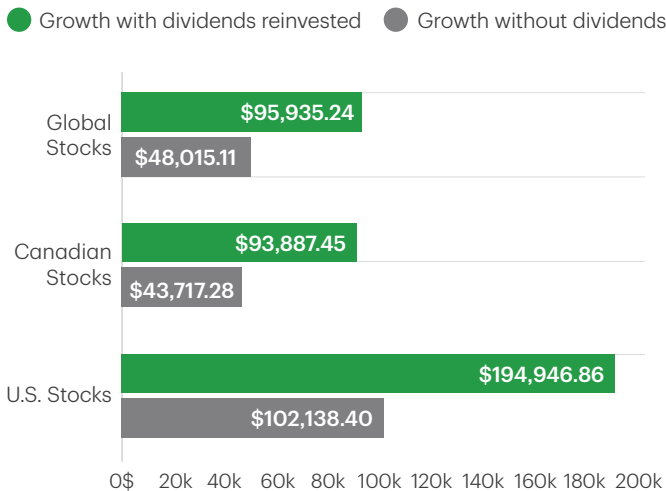
Dividend stocks distribute a portion of the company's earnings to investors on a regular basis. That way, you get cash flow with the potential option of reinvesting your dividends by purchasing more shares.

3 ways dividends can support your financial goals

1. Growth potential

Over time, reinvesting your dividends can add up to significant growth.

From 1989-2019, index returns almost doubled when dividends were reinvested (growth of \$10,000)

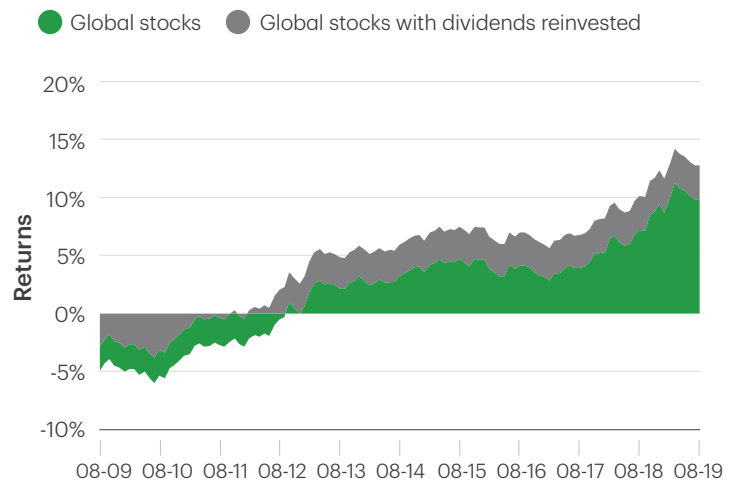


Source: Bloomberg Finance L.P., for the period July 31, 1989 to August 30, 2019. Canadian stocks – S&P/TSX Composite Index, U.S. stocks – S&P 500 Index (CDN\$), Global stocks – MSCI World Index (CDN\$)

2. Downside protection

Dividend-paying equities tend to be less volatile since they provide regular cash flow from well-established companies. These distributions can then be used to reinvest in shares at a potentially lower price.

From 2009-2019, stocks with dividends reinvested performed better against both down markets and up markets



Source: Bloomberg Finance L.P., for the period August 31, 2009 to August 31, 2019. Global stocks – MSCI World Index. Based on 10-year rolling returns.

3. Favourable Tax Treatment

Canadian dividend income is taxed at a lower rate than interest income, so you get to keep more of what you earn.¹

TD Asset Management aims to keep you one step ahead

As one of Canada's largest money managers, TD Asset Management has one of the broadest offerings of investment solutions to help meet your challenges in all market conditions.

Drawing on the deep knowledge and experience of our investment managers and sub-advisors, our proprietary investment process is centered on

- TD Tactical Monthly Income Fund²
- TD Global Tactical Monthly Income Fund²
- TD U.S. Monthly Income Fund²
- TD Dividend Income Fund
- TD Dividend Growth Fund
- TD Diversified Monthly Income Fund

independent research and analysis that helps keep us ahead of the curve, not following the pack.

We offer a range of dividend investing funds that you can consider for your portfolio including the funds listed below. Connect with your investment professional for availability:

- TD U.S. Dividend Growth Fund²
- TD North American Dividend Fund
- Epoch U.S. Shareholder Yield Fund²
- Epoch Global Shareholder Yield Fund³

For more information, please contact your **investment professional**.



¹ Source: Canada Revenue Agency. Federal Income Tax and Benefits Guide - 2018 – Federal tax and credits (Schedule 1).

² Not available through TD Investment Services Inc. TD U.S. Monthly Income Fund available through TD Investor Services Inc. in US\$ only.

³ Effective November 1, 2019, Epoch Investment Partners, Inc. became the portfolio adviser for the Epoch Global Shareholder Yield Fund (formerly the TD Global Dividend Fund). Previously, TDAM was the portfolio adviser for the fund. If the portfolio adviser change had been in effect prior to this date, the funds' performance could have been materially different.

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